

GLOBAL MINNESOTA
AUDITED FINANCIAL STATEMENTS
June 30, 2025 and 2024



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Global Minnesota
Minneapolis, Minnesota

Opinion

We have audited the accompanying financial statements of Global Minnesota (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Global Minnesota as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Global Minnesota and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibility 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 Global Minnesota's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits 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 Global 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 Global 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 audits, significant audit findings, and certain internal control related matters that we identified during the audits.

Hamington Langer & Associates

September 15, 2025

GLOBAL MINNESOTA
STATEMENTS OF FINANCIAL POSITION
June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 217,411	165,439
Accounts receivable	4,786	16,278
Government contributions receivable	23,000	92,725
Other contributions receivable	122,700	25,250
Prepaid expenses	28,649	32,405
Investments	<u>15,916</u>	<u>153,511</u>
 TOTAL CURRENT ASSETS	 <u>412,462</u>	 <u>485,608</u>
 PROPERTY AND EQUIPMENT, at cost		
Furniture and equipment	112,206	113,055
Leasehold improvements	<u>2,900</u>	<u>2,900</u>
	115,106	115,955
Less: accumulated depreciation	<u>(110,440)</u>	<u>(105,101)</u>
 TOTAL PROPERTY AND EQUIPMENT, net	 <u>4,666</u>	 <u>10,854</u>
 OTHER ASSETS		
Investments	1,006,496	943,075
Unemployment services trust	21,720	18,428
Interest in charitable trust	37,886	37,463
Operating lease right-of-use asset	<u>197,961</u>	<u>31,548</u>
 TOTAL OTHER ASSETS	 <u>1,264,063</u>	 <u>1,030,514</u>
 TOTAL ASSETS	 <u><u>\$ 1,681,191</u></u>	 <u><u>\$ 1,526,976</u></u>

	<u>2025</u>	<u>2024</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 23,288	7,423
Accrued expenses	28,984	31,279
Refundable advances	69,348	500
Deferred revenue	2,472	-
Operating lease liability, current portion	<u>54,679</u>	<u>27,048</u>
 TOTAL CURRENT LIABILITIES	 178,771	 66,250
 Operating lease liability, net of current portion	 <u>138,618</u>	 <u>-</u>
 TOTAL LIABILITIES	 <u>317,389</u>	 <u>66,250</u>
 NET ASSETS		
Without donor restrictions		
Board designated reserve	263,768	235,619
Undesignated	<u>161,927</u>	<u>212,322</u>
 Total without donor restrictions	 425,695	 447,941
With donor restrictions	<u>938,107</u>	<u>1,012,785</u>
 TOTAL NET ASSETS	 <u>1,363,802</u>	 <u>1,460,726</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u><u>\$ 1,681,191</u></u>	 <u><u>\$ 1,526,976</u></u>

GLOBAL MINNESOTA
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2025
(With Comparative Totals for 2024)

	Without Donor Restrictions	With Donor Restrictions	Total 2025	Total 2024
SUPPORT AND REVENUE				
Public contributions	\$ 644,238	\$ 157,493	\$ 801,731	\$ 808,988
Government grants and contributions	214,574	-	214,574	312,674
Program income	67,516	-	67,516	70,132
Annual gala, net	224,723	-	224,723	191,794
In-kind contributions	5,150	-	5,150	6,854
Investment income, net of fees	31,878	68,126	100,004	146,297
Miscellaneous	(110)	-	(110)	(275)
Net assets released from restrictions	300,297	(300,297)	-	-
TOTAL SUPPORT AND REVENUE	1,488,266	(74,678)	1,413,588	1,536,464
EXPENSES				
Program services	1,233,705	-	1,233,705	1,169,741
Management and general	107,085	-	107,085	146,555
Development	169,722	-	169,722	175,050
TOTAL EXPENSES	1,510,512	-	1,510,512	1,491,346
CHANGE IN NET ASSETS	(22,246)	(74,678)	(96,924)	45,118
NET ASSETS, BEGINNING	447,941	1,012,785	1,460,726	1,415,608
NET ASSETS, ENDING	\$ 425,695	\$ 938,107	1,363,802	\$ 1,460,726

