



Financial Statements

Feeding Our Communities Partners

North Mankato, Minnesota

For the years ended June 30, 2022 and 2021



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Feeding Our Communities Partners
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Feeding Our Communities Partners
North Mankato, Minnesota

Opinion

We have audited the accompanying financial statements of Feeding Our Communities Partners (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Feeding Our Communities Partners as of June 30, 2022 and 2021, 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 Feeding Our Communities Partners 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 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 Feeding Our Communities Partners 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, including omissions, 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.



Abdo
Minneapolis, Minnesota
November 8, 2022

FINANCIAL STATEMENTS

Feeding Our Communities Partners
Statements of Financial Position
June 30, 2022 and 2021

	2022	2021
Assets		
Current Assets		
Cash and cash equivalents	\$ 345,946	\$ 392,974
Pledges receivable	78,070	56,810
Grants receivable	-	20,000
Inventory	24,414	30,680
Total Current Assets	448,430	500,464
Property and Equipment		
Furniture and equipment	43,841	43,841
Leasehold improvements	100,585	100,585
Computer and IT equipment	15,766	10,859
Total Property and Equipment, Cost	160,192	155,285
Accumulated Depreciation	(145,523)	(143,732)
Total Property and Equipment, Net	14,669	11,553
Noncurrent Assets		
Pledges receivable, net of current portion	25,000	-
Investments held at community foundation	222,035	259,768
Total Noncurrent Assets	247,035	259,768
 Total Assets	 \$ 710,134	 \$ 771,785
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 24,464	\$ 10,618
Accrued payroll	-	10,048
Accrued vacation	20,275	8,032
Other accrued expenses	1,493	1,147
Total Liabilities	46,232	29,845
Net Assets		
Without donor restrictions		
Undesignated	385,832	500,630
Board designated - operating reserve	175,000	175,000
Total Without Donor Restrictions	560,832	675,630
With donor restrictions	103,070	66,310
Total Net Assets	663,902	741,940
 Total Liabilities and Net Assets	 \$ 710,134	 \$ 771,785

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

Feeding Our Communities Partners
Statements of Activities
For the Years Ended June 30, 2022 and 2021

	2022		Total
	Without Donor Restrictions	With Donor Restrictions	
Support and Revenue			
Support			
Contributions	\$ 192,168	\$ 102,890	\$ 295,058
Fundraising event income, net of expenses of \$52,325	174,660	-	174,660
Private foundation grants	242,290	-	244,566
In-kind donations	34,037	-	34,037
Local government grants	5,000	-	5,000
Total Support	<u>648,155</u>	<u>102,890</u>	<u>753,321</u>
Revenue			
Interest	610	-	610
Investment income	<u>(35,121)</u>	<u>-</u>	<u>(35,121)</u>
Total Revenue	<u>(34,511)</u>	<u>-</u>	<u>(34,511)</u>
Net Assets Released from Restriction			
Satisfaction of program restrictions	<u>66,130</u>	<u>(66,130)</u>	<u>-</u>
Total Support and Revenue	<u>679,774</u>	<u>36,760</u>	<u>716,534</u>
Expenses			
Program services	565,573	-	565,573
Support services			
Management and general	179,219	-	179,219
Fundraising	49,780	-	49,780
Total Expenses	<u>794,572</u>	<u>-</u>	<u>794,572</u>
Change in Net Assets	(114,798)	36,760	(78,038)
Net Assets, Beginning of Year	<u>675,630</u>	<u>66,310</u>	<u>741,940</u>
Net Assets, End of Year	<u>\$ 560,832</u>	<u>\$ 103,070</u>	<u>\$ 663,902</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, 2022 and 2021

	2021		Total
	Without Donor Restrictions	With Donor Restrictions	
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
Investment income	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
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 Functional Expenses
 For the Years Ended June 30, 2022 and 2021

