

GIVENKIND  
ANNUAL FINANCIAL REPORT

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FOR THE FISCAL YEAR ENDED  
DECEMBER 31, 2023

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# GIVENKIND

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## **INTRODUCTORY SECTION**

# GIVENKIND

**Principal Officials**  
**December 31, 2023**

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## **2023 GiveNKind Board Members**

Kyle Johnson - President

Joanne Johnson - Vice President

Patrick Swartzler - Treasurer

Natalie Michas - Secretary

Rob Klawans - Board Member

Gerald Michalski - Board Member

Chis Olson - Board Member

Chris Stilling - Board Member

Joi Washington - Board Member

## **FINANCIAL SECTION**

## **INDEPENDENT AUDITORS' REPORT**

This section includes the opinion of the Organization's independent auditing firm.



## **INDEPENDENT AUDITORS' REPORT**

April 18, 2024

Board of Directors  
GiveNKind  
Gurnee, Illinois

### **Opinion**

We have audited the accompanying financial statements of GiveNKind (the Organization) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, cash flows, and functional expenses 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 GiveNKind, as of December 31, 2023, and the changes in 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 audit 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 the Organization 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.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these 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 the Organization'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 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 the Organization'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 the Organization'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.

## **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise GiveNKind's basic financial statements. The supplemental schedule is presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, supplemental schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Lauterbach & Amen, LLP*

LAUTERBACH & AMEN, LLP



## **FINANCIAL STATEMENTS**

**GIVENKIND****Statement of Financial Position  
December 31, 2023**

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<b>ASSETS</b>	
Current Assets	
Cash and Investments	\$ 143,176
Inventory	<u>2,100,666</u>
Total Current Assets	<u>2,243,842</u>
Noncurrent Assets	
Capital Assets	
Depreciable	923,661
Accumulated Depreciation	<u>(49,272)</u>
Total Noncurrent Assets	<u>874,389</u>
Total Assets	<u>3,118,231</u>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts Payable	1,600
Other Payable	2,379
Lease Payable	<u>107,326</u>
Total Current Liabilities	111,305
Noncurrent Liabilities	
Lease Payable	<u>702,206</u>
Total Liabilities	<u>813,511</u>
<b>NET ASSETS</b>	
With Donor Restrictions	—
Without Donor Restrictions	<u>2,304,720</u>
Total Net Assets	<u><u>2,304,720</u></u>

The notes to the financial statements are an integral part of this statement.

# GIVENKIND

## Statement of Activities

For the Fiscal Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Totals
Revenues and Other Support			
Contributions	\$ 160,686	—	160,686
Contributed Food, Clothing, and Other Supplies	13,418,128	—	13,418,128
Grants	95,375	—	95,375
Fundraising	56,335	—	56,335
Sales	194,400	—	194,400
Net Assets Released from Restrictions	—	—	—
Total Revenues and Other Support	13,924,924	—	13,924,924
Expenses			
Programs Services	13,967,834	—	13,967,834
Supporting Services			
Management and General	43,431	—	43,431
Fundraising	14,586	—	14,586
Total Expenses	14,025,851	—	14,025,851
Change in Net Assets	(100,927)	—	(100,927)
Net Assets - Beginning	2,405,647	—	2,405,647
Net Assets - Ending	2,304,720	—	2,304,720

The notes to the financial statements are an integral part of this statement.

# GIVENKIND

## Statement of Cash Flows For the Fiscal Year Ended December 31, 2023

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Cash Flows from Operating Activities	
Increase (Decrease) in Net Assets	\$ (100,927)
Cash Flows from Capital Activities	
Purchase of Capital Assets	(915,661)
Disposal of Capital Assets	4,232
Issuance of Loan Payable	818,172
Payment of Loan Payable	(8,640)
	<u>(101,897)</u>
Adjustments to Reconcile Changes in Unrestricted Net Assets to Net Cash Provided by Operating Activities:	
Depreciation Expense	48,405
(Increase) Decrease in Current Assets	197,355
Increase (Decrease) in Current Liabilities	523
	<u>246,283</u>
Net Cash Provided by Operating Activities	43,459
Cash and Cash Equivalents - Beginning	<u>99,717</u>
Cash and Cash Equivalents - Ending	<u><u>143,176</u></u>
Noncash Operating Activities	
Contributed Food, Clothing, and Other Supplies	13,418,128
Contributed Expenses	<u>(13,418,128)</u>
	<u><u>—</u></u>

The notes to the financial statements are an integral part of this statement.