GLOBAL MINNESOTA
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Public contributions	\$ 662,128	\$ 146,860	\$ 808,988
Government contributions	234,674	78,000	312,674
Program income	69,922	210	70,132
Annual gala, net	191,794	-	191,794
In-kind contributions	6,854	-	6,854
Investment income, net of fees	36,350	109,947	146,297
Miscellaneous	(275)	-	(275)
Net assets released from restrictions	270,613	(270,613)	-
	<u>1,472,060</u>	<u>64,404</u>	<u>1,536,464</u>
TOTAL SUPPORT AND REVENUE			
	<u>1,472,060</u>	<u>64,404</u>	<u>1,536,464</u>
EXPENSES			
Program services	1,169,741	-	1,169,741
Management and general	146,555	-	146,555
Development	175,050	-	175,050
	<u>1,491,346</u>	<u>-</u>	<u>1,491,346</u>
TOTAL EXPENSES			
	<u>1,491,346</u>	<u>-</u>	<u>1,491,346</u>
CHANGE IN NET ASSETS	(19,286)	64,404	45,118
NET ASSETS, BEGINNING	<u>467,227</u>	<u>948,381</u>	<u>1,415,608</u>
NET ASSETS, ENDING	<u>\$ 447,941</u>	<u>\$ 1,012,785</u>	<u>\$ 1,460,726</u>

GLOBAL MINNESOTA
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (96,924)	\$ 45,118
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	5,990	6,884
Loss on disposal of fixed assets	198	275
Interest and dividends reinvested, net of fees	(26,177)	(19,892)
Realized and unrealized gain on investments	(72,080)	(121,555)
Change in interest in charitable trust	(423)	(1,805)
Change in:		
Accounts receivable	11,492	(13,315)
Government contributions receivable	69,725	(92,725)
Other contributions receivable	(97,450)	6,250
Prepaid expenses	3,756	(9,638)
Unemployment services trust	(3,292)	(4,985)
Operating lease asset and liabilities	(164)	(1,364)
Accounts payable	15,865	(8,431)
Accrued expenses	(2,295)	9,310
Refundable advances	68,848	-
Deferred revenue	2,472	-
	<u>(120,459)</u>	<u>(205,873)</u>
NET CASH USED IN OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash proceeds from investments	<u>172,431</u>	<u>194,272</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	51,972	(11,601)
CASH AND CASH EQUIVALENTS, BEGINNING	<u>165,439</u>	<u>177,040</u>
CASH AND CASH EQUIVALENTS, ENDING	<u><u>\$ 217,411</u></u>	<u><u>\$ 165,439</u></u>

GLOBAL MINNESOTA

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2025

(With Comparative Totals for 2024)

	Program Services				Support Services			Total 2025	Total 2024
	K - 12 Education	Discussion Groups	Professional Exchanges	World Affairs Events	Total Program Services	Management and General	Development		
Salaries	\$ 192,101	\$ 90,565	\$ 276,307	\$ 283,394	\$ 842,367	\$ 60,423	\$ 119,718	\$ 1,022,508	\$ 955,881
Employee benefits	23,830	14,538	30,194	36,608	105,170	11,189	16,404	132,763	128,821
Payroll taxes	14,418	6,682	20,754	21,331	63,185	4,334	8,969	76,488	71,572
Total Personnel Expenses	230,349	111,785	327,255	341,333	1,010,722	75,946	145,091	1,231,759	1,156,274
Advertising and promotion	-	-	-	500	500	-	-	500	1,342
Audit/accounting/legal	167	69	241	224	701	13,324	-	14,025	12,525
Depreciation	1,192	497	1,725	1,605	5,019	341	630	5,990	6,884
Dues and subscriptions	287	120	1,569	3,231	5,207	171	150	5,528	7,845
Information technology	4,351	1,815	6,417	5,860	18,443	3,111	2,295	23,849	32,850
Insurance	1,823	760	2,638	2,455	7,676	522	962	9,160	8,635
Occupancy	13,031	5,435	18,859	17,550	54,875	4,517	6,876	66,268	64,614
Postage and shipping	170	570	187	171	1,098	137	5,463	6,698	5,338
Printing and copying	1,062	443	1,538	1,431	4,474	304	3,636	8,414	8,532
Processing and bank fees	32	181	45	943	1,201	1,067	10,449	12,717	14,185
Professional development	813	325	4,793	4,870	10,801	12	350	11,163	13,800
Professional fees	442	184	639	595	1,860	5,979	234	8,073	7,700
Program food/beverage	5,045	1,004	9,299	28,218	43,566	637	36,432	80,635	106,964
Program events	23,507	219	7,964	11,222	42,912	150	15,819	58,881	73,303
Repairs and maintenance	356	149	515	480	1,500	99	191	1,790	-
Representation/travel	371	37	482	762	1,652	209	87	1,948	3,358
Resource materials	1,844	9,429	1,669	194	13,136	-	-	13,136	12,783
Supplies	871	397	1,190	1,155	3,613	236	906	4,755	5,762
Telephone	1,128	470	1,632	1,519	4,749	323	596	5,668	6,842
Total expenses by function	286,841	133,889	388,657	424,318	1,233,705	107,085	230,167	1,570,957	1,549,536
Less expenses included with revenues on the statement of activities	-	-	-	-	-	-	(60,445)	(60,445)	(58,190)
Total expenses included in the statement of activities	\$ 286,841	\$ 133,889	\$ 388,657	\$ 424,318	\$ 1,233,705	\$ 107,085	\$ 169,722	\$ 1,510,512	\$ 1,491,346

