

Financial Statements

Feeding Our Communities Partners

North Mankato, Minnesota

For the Years Ended
June 30, 2021 and 2020



Feeding Our Communities Partners
Table of Contents
June 30, 2021 and 2020

	<u>Page No.</u>
Independent Auditor's Report	3
Financial Statements	
Statements of Financial Position	5
Statements of Activities	6
Statements of Functional Expenses	8
Statements of Cash Flows	10
Notes to the Financial Statements	11



INDEPENDENT AUDITOR'S REPORT

Board of Directors
Feeding Our Communities Partners
North Mankato, Minnesota

We have audited the accompanying financial statements of Feeding Our Communities Partners (the Organization), a Minnesota nonprofit corporation, which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

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; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Feeding Our Communities Partners as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

ABDO
Minneapolis, Minnesota
October 20, 2021

FINANCIAL STATEMENTS

Feeding Our Communities Partners
 Statements of Financial Position
 June 30, 2021 and 2020

	2021	2020
Assets		
Current Assets		
Cash and cash equivalents	\$ 392,974	\$ 247,733
Pledges receivable	56,810	60,040
Grants receivable	20,000	20,000
Prepaid expenses	-	812
Inventory	30,680	23,186
Total Current Assets	500,464	351,771
Property and Equipment		
Furniture and equipment	43,841	40,983
Leasehold improvements	100,585	100,585
Computer and IT equipment	10,859	10,859
Total Property and Equipment, Cost	155,285	152,427
Accumulated Depreciation	(143,732)	(141,092)
Total Property and Equipment, Net	11,553	11,335
Noncurrent Assets		
Grants receivable, net of current portion	-	20,000
Beneficial interests in assets held by others	259,768	205,307
Total Noncurrent Assets	259,768	225,307
 Total Assets	 \$ 771,785	 \$ 588,413
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 10,618	\$ 1,519
Accrued payroll	10,048	7,151
Accrued vacation	8,032	10,225
Other accrued expenses	1,147	4,897
Paycheck Protection Program note payable	-	45,000
Total Liabilities	29,845	68,792
Net Assets		
Without donor restrictions		
Undesignated	500,630	276,248
Board designated - operating reserve	175,000	175,000
Total Without Donor Restrictions	675,630	451,248
With donor restrictions	66,310	68,373
Total Net Assets	741,940	519,621
 Total Liabilities and Net Assets	 \$ 771,785	 \$ 588,413

See Independent Auditor's Report and Notes to the Financial Statements.

Feeding Our Communities Partners
Statements of Activities
For the Years Ended June 30, 2021 and 2020

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Support			
Contributions	\$ 278,710	\$ -	\$ 278,710
Fundraising event income, net of expenses of \$45,420	135,425	33,000	168,425
Private foundation grants	523,033	-	523,033
Paycheck Protection Program note forgiveness	45,000	-	45,000
In-kind donations	25,790	-	25,790
Local government grants	5,000	-	5,000
Total Support	<u>1,012,958</u>	<u>33,000</u>	<u>1,045,958</u>
Revenue			
Interest	8	-	8
Gain from beneficial interest in assets held by others	57,421	-	57,421
Total Revenue	<u>57,429</u>	<u>-</u>	<u>57,429</u>
Net Assets Released from Restriction			
Satisfaction of program restrictions	<u>35,063</u>	<u>(35,063)</u>	<u>-</u>
Total Support and Revenue	<u>1,105,450</u>	<u>(2,063)</u>	<u>1,103,387</u>
Expenses			
Program services	681,623	-	681,623
Support services			
Management and general	146,497	-	146,497
Fundraising	52,948	-	52,948
Total Expenses	<u>881,068</u>	<u>-</u>	<u>881,068</u>
Change in Net Assets	224,382	(2,063)	222,319
Net Assets, Beginning of Year	<u>451,248</u>	<u>68,373</u>	<u>519,621</u>
Net Assets, End of Year	<u>\$ 675,630</u>	<u>\$ 66,310</u>	<u>\$ 741,940</u>

See Independent Auditor's Report and Notes to the Financial Statements.