	2022			Total
	Program Services	Supporting Services Management and General	Fundraising	
Personnel Costs				
Salaries and wages	\$ 179,103	\$ 114,896	\$ 43,931	\$ 337,930
Payroll taxes	14,568	9,346	3,573	27,487
Employee benefits	9,278	5,952	2,276	17,506
Total Personnel Costs	<u>202,949</u>	<u>130,194</u>	<u>49,780</u>	<u>382,923</u>
Food and program supplies	233,841	-	-	233,841
Facilities and equipment	56,188	18,729	-	74,917
Professional fees	1,876	12,553	-	14,429
Program transportation	8,132	-	-	8,132
Office expense	12,077	4,026	-	16,103
Information technology	14,734	4,911	-	19,645
In-kind expense	23,534	-	-	23,534
Conferences	1,714	3,999	-	5,713
Business expense	4,019	1,340	-	5,359
Miscellaneous expense	3,706	1,238	-	4,944
Travel	1,460	786	-	2,246
Insurance	-	995	-	995
Total Expenses Before Depreciation	<u>564,230</u>	<u>178,771</u>	<u>49,780</u>	<u>792,781</u>
Depreciation	<u>1,343</u>	<u>448</u>	<u>-</u>	<u>1,791</u>
Total Expenses	<u>\$ 565,573</u>	<u>\$ 179,219</u>	<u>\$ 49,780</u>	<u>\$ 794,572</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, 2022 and 2021

	2021			Total
	Program Services	Supporting 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 Cash Flows
For the Years Ended June 30, 2022 and 2021

	2022	2021
Cash Flows from Operating Activities		
Change in net assets	\$ (78,038)	\$ 222,319
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation expense	1,791	2,640
Paycheck Protection Program loan forgiveness	-	(45,000)
Net unrealized (gain) loss on investments	37,733	(54,461)
(Increase) decrease in assets:		
Pledges receivable	(46,260)	3,230
Grants receivable	20,000	20,000
Prepaid expenses	-	812
Inventory	6,266	(7,494)
Increase (decrease) in liabilities:		
Accounts payable	13,846	9,099
Accrued payroll	(10,048)	2,897
Accrued vacation	12,243	(2,193)
Other accrued expenses	346	(3,750)
Net Cash Provided (Used) by Operating Activities	(42,121)	148,099
 Cash Flows from Investing Activities		
Cash paid for purchase of property and equipment	(4,907)	(2,858)
 Change in Cash and Cash Equivalents	(47,028)	145,241
 Cash and Cash Equivalents, Beginning of Year	392,974	247,733
 Cash and Cash Equivalents, End of Year	\$ 345,946	\$ 392,974

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

Feeding Our Communities Partners
Notes to the Financial Statements
June 30, 2022 and 2021

Note 1: Summary of Significant Accounting Policies

A. Nature of Activities

Feeding Our Communities Partners (the Organization or FOCP) 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.

FOCP 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-12 students) and onsite food pantries for high school students. These programs provide youth hunger relief on weekends and school breaks. Collectively, FOCP programs serve over 1,000 students each week at 30 school buildings within 5 school districts and 10 communities in the greater Mankato Area.

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, 2022 and 2021.

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, 2022 and 2021, 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, 2022 and 2021.

Feeding Our Communities Partners
Notes to the Financial Statements
June 30, 2022 and 2021

Note 1: Summary of Significant Accounting Policies (Continued)

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, 2022 and 2021 was \$1,792 and \$2,640, respectively.

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, 2022 and 2021 was \$24,414 and \$30,680, respectively.

G. Investments Held at Community Foundation

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.

Feeding Our Communities Partners
Notes to the Financial Statements
June 30, 2022 and 2021

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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 were applied on a retrospective basis and went into effect for the Organization for the year ended June 30, 2022.

O. Upcoming Accounting Pronouncements

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.

P. Subsequent Events

Subsequent events have been evaluated through November 8, 2022, the date the financial statements are available for issuance.