GLOBAL MINNESOTA
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2024

	Program Services					Support Services		
	K - 12 Education	Discussion Groups	Professional Exchanges	World Affairs Events	Total Program Services	Management and General	Development	Total
Salaries	166,123	81,034	246,791	251,689	\$ 745,637	\$ 90,258	\$ 119,986	\$ 955,881
Employee benefits	18,273	11,711	25,123	36,497	91,604	17,000	20,217	128,821
Payroll taxes	12,497	6,047	18,586	18,891	56,021	6,564	8,987	71,572
Total Personnel Expenses	196,893	98,792	290,500	307,077	893,262	113,822	149,190	1,156,274
Advertising and promotion	197	71	234	700	1,202	54	86	1,342
Audit/accounting	141	68	224	191	624	11,901	-	12,525
Depreciation	1,280	620	2,031	1,735	5,666	475	743	6,884
Dues and subscriptions	405	183	1,130	5,767	7,485	140	220	7,845
Information technology	5,706	2,761	9,455	7,731	25,653	3,884	3,313	32,850
Insurance	1,606	777	2,548	2,176	7,107	595	933	8,635
Occupancy	12,018	5,815	19,061	16,283	53,177	4,459	6,978	64,614
Postage and shipping	234	436	184	174	1,028	139	4,171	5,338
Printing and copying	1,056	511	1,675	1,431	4,673	392	3,467	8,532
Processing and bank fees	3	293	-	826	1,122	1,086	11,977	14,185
Professional development	1,575	75	7,201	4,836	13,687	45	68	13,800
Professional fees	399	193	632	540	1,764	5,647	289	7,700
Program food/beverage	4,574	1,072	5,184	62,668	73,498	2,639	30,827	106,964
Program events	9,089	259	6,548	37,968	53,864	348	19,091	73,303
Representation/travel	1,163	55	869	896	2,983	98	277	3,358
Resource materials	1,148	10,766	531	338	12,783	-	-	12,783
Supplies	957	516	1,517	1,542	4,532	359	871	5,762
Telephone	1,273	616	2,018	1,724	5,631	472	739	6,842
Total expenses by function	239,717	123,879	351,542	454,603	1,169,741	146,555	233,240	1,549,536
Less expenses included with revenues on the statement of activities	-	-	-	-	-	-	(58,190)	(58,190)
Total expenses included in the statement of activities	<u>\$ 239,717</u>	<u>\$ 123,879</u>	<u>\$ 351,542</u>	<u>\$ 454,603</u>	<u>\$ 1,169,741</u>	<u>\$ 146,555</u>	<u>\$ 175,050</u>	<u>\$ 1,491,346</u>

See notes to financial statements

GLOBAL MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Global Minnesota is a leading nonprofit, nonpartisan organization dedicated to connecting, informing and engaging Minnesotans with the world. As world events evolve rapidly, we are committed to providing Minnesota with relevant and timely information on international issues, foreign policy, and cultural topics to participate in the international sphere, and to raise Minnesota's global profile. Throughout 2024-25, Global Minnesota engaged more than 22,000 participants in programs covering 151 countries.

Global Minnesota was founded in the 1950's as a welcoming organization for international students and visitors coming to Minnesota. It was created as a university-community partnership that engaged 'citizen diplomats' in connecting with those visiting from around the world. Today, Global Minnesota has evolved into a multifaceted, nonpartisan organization providing globally-focused educational opportunities for people of all ages across Minnesota. Global Minnesota is one of the top World Affairs Councils of America, a proud member of Global Ties U.S., the nonprofit partner of the U.S. Department of State's International Visitors Leadership Program, and an affiliate of the Foreign Policy Association.

Global Minnesota's mission is to advance international understanding and engagement. We are committed to serving Minnesota from a foundation built on the values of respect, collaboration, nonpartisanship, global competency, inclusion and courage.

Distinct program areas provide rich and varied opportunities to connect with others from around the globe, serve as citizen diplomats, and gain a deeper understanding of the world. Global Minnesota offers free and low-cost hybrid, in-person, and virtual programs to make global connections accessible and create more avenues for participation. This past year, Global Minnesota focused much of its efforts on meeting the rapid increase in public participation and demand for programs that provide context and build understanding during a globally turbulent and uncertain period.

K-12 Education programs support Minnesota educators and students in their efforts to learn more about the world and develop the knowledge, skills, and curiosity necessary for success in today's global society. Throughout the school year, Global Minnesota brought 34 international visitors from 24 countries to expand global education in Minnesota classrooms. Across over 150 separate visits, global educators sparked the global curiosity of over 2,800 children. At the high school level, the Academic WorldQuest knowledge competition engaged teams from schools around the metro area and Greater Minnesota. Global Minnesota also continued a nearly 75-year tradition of welcoming international students in Minnesota by providing 35 cultural, social, and professional events to over 1,200 international students studying at 28 colleges and universities across the state.