Feeding Our Communities Partners
Statements of Activities (Continued)
For the Years Ended June 30, 2021 and 2020

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Support			
Contributions	\$ 168,382	\$ 60,040	\$ 228,422
Fundraising event income, net of expenses of \$33,704	128,895	10,000	138,895
Private foundation grants	385,771	-	385,771
In-kind donations	43,811	-	43,811
Local government grants	5,000	-	5,000
Total Support	<u>731,859</u>	<u>70,040</u>	<u>801,899</u>
Revenue			
Interest	585	-	585
Loss from beneficial interest in assets held by others	11,912	-	11,912
Total Revenue	<u>12,497</u>	<u>-</u>	<u>12,497</u>
Net Assets Released from Restriction			
Satisfaction of program restrictions	<u>15,091</u>	<u>(15,091)</u>	<u>-</u>
Total Support and Revenue	<u>759,447</u>	<u>54,949</u>	<u>814,396</u>
Expenses			
Program services	518,455	-	518,455
Support services			
Management and general	134,151	-	134,151
Fundraising	34,830	-	34,830
Total Expenses	<u>687,436</u>	<u>-</u>	<u>687,436</u>
Change in Net Assets	<u>72,011</u>	<u>54,949</u>	<u>126,960</u>
Net Assets, Beginning of Year	387,453	13,424	400,877
Prior Period Adjustment	(8,216)	-	(8,216)
Net Assets, Beginning of Year as Restated	<u>379,237</u>	<u>13,424</u>	<u>392,661</u>
Net Assets, End of Year	<u>\$ 451,248</u>	<u>\$ 68,373</u>	<u>\$ 519,621</u>

See Independent Auditor's Report and Notes to the Financial Statements.

Feeding Our Communities Partners
 Statements of Functional Expenses
 For the Years Ended June 30, 2021 and 2020

	2021			Total
	Program Services	Management and General	Fundraising	
Personnel Costs				
Salaries and wages	\$ 136,727	\$ 87,712	\$ 33,537	\$ 257,976
Payroll taxes	11,011	7,064	2,701	20,776
Employee benefits	9,336	5,989	2,290	17,615
Total Personnel Costs	<u>157,074</u>	<u>100,765</u>	<u>38,528</u>	<u>296,367</u>
Food and program supplies	415,417	-	-	415,417
Facilities and equipment	51,505	17,169	-	68,674
Professional fees	1,849	12,375	-	14,224
Program transportation	7,204	-	-	7,204
Office expense	10,915	3,639	-	14,554
Information technology	13,472	4,491	-	17,963
In-kind expense	11,243	-	14,420	25,663
Conferences	1,183	2,761	-	3,944
Business expense	3,959	1,320	-	5,279
Miscellaneous expense	3,958	1,318	-	5,276
Travel	1,864	1,004	-	2,868
Insurance	-	995	-	995
Total Expenses Before Depreciation	<u>679,643</u>	<u>145,837</u>	<u>52,948</u>	<u>878,428</u>
Depreciation	<u>1,980</u>	<u>660</u>	<u>-</u>	<u>2,640</u>
Total Expenses	<u>\$ 681,623</u>	<u>\$ 146,497</u>	<u>\$ 52,948</u>	<u>\$ 881,068</u>

See Independent Auditor's Report and Notes to the Financial Statements.

Feeding Our Communities Partners
Statements of Functional Expenses (Continued)
For the Years Ended June 30, 2021 and 2020

	2020			
	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Personnel Costs				
Salaries and wages	\$ 124,985	\$ 80,179	\$ 30,657	\$ 235,821
Payroll taxes	9,865	6,328	2,420	18,613
Employee benefits	7,146	4,584	1,753	13,483
Total Personnel Costs	<u>141,996</u>	<u>91,091</u>	<u>34,830</u>	<u>267,917</u>
Food and program supplies	247,518	-	-	247,518
Facilities and equipment	48,544	16,181	-	64,725
Professional fees	1,375	9,206	-	10,581
Program transportation	7,575	-	-	7,575
Office expense	9,967	3,322	-	13,289
Information technology	5,911	1,971	-	7,882
In-kind expense	35,811	-	-	35,811
Conferences	769	1,793	-	2,562
Business expense	3,603	1,201	-	4,804
Miscellaneous expense	1,354	1,938	-	3,292
Travel	1,670	899	-	2,569
Insurance	-	995	-	995
Total Expenses Before Depreciation	<u>506,093</u>	<u>128,597</u>	<u>34,830</u>	<u>669,520</u>
Depreciation	<u>12,362</u>	<u>5,554</u>	<u>-</u>	<u>17,916</u>
Total Expenses	<u>\$ 518,455</u>	<u>\$ 134,151</u>	<u>\$ 34,830</u>	<u>\$ 687,436</u>

See Independent Auditor's Report and Notes to the Financial Statements.