## GIVENKIND

### Statement of Functional Expenses For the Fiscal Year Ended December 31, 2023

	Program Services	Management and General	Fundraising	Totals
Event Entertainment	\$ —	—	3,600	3,600
Event Supplies	—	—	5,510	5,510
Event Location	—	—	5,047	5,047
Contributed Nonfinancial Assets	13,615,483	—	—	13,615,483
Fees	1,795	6,823	—	8,618
Facilities and Equipment	10,050	—	—	10,050
Rentals and Maintenance	7,613	—	—	7,613
Rent	89,981	—	—	89,981
Waste Services	4,640	—	—	4,640
Printing and Copying	160	—	154	314
Office Supplies	45,888	11	198	46,097
Subscriptions	3,906	—	—	3,906
Insurance	2,063	14,328	—	16,391
Miscellaneous	94	—	—	94
Salaries and Taxes	125,767	21,983	—	147,750
Travel and Meetings	9,264	286	77	9,627
Depreciation	48,405	—	—	48,405
Interest Expense	2,725	—	—	2,725
	<u>13,967,834</u>	<u>43,431</u>	<u>14,586</u>	<u>14,025,851</u>

The notes to the financial statements are an integral part of this statement.

# **GIVENKIND**

## **Notes to the Financial Statements**

**December 31, 2023**

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### **NOTE 1 - NATURE OF ORGANIZATION**

The GiveNKind (the Organization) is a nonprofit organization that was organized October 6, 2012 under the general Non for Profit Corporation Act of the State of Illinois and Federal Section 501(c)(3) to connect donated goods from individuals and businesses with nonprofit organizations. Nonprofits receive items that support their operations and programs which frees up resources to put back into services. Quality goods live another life in the hands of those in need and diverting usable goods from landfills reduces the environmental impact on all of us. The Organization's primary sources of revenues are from public support contributions and fundraising activities.

### **NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Basis of Accounting**

The financial statements are prepared using the accrual basis of accounting in which revenue is recognized when earned and expenses are recognized when incurred.

#### **Net Assets**

Net assets of the Organization and changes therein are classified and reported as follows:

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, where by the donor has stipulated the funds be maintained in perpetuity. As of December 31, 2023, the Organization have no donor restricted funds that are perpetual in nature.

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.

#### **Use of Estimates**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America 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 reported period. Actual results could differ from those estimates.

#### **Functional Allocation of Expenses**

The costs of providing the various programs and supporting services have been summarized on a functional basis in the Statement of Functional Expenses. Functional expenses which are not directly attributable to one function are allocated between program, management and general, and fundraising services based on the number of employees involved, the amount of time spent, the percentage of their salary associated with the time and on estimated made by the Organization's management.

Notes to the Financial Statements

December 31, 2023

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**Budgetary Information**

The budget is prepared on the same basis and uses the same accounting principles as are used to prepare the financial statements. The budget is authorized by the Board of Directors which is reviewed bimonthly against actual revenue and expenses by the Board's Finance Committee. The Finance Committee discussed with staff the provisions for generating revenue, assuring long-term solvency, and maintaining services. Their recommendations are presented to the Board of Directors for discussion and decision making. No supplemental appropriations were made during the year.

The Organization had an excess of actual expenses, exclusive of contributed nonfinancial assets, over budget of \$49,168 as of the date of this report. The excess of actual expenses over budget can be attributed to the Organization receiving contributed food, clothing, and other supplies during the fiscal year, which were not budgeted.

**Income Taxes**

The Organization is exempt from income tax under IRC section 501(c)(3), and similarly, is exempt from State of Illinois taxes under the Illinois Tax Act Section 205(a), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Organization has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. There was no unrelated business income for the fiscal year ended December 31, 2023.

The Organization's Forms 990, *Return of Organization Exempt from Income Tax*, are subject to examination by the IRS, generally, for three years after they were filed. Annual filings with the State of Illinois are, similarly, subject to examination.

**Contributed Revenue**

Contributions that are restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are satisfied or expire in the reporting period in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When restrictions expire (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.

Contributions due in the next year are reflected as current promises to give and are recorded at their net realized value. Unconditional promises to give due in subsequent years are reflected as long-term promises to give and are recorded at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are received to discount the amounts.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**Cash and Investments**

For the purpose of the Statement of Financial Position and Statement of Cash Flows, the Organization's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of purchase. Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. The Organization has no investments at year-end.

**Fair Value Measurements**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of a given measurement date. Fair value measurements are based on three-level hierarchy based on the reliability of observable and unobservable inputs as follows:

Level 1 - Valuations are based on quoted prices in active markets for identical assets or liabilities that the entity has the ability to access at the measurement date.

Level 2 - Valuations are based on quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; and model-derived valuations whose significant inputs are observable.

Level 3 - Valuations are based on unobservable inputs for the assets or liability that reflect the reporting entity's own data and assumptions that market participants would use in pricing the asset or liability.

**Capital Assets**

Capital assets purchased or acquired with an original cost of \$1,000 or more are reported at historical cost or estimated historical cost. Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Machinery and Equipment	5 - 20 Years
Furniture and Fixtures	5 - 20 Years
Vehicles	7 Years
Leased Asset - Office	6 Years

**NOTE 3 - CASH AND INVESTMENTS**

At the fiscal year ended the carrying amount of the Organization's cash deposits totaled \$143,176 and the bank balances totaled \$141,448. The entire balance of deposits was fully insured by federal deposit insurance.