Discussion Groups are based on the Foreign Policy Association's Great Decisions program and offer opportunities across the state to explore the year's most important issues and foreign policy topics. They provide high quality, nonpartisan information and bring together friends, colleagues, and neighbors who share a passion or curiosity for global issues. Global Minnesota coordinates nearly 30 groups located across the state. Thousands of Minnesotans engage in these conversations with more than two dozen local expert speakers which Global Minnesota provides to help enrich the discussion experience.

GLOBAL MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Professional Exchanges connect emerging leaders from around the world to Minnesotans for cultural and professional exchanges. Global Minnesota brings together local experts and participating visitors to share best practices and forge connections across continents. Global Minnesota serves as the state's premier coordinator for the U.S. Department of State's International Visitor Leadership Program and partners with public and private institutions to create custom professional exchange opportunities. This year, Professional Exchanges program hosted nearly 300 meetings with 280 local professional resources.

World Affairs Events are the public face of Global Minnesota. This program provides unique and diverse opportunities to go beyond international headlines, spark cultural conversations, and connect audiences with some of the world's foremost experts. This past year, Global Minnesota hosted nearly 80 public events ranging from presentations by visiting ambassadors and high-level diplomats, to cultural activities and panel presentations on current events. These events also provide international access, insights, and global brand exposure to Minnesota companies, with 13 dedicated corporate events in 2024-25. These activities informed over 8,400 participants across Minnesota on a variety of international relations, policy, and cultural topics.

Generous donors also stepped up to support this year's annual Gala in May 2025 with over \$340,000 raised for Global Minnesota's programs and mission.

Basis of Presentation:

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

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

GLOBAL MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents:

For the purpose of the statements of cash flows, the Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. The Organization maintains cash balances at several financial institutions that are insured by the FDIC up to \$250,000. At June 30, 2025 and 2024, the Organization had no uninsured cash balances.

Allowance for Credit Losses:

The Organization writes off receivables when there is information that indicates the debtor is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they will be recognized in income or an offset to credit loss expense in the year of recovery, in accordance with the entity's accounting policy election. There were no write offs to the financial statements during the years ended June 30, 2025 and 2024. Accordingly, there was no allowance for credit losses at June 30, 2025 and 2024.

Contributions Receivable:

Contributions receivables consist of unconditional promises to give and are recognized as revenue in the period made. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions to be received after one year are discounted using the present value of future cash flows. Amortization of discounts is recorded as additional contribution revenue. An allowance for uncollectible contributions receivable is provided based upon management's judgment including such factors as prior collection history.

Investments:

Investments are stated at fair value in the Statements of Financial Position. Investment income or loss (including realized gains and losses on investments, interest and dividends) is included in the increase (decrease) in unrestricted net assets unless the income or loss is restricted by donor or law.

Property and Equipment:

Assets acquired by purchase are stated at cost. Assets acquired by gift, if material, are stated at their fair market value at the time of the donation. Depreciation is computed over the estimated useful lives of the assets by the straight-line method. The following estimated useful lives are used in computing depreciation:

	<u>Years</u>
Furniture and equipment	3 - 7
Leasehold improvements	7

GLOBAL MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Depreciation expense for the years ended June 30, 2025 and 2024 amounted to \$5,990 and \$6,884, respectively.

Leases:

The Organization accounts for leases in accordance with FASB ASC 842. The Organization is a lessee in several noncancellable operating leases for office and storage space. Leases for other equipment are evaluated using the criteria outlined in FASB ASC 842 to determine whether they will be classified as operating or finance leases. The Organization determines if an arrangement is a lease, or contains a lease, at inception of a contract and when terms of an existing contract are changed. The Organization determines if an arrangement conveys the right to use an identified asset and whether the Organization obtains substantially all of the economic benefits from and has the ability to direct the use of the asset. The Organization recognizes a lease liability and ROU asset at the commencement date of the lease.

ROU Assets:

A ROU asset is measured at the commencement date at the amount of the initially measured liability plus any lease payments made to the lessor before or after commencement date, minus any lease incentives received, plus any initial direct costs. Unless impaired, the ROU asset is subsequently measured throughout the lease term at the amount of the lease liability (that is the present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received. Lease cost for lease payments is recognized on a straight-line basis over the term of the lease. Finance lease ROU assets are amortized on a straight-line basis over the shorter of the lease term or the remaining useful life of the asset.