Feeding Our Communities Partners
Statements of Cash Flows
For the Years Ended June 30, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities		
Change in net assets	\$ 222,319	\$ 126,960
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	2,640	17,916
Gain on Paycheck Protection Program loan forgiveness	(45,000)	-
Unrealized gain on beneficial interests in assets held by others	(54,461)	(10,402)
(Increase) decrease in assets:		
Pledges receivable	3,230	(31,616)
Grants receivable	20,000	(40,000)
Prepaid expenses	812	(812)
Inventory	(7,494)	(12,300)
Increase (decrease) in liabilities:		
Accounts payable	9,099	(149)
Accrued payroll	2,897	307
Accrued vacation	(2,193)	2,009
Other accrued expenses	(3,750)	3,117
Deferred revenue	-	(1,000)
Net Cash Provided by Operating Activities	148,099	54,030
 Cash Flows from Investing Activities		
Cash paid for purchase of property and equipment	(2,858)	(11,025)
 Cash Flows from Financing Activities		
Advances from Paycheck Protection Program	-	45,000
 Change in Cash and Cash Equivalents	145,241	88,005
 Cash and Cash Equivalents, Beginning of Year	247,733	159,728
 Cash and Cash Equivalents, End of Year	\$ 392,974	\$ 247,733

See Independent Auditor's Report and Notes to the Financial Statements.

Feeding Our Communities Partners
Notes to the Financial Statements
June 30, 2021 and 2020

Note 1: Summary of Significant Accounting Policies

A. Nature of Activities

Feeding Our Communities Partners (the Organization) is a nonprofit, 501(c)(3) tax-exempt organization. The Organization has a mission to engage our community in solving youth hunger. We envision a community in which hunger is not a barrier to success and believe that feeding hungry students allows for hungry and active minds during the school day.

The Organization fulfills this mission primarily through the work of the Backpack Food Program (serving elementary students), Power Pack Program (serving middle school students) and Summer Pack Program (serving K-8 students). Our programs provide well balanced, child friendly meals and snacks for consumption on weekend and school breaks to food-insecure youth to give them basic fuel necessary for success in school, activities, and life. In the 2020-2021 school year, the Organization served: 156,461 weekend meals plus 440,482 pandemic-relief meals for a total of 596,943 meals to area youth.

B. Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recorded when earned and expenses are recorded when a liability is incurred. Contributions received are recorded as an increase in net assets without donor restrictions, or net assets with donor restrictions depending on the existence or nature of any donor restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions (Unrestricted) – Net assets without donor restrictions are those resources over which the Organization has discretionary control. Designated amounts represent those revenues that are set aside for a particular purpose.

Net Assets With Donor Restrictions (Restricted) – Net assets with donor restrictions are those resources subject to donor-imposed restrictions, which are satisfied by actions of the Organization or passage of time, or are to be maintained permanently by the Organization. The Organization had no permanently restricted assets for years ended June 30, 2021 and 2020.

C. Cash and Cash Equivalents

For the purpose of the statement of cash flows, all highly liquid investments with a maturity of three months or less are considered to be cash equivalents. The Organization maintains cash in bank deposit accounts at high credit quality financial institutions. Cash accounts are insured by the FDIC. The balances, at times, may exceed federally insured limits.

D. Grants and Pledge Receivable

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. All donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction is fulfilled or expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. As of June 30, 2021 and 2020, no discount was recorded on pledges receivables as all pledges due within the next year. Management believes all grant and pledges are collectible and no allowance has been recorded as of June 30, 2021 and 2020.

E. Property and Equipment

Equipment, furniture and leasehold improvements costing more than \$2,500 and are expected to have a useful life of greater than one year are recorded at cost. Depreciation is computed using the straight-line method over estimated useful lives of five years for furniture and leasehold improvements and five to fifteen years for equipment. When assets are retired, or otherwise disposed of, the cost and related accumulated depreciation is removed from the accounts and any resulting gain or loss is reflected in income for the period. Depreciation expense for the years ended June 30, 2021 and 2020 was \$2,640 and \$17,916, respectively.

Feeding Our Communities Partners
Notes to the Financial Statements
June 30, 2021 and 2020

Note 1: Summary of Significant Accounting Policies (Continued)

F. Inventory

Inventory consists of purchased and donated food and supplies which is stated at cost or estimated values based on contributor values or management estimate. Total value of inventory available to distribute to children in the community at June 30, 2021 and 2020 was \$30,680 and \$23,186, respectively.