# GIVENKIND

## Notes to the Financial Statements

December 31, 2023

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### NOTE 4 - AVAILABILITY AND LIQUIDITY

The following represents Organization's financial assets at December 31, 2023:

Financial Assets at Fiscal Year Ended:	
Cash and Investments	\$ 143,176
Inventory	2,100,666
	<u>2,243,842</u>
Less Amounts not Available to be used within one year	
Net Assets with Donor Restrictions	<u>—</u>
Financial Assets Available to Meet General Expenses over the Next Twelve Months	<u>2,243,842</u>

The Organization's goal is generally to maintain financial assets to meet operating expenses. As part of its liquidity plan, excess cash may be invested in short-term investments, including money market accounts and certificates of deposit.

### NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Depreciable Capital Assets				
Machinery and Equipment	\$ 125	13,494	125	13,494
Furniture and Fixtures	8,340	—	8,340	—
Vehicles	8,500	83,995	500	91,995
Leased Asset - Office	—	818,172	—	818,172
	<u>16,965</u>	<u>915,661</u>	<u>8,965</u>	<u>923,661</u>
Less Accumulated Depreciation				
Machinery and Equipment	50	700	75	675
Furniture and Fixtures	3,122	1,322	4,444	—
Vehicles	2,428	13,214	214	15,428
Leased Asset - Office	—	33,169	—	33,169
	<u>5,600</u>	<u>48,405</u>	<u>4,733</u>	<u>49,272</u>
Net Capital Assets	<u>11,365</u>	<u>867,256</u>	<u>4,232</u>	<u>874,389</u>

# GIVENKIND

## Notes to the Financial Statements

December 31, 2023

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### NOTE 6 - LONG-TERM DEBT

#### Leases Payable

The Organization entered into a lease payable during fiscal year 2023. Leases payable is a direct obligation and pledge the full faith and credit of the Organization. Leases payable currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
\$818,172 Leases Payable of 2023, due in monthly installments of \$11,367, including interest at 4.00% through November 1, 2029.	\$ —	818,172	8,640	809,532

#### Long-Term Liability Activity

Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Leases Payable	\$ —	818,172	8,640	809,532	107,326

#### Debt Service Requirements to Maturity

The future principal and interest leases payments as of the year-end were as follows:

Fiscal Year	Ending	Principal	Interest
2024	\$	107,326	30,448
2025		117,311	25,974
2026		128,439	21,089
2027		144,474	14,556
2028		156,883	10,716
2029		155,099	3,119
		<u>809,532</u>	<u>105,902</u>

# GIVENKIND

## Notes to the Financial Statements

December 31, 2023

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### NOTE 7 - NET ASSETS

#### Without Donor Restrictions

Net Assets without donor restrictions as of December 31, 2023 was comprised of the following:

Undesignated	<u>\$ 2,304,720</u>
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### NOTE 8 - CONTRIBUTED NONFINANCIAL ASSETS

For the year ended December 31, 2023, contributed nonfinancial assets recognized with the Statement of Activities included:

Food	\$ 4,724,917
Clothing	2,465,996
Other Supplies	<u>6,227,215</u>
	<u>13,418,128</u>

The Organization recognized contributed nonfinancial assets within revenue, including food, clothing, and other supplies. All the contributed nonfinancial assets did not have any donor-imposed restrictions. Contributed food, clothing, and other supplies were utilized by the Organization's partners, who were eligible to request these items for their programs and clients. In valuing food, clothing, and other supplies, the Organization estimated the fair value on the basis of estimates of values that would be received for selling similar products in the United States. Contributed services are valued and are reports at the estimated fair value in the financial statements based on current rates for similar services.

## **SUPPLEMENTAL SCHEDULE**

**GIVENKIND****Schedule of Activities - Budget and Actual  
For the Fiscal Year Ended December 31, 2023**

	Budget		Actual
	Original	Final	
Revenues and Other Support			
Contributions	\$ 116,890	116,890	160,686
Contributed Nonfinancial Assets - Items	—	—	13,418,128
Grants	43,400	43,400	95,375
Fundraising	41,170	41,170	56,335
Sales	95,115	95,115	194,400
Total Revenues and Other Support	<u>296,575</u>	<u>296,575</u>	<u>13,924,924</u>
Expenses			
Program Services	345,800	345,800	13,967,834
Supporting Services			
Management and General	10,100	10,100	43,431
Fundraising	5,300	5,300	14,586
Total Expenses	<u>361,200</u>	<u>361,200</u>	<u>14,025,851</u>
Changes in Net Assets	<u>(64,625)</u>	<u>(64,625)</u>	(100,927)
Net Assets - Beginning			<u>2,405,647</u>
Net Assets - Ending			<u>2,304,720</u>