Lease Liabilities:

A lease liability is measured on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or rate and are measured using the index or rate at the commencement date. Lease payments, including variable payments made based on an index rate, are remeasured when any of the following occur: (1) the lease is modified (and the modification is not accounted for as a separate contract), (2) certain contingencies related to variable lease payments are resolved, or (3) there is a reassessment of any of the following: the lease term, purchase options, or amounts that are probable of being owed under a residual value guarantee. The discount rate is the rate implicit in the lease if it is readily determinable. The implicit rates of the Organization's leases are not readily determinable; accordingly, the Organization has made the election to use a risk-free rate in lieu of its incremental borrowing rate using a period comparable with that of the individual lease term based on the information available at the commencement date for each lease. For existing leases at implementation date of ASC 842, the risk-free rate used is the rate comparable with the remaining lease term as of the implementation date.

GLOBAL MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounting Policy Election for Short-term Leases:

The Organization has elected for all underlying classes of assets, to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less, but greater than 1 month at lease commencement, and do not include an option to purchase the underlying asset the Organization is reasonably certain to exercise. The Organization recognizes lease cost associated with its short-term leases on a straight-line basis over the lease term.

Revenue Recognition:

The Organization recognizes program income in the following methods: 1) Fee for service income is recognized when the services are provided, 2) Registrations revenue is recognized when the program event takes place, 3) Sales of resource materials are recognized when the materials are sold and picked up or shipped to the customer, and 4) Hotel commissions are recognized when the hotel stay takes place that results in the commission revenue to be received.

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

A portion of the Organization's revenue is derived from cost-reimbursable federal contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. As of June 30, 2025 and 2024, the Organization had received \$69,348 and \$500 of refundable advances, respectively.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

In-kind Contributions:

Donated goods, equipment, services, and facilities are recorded at fair value at the date of donation. Donated services are recorded when there is an objective basis to measure the value of such services and the service involves specialized skills that would be purchased, if not provided by donation.

GLOBAL MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

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 amounts and disclosures. Actual results could differ from those estimates.

Advertising:

Advertising costs are charged to expense as incurred. During the years ended June 30, 2025 and 2024, advertising costs were \$500 and \$1,342, respectively.

Functional Allocation of Expenses:

Expenses are charged to each program based on direct expenditures incurred. Any expenditures not directly chargeable are allocated among the programs and supporting services benefited based on usage or full-time equivalent employees.

Income Taxes:

The Organization operates as a charitable organization, exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and similar Minnesota statutes.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) for any uncertain position that more than likely than not would not be sustained upon examination by the applicable tax authorities. The Organization is subject to routine audits by taxing authorities; however, there are currently no audits for any tax periods in progress.

Reclassifications:

Certain prior year amounts have been reclassified to conform with the current year presentation. These reclassifications had no effect on previously reported net assets.

Subsequent Events:

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through September 15, 2025, the date the financial statements were available to be issued.

NOTE 2. UNEMPLOYMENT SERVICES TRUST

The Organization makes contributions to an Unemployment Services Trust. The trust is a pooled fund. The trust is used to pay unemployment claims made to the Organization. The trust's pooled assets were comprised of domestic and international equities, domestic bonds, and cash and cash equivalents.

GLOBAL MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 3. INTEREST IN CHARITABLE TRUST

The Organization is a 40% remainder beneficiary of the Bonnie Skelton Charitable Remainder Trust. The Organization reports its beneficial interest in the assets of the Trust at fair value. The change in the fair value is included in realized and unrealized investment gain (loss) on the accompanying statement of activities. As of June 30, 2025 and 2024, the Organization's interest amounted to \$37,886 and \$37,463, respectively.

NOTE 4. INVESTMENTS

At June 30, 2025 and 2024, investments consisted of the following:

	2025	2024
Investments held at Minneapolis Foundation	\$ 284,148	\$ 271,156
Mutual funds	738,264	825,430
	<u>\$ 1,022,412</u>	<u>\$ 1,096,586</u>

NOTE 5. FAIR VALUE MEASUREMENT

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). Global Minnesota groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value.

These levels are:

- | | |
|---------|---|
| Level 1 | Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date. |
| Level 2 | Other observable inputs, either directly or indirectly, including: <ul style="list-style-type: none">• Quoted prices for similar assets/liabilities in active markets;• Quoted prices for identical or similar assets in non-active markets;• Inputs other than quoted prices that are observable for the asset/liability; and,• Inputs that are derived principally from or corroborated by other observable market data. |
| Level 3 | Unobservable inputs that cannot be corroborated by observable market data. |

GLOBAL MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 5. FAIR VALUE MEASUREMENT (continued)

Mutual funds: Valued at the closing net asset value (NAV) of shares held at the fiscal year end. If the mutual fund makes its net asset values publicly available daily to set the price for purchases and redemptions the following day, the mutual fund is categorized within Level 1.

Unemployment Services Trust (Note 2): Pooled fund whose assets are comprised of domestic and international equities, domestic bond funds, and cash and cash equivalents.