G. Beneficial Interests in Assets Held by Others

The Organization has established funds that are held at Mankato Area Foundation (Community Foundation). The fund is held and invested by the Community Foundation for the benefit of the Organization and is reported at fair value in the Statements of Financial Position, with changes in fair value recognized in the Statement of Activities.

H. Contributions and Grants

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 operating 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 the 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 Statements of Activities as net assets released from restrictions.

I. Donated Services and Materials

In accordance with GAAP for non-profit organizations, contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

J. Tax Status

The Organization is exempt from income taxes under Internal Revenue Code Section 501(c)(3) and similar state statutes.

K. Functional Expense Allocation

Salary and related payroll expenses are allocated to the program or supporting services based upon payroll records and the best estimates of management. Food and program supplies are all program related and are allocated as such. Expenses, other than payroll related and food and program supplies, which are not directly identifiable by program or supporting service, are allocated based on the best estimates of management.

L. Use of 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 the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

M. Reclassifications

Certain amounts in net assets have been reclassified to conform with the presentation in the current year financial statements.

Note 1: Summary of Significant Accounting Policies (Continued)

N. New Accounting Pronouncements

In September 2020, the FASB issued ASU No. 2020-07 Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets, which is intended to improve the transparency in the reporting of contributed nonfinancial assets, also known as gifts-in-kind, for not-for-profit organizations. This ASU requires not-for-profit organizations to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. In addition to separate presentation on the statement of activities, this amendment requires enhanced disclosures around each category of contributed nonfinancial assets for donor-imposed restrictions, valuation techniques, description of programs or activities in which the assets were used, and if monetized a policy about monetizing rather than utilizing the asset(s). The amendments in this ASU should be applied on a retrospective basis and are effective for annual reporting periods beginning after June 15, 2021. Early adoption is permitted. The new guidance is effective for the Organization for the year ended June 30, 2022. The Organization is currently evaluating the impact this standard will have on its financial statements.

In March 2016, the FASB issued ASU No. 2016-02, *Leases*, as a new topic, Accounting Standards Codification 842. The objective of ASU No. 2016-02 is to increase transparency and comparability among organizations by reorganizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements. ASU No. 2016-02 is effective for annual reporting periods beginning after December 15, 2021 and shall be applied using either a full retrospective or modified retrospective approach. Early adoption is permitted. The new guidance is effective for the Organization for the year ended June 30, 2023. The Organization is currently evaluating the impact on the results of operations, financial condition and cash flows and has not determined the impact on its financial statements at this time.

O. Subsequent Events

Subsequent events have been evaluated through October 20, 2021, the date the financial statements are available for issuance.

Note 2: Fair Value Measurement

Fair value measurement accounting literature establishes a fair value hierarchy based on the priority of the inputs to the valuation methodologies used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Investments recorded in the Statement of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets in an active market that the Organization has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in inactive markets
- Inputs other than quoted prices that are observable for the asset or liability
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

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

Feeding Our Communities Partners
Notes to the Financial Statements
June 30, 2021 and 2020

Note 2: Fair Value Measurement (Continued)

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used as of June 30, 2021 and 2020.

Beneficial Interest: Fair value for the beneficial interest is measured using the appropriate percentage of the fair value of the assets held as reported by the trustees as of June 30, 2021 and 2020.

The following table presents the balances of assets measured at fair value on a recurring basis by level within the fair value hierarchy at June 30, 2021 and 2020:

	Level 1	Level 2	Level 3	Total
Beneficial interests as of June 30, 2020	\$ -	\$ -	\$ 205,307	\$ 205,307
Beneficial interests as of June 30, 2021	\$ -	\$ -	\$ 259,768	\$ 259,768

Note 3: Beneficial Interests in Assets Held by Others

The change in the beneficial interests in assets held by others is as follows:

	2021	2020
Beginning Balance, July 1	\$ 205,307	\$ 194,905
Net Investment Activity	56,740	12,357
Fees	(2,279)	(1,955)
Ending balance, June 30	\$ 259,768	\$ 205,307

Note 4: Paycheck Protection Program Note Payable

In April, 2020, the Organization entered into a promissory note agreement with United Prairie Bank in the amount of \$45,000 pursuant to the Paycheck Protection Program (PPP) created by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and governed by the Small Business Administration (SBA). The loan is uncollateralized and is fully guaranteed by the Federal government. The note accrues interest at 1 percent per annum and is scheduled to mature March 2025. However, the Organization is eligible for loan forgiveness up to 100% of the loan, upon meeting certain requirements. The Organization will record any forgiveness upon being legally released from the loan obligation by the SBA. During the year ended June 30, 2021, this loan was 100 percent forgiven and was recorded as revenue.

Note 5: Net Assets

A. Net Assets With Donor Restrictions

Net assets with donor restrictions were as follows for the years ended June 30, 2021 and 2020:

	2021	2020
Pledges Receivable	\$ 56,810	\$ 60,040
Backpack Program	9,500	8,333
Total Net Assets With Donor Restrictions	\$ 66,310	\$ 68,373

Feeding Our Communities Partners
Notes to the Financial Statements
June 30, 2021 and 2020

Note 5: Net Assets (Continued)

B. Board Designated Net Assets

The Organization's Board of Directors has set aside funds to act as a reserve to maintain capital operation in the event revenue sources are affected by unforeseen events. By action of the Organization's Board of Directors, these funds can be released from designation. As of June 30, 2021 and 2020, designated net assets were \$175,000.

Note 6: In-kind Donations

In-kind donations consisted of the following for the years ended June 30, 2021 and 2020:

	2021	2020
Food, Beverage and Related Supplies	\$ 11,370	\$ 11,308
Advertising Services	9,400	5,000
Silent Auction Items	5,020	6,743
Donated Fixed Assets	-	8,000
Moving Services	-	3,760
Donated Facilities	-	9,000
	<u>\$ 25,790</u>	<u>\$ 43,811</u>
Total In-kind Donations	<u>\$ 25,790</u>	<u>\$ 43,811</u>

Note 7: Leases

The Organization has rental commitments under non-cancelable leases for office space and a copier in effect at June 30, 2021. The rental agreement for office space requires monthly payments of \$2,808 and expires on January 31, 2025. The rental agreement for the copier requires minimum monthly payments of \$129 and expires on June 30, 2025. Future annual rental commitments are as follows:

Years Ending June 30,	Amount
2022	\$ 35,242
2023	35,242
2024	35,242
2025	19,720
Total	<u>\$ 125,446</u>

Lease expense for the years ended June 30, 2021 and 2020 was \$53,325 and \$55,200, respectively.

Note 8: Line of Credit

The Organization has a \$100,000 line of credit that matures on November 6, 2021. Interest is at a variable rate based on the Wall Street Journal prime rate plus 2.5 percentage points over the index with a minimum interest rate of 6 percent. There were no advances on the line of credit as of June 30, 2021 and 2020.

Note 9: Retirement Plan

The Organization has a Simple IRA for eligible employees. This plan allows for contributions of up to 3% of employees' compensation with a maximum contribution of \$12,500. For the years ended June 30, 2021 and 2020, employer contributions were \$5,602 and \$6,152, respectively.

Feeding Our Communities Partners
Notes to the Financial Statements
June 30, 2021 and 2020

Note 10: COVID-19

In December 2019, a novel strain of coronavirus (COVID-19) surfaced. The spread of COVID-19 around the world in the first quarter of 2020 has caused significant volatility in U.S. and international markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. and international economies and, as such, the Organization is unable to determine if it will have a material impact to its operations.

Note 11: Liquidity and Availability of Financial Assets

The following table reflects the Organization's financial assets as of June 30, 2021 and 2020, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of donor-imposed restrictions or internal board designations:

	2021	2020
Financial Assets		
Cash and cash equivalents	\$ 392,974	\$ 247,733
Pledges receivable	56,810	60,040
Grants receivable	20,000	40,000
Beneficial interests in assets held by others	259,768	205,307
Total Financial Assets	729,552	553,080
Less those unavailable for general expenditure within one year:		
Grants receivable, noncurrent	-	(20,000)
Net assets with donor restrictions	(9,500)	(8,333)
Board designated reserve fund	(175,000)	(175,000)
Financial assets available to meet cash needs for general expenditures within one year	\$ 545,052	\$ 349,747

As part of our liquidity management, the Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations become due. Management routinely monitors cash reserves which fund operations and program services.

The Organizations average monthly expenditures are \$73,422 and \$57,286 for the years ending June 30, 2021 and 2020, respectively. Financial assets available for general expenditures as of June 30, 2021 and 2020 could cover approximately 7 months of expenditures and approximately 6 months of expenditures, respectively.