Interest in Charitable Trust (Note 3): Valued at fair value of the assets held in the trust reported by the trustee. The Organization considers the measurement of its beneficial interest in the trust to be a Level 3 measurement because even though that measurement is based on the unadjusted fair value of the trust assets reported by the trustee, the Organization will never have the ability to direct the trustee to redeem them.

Investments held at Minneapolis Foundation (Note 6) are pooled with other organizations' funds and invested in diversified portfolios of U.S. Treasury, marketable equity and fixed income securities, as well as limited marketability investments, including private equities, absolute return investments, and real estate. A substantial portion of the underlying assets is measured at Level 1 and Level 2 inputs. The Organization's ownership in such investments is represented by an undivided interest in investment portfolios managed by the Foundation, not in the underlying assets themselves. The undivided interests in these portfolios are not themselves publicly traded nor can they be valued based on observable direct or indirect inputs. Accordingly, they are reported as Level 3 measurements.

The following table represents the fair value measurements of assets recognized in the statements of financial position that are measured on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2025 and 2024:

2025	Fair Value	Level 1	Level 2	Level 3
Investments held at Minneapolis Foundation	\$ 284,148	\$ -	\$ -	\$ 284,148
Mutual funds	738,264	738,264	-	-
Interest in Charitable Trust	37,886	-	-	37,886
Unemployment Services Trust	21,720	-	21,720	-
	<u>\$ 1,082,018</u>	<u>\$ 738,264</u>	<u>\$ 21,720</u>	<u>\$ 322,034</u>
2024	Fair Value	Level 1	Level 2	Level 3
Investments held at Minneapolis Foundation	\$ 271,156	\$ -	\$ -	\$ 271,156
Mutual funds	825,430	825,430	-	-
Interest in Charitable Trust	37,463	-	-	37,463
Unemployment Services Trust	18,428	-	18,428	-
	<u>\$ 1,152,477</u>	<u>\$ 825,430</u>	<u>\$ 18,428</u>	<u>\$ 308,619</u>

GLOBAL MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 5. FAIR VALUE MEASUREMENT (continued)

Reconciliation of assets measured using level 3 inputs as of June 30, 2025 and 2024, were as follows:

	Investments held at Minneapolis Foundation	Interest in Charitable Trust
Fair value, 7/1/2023	\$ 251,897	\$ 35,658
Investment return:		
Management fees	(2,578)	-
Realized and unrealized gains (losses)	32,022	1,805
Transfers	-	-
Distributions	(10,185)	-
Fair value, 7/1/2024	\$ 271,156	\$ 37,463
Investment return:		
Management fees	(2,552)	-
Realized and unrealized gains (losses)	25,725	423
Transfers	-	-
Distributions	(10,181)	-
Fair Value, 6/30/2025	<u>\$ 284,148</u>	<u>\$ 37,886</u>

NOTE 6. ENDOWMENT FUNDS

The Organization's endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as an endowment. As required by GAAP, net assets associated with the endowment funds, including funds designated by the Board, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of Global Minnesota has interpreted the 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 endowment, (b) the original value of subsequent gifts to the endowment, and (c) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. 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.

GLOBAL MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 6. ENDOWMENT FUNDS (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

The Organization has adopted investment and spending policies for investment assets to support the mission by providing earnings and capital appreciation to support the Organization's programs, capital expenditures, and board-directed initiatives through a strategic plan that strives to maintain and grow the investment corpus and provide annual operating earnings to support Global Minnesota's mission.

Board Designated Reserve:

The Board of Directors of the Organization initiated a Board Designated Reserve Fund in 1983. The Fund is carried at the fair value of the underlying securities as reported to the Organization. The fair value of the Fund was \$263,768 and \$235,619 as of June 30, 2025, and 2024, respectively. Income from the board designated reserve fund is available for operating purposes.

Building New Bridges - Cornerstone Fund:

In fiscal 1994, the Board of Directors initiated a Building New Bridges Campaign by establishing an endowment fund known as the Cornerstone Fund through the Minneapolis Foundation (the Foundation). The Fund is carried at the fair value of the underlying securities as reported to the Foundation. Limitations exist that preclude the use of net gains for operating purposes. The endowment assets are invested in a manner that is intended to provide capital appreciation to provide support and grow real purchasing power of assets under the Foundation's investment strategy. The Foundation limits the release of funds to 4 percent of the underlying assets, based upon a three-year quarterly moving average value of the assets. When gains (losses) are released, they are recorded as unrestricted investment gains (losses) when received. The fair value of the Fund was \$284,148 and \$271,156 as of June 30, 2025 and 2024, respectively. Investment gains (net of fees), including realized and unrealized gains, was \$23,173 and \$29,444 for the years ended June 30, 2025 and 2024, respectively.

GLOBAL MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 6. ENDOWMENT FUNDS (continued)

SIT Investment Associates Endowment Fund:

In fiscal 2008, the Board of Directors initiated an Endowment Fund by establishing a donor advised fund through the SIT Investment Associates Foundation. The SIT Investment Associates Foundation may accept contributions to the Fund from any individual or corporate donor, and from the Organization itself. The endowment assets are invested in a manner that is intended to earn the highest possible return under the Sit Investment Associates' investment strategy. Income or principal from the Fund shall be distributed to the Organization to carry out its general charitable purposes. The Organization may withdraw 5% of the account's value annually for operations. The original gift instrument does not explicitly state the portion of the Fund that must be maintained in perpetuity. Therefore, during the year ended June 30, 2011, the Board determined that the portion of the Fund that should be maintained (preserved) in perpetuity, consistent with the relevant law, to be the original gift amount, which amounted to \$200,000. The Fund balance at June 30, 2025 and 2024 totaled \$458,580 and \$436,300, respectively.

Endowment net asset composition by type of fund at June 30, 2025 and 2024 were as follows:

<u>2025</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Board designated endowment funds	\$ 263,768	\$ -	\$ 263,768
Donor restricted endowment funds			
Original donor restricted gift amount and amounts required to be maintained in perpetuity by donors	-	484,148	484,148
Accumulated investment gains	-	258,580	258,580
	<u>\$ 263,768</u>	<u>\$ 742,728</u>	<u>\$ 1,006,496</u>
 <u>2024</u>			
Board designated endowment funds	\$ 235,619	\$ -	\$ 235,619
Donor restricted endowment funds			
Original donor restricted gift amount and amounts required to be maintained in perpetuity by donors	-	471,156	471,156
Accumulated investment gains	-	236,300	236,300
	<u>\$ 235,619</u>	<u>\$ 707,456</u>	<u>\$ 943,075</u>

GLOBAL MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 6. ENDOWMENT FUNDS (continued)

Changes in endowment net assets for the years ended June 30, 2025 and 2024 were as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment, 7/1/2023	\$ 205,390	\$ 631,399	\$ 836,789
Investment return, net	30,229	108,142	138,371
Appropriation of endowment assets pursuant to spending-rate policy	-	(32,085)	(32,085)
Distribution from board designated endowment pursuant to distribution policy	-	-	-
Endowment, 7/1/2024	\$ 235,619	\$ 707,456	\$ 943,075
Investment return, net	28,149	67,703	95,852
Appropriation of endowment assets pursuant to spending-rate policy	-	(32,431)	(32,431)
Distribution from board designated endowment pursuant to distribution policy	-	-	-
Endowment, 6/30/2025	<u>\$ 263,768</u>	<u>\$ 742,728</u>	<u>\$ 1,006,496</u>

NOTE 7. BORROWING ARRANGEMENTS

The Organization maintains credit arrangements upon which they can borrow up to \$35,000. Balances on these accounts accrue interest up to 17.25%. These accounts are unsecured. Outstanding balances on these accounts totaled \$4,128 and \$2,744 as of June 30, 2025 and 2024, respectively, and are included in accounts payable. No interest was incurred on these accounts for the years ended of June 30, 2025 and 2024.

NOTE 8. BOARD DESIGNATED NET ASSETS

Board designated net assets at June 30, 2025 and 2024 consisted of the following:

	2025	2024
Board designated:		
Endowment Fund - Reserve	<u>\$ 263,768</u>	<u>\$ 235,619</u>

GLOBAL MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 9. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of June 30, 2025 and 2024 consisted of the following:

	2025	2024
Subject to expenditure for specified purpose:		
Program Support	\$ -	\$ 39,000
Subject to passage of time:		
Interest in charitable trust	37,886	37,463
General operations	157,493	228,866
Endowments:		
Subject to appropriation and expenditure when a specified event occurs:		
Available for general operations	258,580	236,300
Subject to endowment spending policy and appropriation:		
Available for general operations	284,148	271,156
To be maintained in perpetuity	200,000	200,000
	<u>\$ 938,107</u>	<u>\$ 1,012,785</u>

Net assets were released from restrictions by incurring expenses satisfying the restricted purpose or by the occurrence of the passage of time or other events specified by the donors as follows for the years ended June 30, 2025 and 2024:

	2025	2024
Satisfaction of purpose restrictions:		
Program Support	\$ 82,006	\$ 96,320
Expiration of time restrictions:		
General operations	185,860	142,208
Endowments:		
Restricted purpose spending rate distributions and appropriations:		
General operations	32,431	32,085
	<u>\$ 300,297</u>	<u>\$ 270,613</u>

GLOBAL MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 10. AVAILABILITY AND LIQUIDITY

The following represents Global Minnesota's financial assets available for general expenditure within one year of June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Financial Assets at Year-End		
Cash and cash equivalents	\$ 217,411	\$ 165,439
Accounts receivable	4,786	16,278
Government grants receivable	23,000	92,725
Other contributions receivable	122,700	25,250
Investments	1,022,412	1,096,586
Interest in charitable trust	<u>37,886</u>	<u>37,463</u>
 Total financial assets	 1,428,195	 1,433,741
 Less amounts not available to be used within one year		
Net assets with donor restrictions	(938,107)	(1,012,785)
Less net assets with restrictions to be met in less than one year	453,959	541,629
Board designated funds	<u>(263,768)</u>	<u>(235,619)</u>
 Financial assets available to meet general expenditures within one year	 <u><u>\$ 680,279</u></u>	 <u><u>\$ 726,966</u></u>

The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses. The Organization's Board of Directors has designated a portion of its net assets for endowment and other purposes. Those amounts are identified as board designated in the table above. These funds are invested for long-term appreciation and current income but remain available and may be spent at the discretion of the Board.

NOTE 11. IN-KIND CONTRIBUTIONS

In-kind contributions consisted of the following for the years ended June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Program events - services	\$ 1,500	\$ 1,500
Program events - facilities and goods	575	2,500
Printing and copying	<u>3,075</u>	<u>2,854</u>
	<u><u>\$ 5,150</u></u>	<u><u>\$ 6,854</u></u>

GLOBAL MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 11. IN-KIND CONTRIBUTIONS (continued)

The Organization received donated professional services for the Gala event. Donated services are recorded when there is an objective basis to measure the value of such services and the service involves specialized skills that would be purchased, if not provided by donation. Based on current market rates for these services, the Organization would have paid \$1,500 for the services provided for the Gala in 2025 and 2024, respectively. The Organization also received assistance from more than 550 and 425 volunteers in 2025 and 2024, respectively, many of whom donated significant amounts of their time for the Organization's program services. No amounts have been reflected in these financial statements for these donations because the services did not meet the requirements of generally accepted accounting principles.

The Organization received contributed facilities, goods, materials, supplies and printing that were utilized for World Affairs Events, Academic WorldQuest, and the Gala, and recognized in an amount approximating the estimated fair market value at the time of the donation.

All gifts-in-kind received by the Organization for the years ended June 30, 2025 and 2024 were considered without donor restrictions and able to be used by the Organization as determined by the Board of Directors and management.

NOTE 12. RETIREMENT PLAN

The Organization has a 403(b) defined contribution plan, which covers substantially all employees. After fifteen months of employment, the Organization makes discretionary contributions on behalf of participants at three percent of each participant's annual compensation. Participants are one hundred percent vested in any contributions made by the Organization on their behalf. During the years ended June 30, 2025 and 2024, the Organization contributed \$23,141 and \$14,690, respectively, to the plan.

NOTE 13. ANNUAL GALA

The annual gala was held during the years ended June 30, 2025 and 2024. The total receipts, expenses, and net earnings at June 30, 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Annual Gala receipts	\$ 285,168	\$ 249,984
Less: Gala expenses	<u>(60,445)</u>	<u>(58,190)</u>
Annual Gala, net	<u>\$ 224,723</u>	<u>\$ 191,794</u>

Development expense reported on the Statements of Activities includes annual gala expenses of \$4,575 and \$4,354 during 2025 and 2024, respectively, which consisted of donated services and in-kind gifts. The 2025 annual gala also raised \$58,702 of restricted revenue dedicated to the programs for the fiscal year ended June 30, 2026. The 2024 annual gala raised \$68,735 of restricted revenue dedicated to the programs for the fiscal year ended June 30, 2025.

GLOBAL MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 14. RELATED PARTY TRANSACTIONS

During the year ended June 30, 2025, the Organization received \$153,154 in contributions from board members and other related parties of the Organization, of which \$42,250 was included in contributions receivable at June 30, 2025.

NOTE 15. LEASE COMMITMENTS

The Organization has an operating lease agreement for office space expiring July 31, 2028.

For the years ended June 30, 2025 and 2024, total operating lease cost was \$66,268 and \$63,486, respectively, all of which is included in occupancy in the statement of functional expenses.

Supplemental cash flow information for the year ended June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Operating cash flows from operating leases	66,038	64,850
ROU assets obtained in exchange for new operating leases	222,136	-

Weighted average lease term and discount rate as of June 30, 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Weighted average remaining lease term (in years)	3.08	0.42
Weighted average discount rate	4.29%	2.89%

The maturities of operating lease liabilities as of June 30, 2025 were as follows:

Year Ending December 31,	<u>Amount</u>
2026	\$ 61,801
2027	68,706
2028	70,080
2029	<u>5,898</u>
Total lease payments	\$ 206,485
Less: interest	<u>(13,188)</u>
Present value of lease liability	<u><u>\$ 193,297</u></u>