Feeding Our Communities Partners
Notes to the Financial Statements
June 30, 2022 and 2021

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.

For the years ended June 30, 2022 and 2021, there were no transfers, issuances, or purchases within the level 3 investments.

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, 2022 and 2021.

Fair value for the investments held at community foundation is measured using the appropriate percentage of the fair value of the assets held as reported by the trustees as of June 30, 2022 and 2021.

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, 2022 and 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments Held at Community Foundation as of June 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 259,768</u>	<u>\$ 259,768</u>
Investments Held at Community Foundation as of June 30, 2022	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 222,035</u>	<u>\$ 222,035</u>

Feeding Our Communities Partners
Notes to the Financial Statements
June 30, 2022 and 2021

Note 3: Investments Held at Community Foundation

The change in investments held at community foundation is as follows:

	<u>2022</u>	<u>2021</u>
Beginning Balance, July 1	\$ 259,768	\$ 205,307
Net Investment Activity	(35,121)	56,740
Fees	<u>(2,612)</u>	<u>(2,279)</u>
Ending balance, June 30	<u>\$ 222,035</u>	<u>\$ 259,768</u>

Note 4: Net Assets

A. Net Assets With Donor Restrictions

Net assets with donor restrictions were as follows for the years ended June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Pledges Receivable	\$ 103,070	\$ 56,810
Backpack Program	<u>-</u>	<u>9,500</u>
Total Net Assets With Donor Restrictions	<u>\$ 103,070</u>	<u>\$ 66,310</u>

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, 2022 and 2021, designated net assets were \$175,000.

Note 5: In-kind Donations

In-kind donations consisted of the following for the years ended June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>	<u>Usage in Programs/Activities</u>	<u>Donor Restriction</u>	<u>Fair Value Techniques</u>
Food, Beverage and Related Supplies	\$ 11,000	\$ 11,370	BackPack program	None	Estimated wholesale prices of identical or similar products if purchased in the region
Advertising Services	20,601	9,400	BackPack program	None	Estimated based on time rates for each practitioner
Silent Auction Items	<u>2,436</u>	<u>5,020</u>	Fundraising	None	Estimated wholesale prices of identical or similar products if purchased in the region
Total In-kind Contributions	<u>\$ 34,037</u>	<u>\$ 25,790</u>			

Feeding Our Communities Partners
Notes to the Financial Statements
June 30, 2022 and 2021

Note 6: Leases

The Organization has rental commitments under non-cancelable leases for office space and a copier in effect at June 30, 2022. 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:

<u>Years Ending June 30,</u>	<u>Amount</u>
2023	\$ 35,242
2024	35,242
2025	<u>20,429</u>
Total	<u>\$ 90,913</u>

Lease expense for the years ended June 30, 2022 and 2021 was \$56,185 and \$53,325, respectively.

Note 7: Line of Credit

The Organization has a \$100,000 line of credit that matures on November 5, 2022. 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, 2022 and 2021.

Note 8: 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, 2022 and 2021, employer contributions were \$7,122 and \$5,602, respectively.

Feeding Our Communities Partners
Notes to the Financial Statements
June 30, 2022 and 2021

Note 9: Liquidity and Availability of Financial Assets

The following table reflects the Organization's financial assets as of June 30, 2022 and 2021, 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:

	<u>2022</u>	<u>2021</u>
Financial Assets		
Cash and cash equivalents	\$ 345,946	\$ 392,974
Pledges receivable	78,070	56,810
Grants receivable	25,000	20,000
Investments held at community foundation	222,035	259,768
Total Financial Assets	<u>671,051</u>	<u>729,552</u>
Less those unavailable for general expenditure within one year:		
Net assets with donor restrictions	(25,000)	(9,500)
Board designated reserve fund	<u>(175,000)</u>	<u>(175,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 446,051</u>	<u>\$ 545,052</u>

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 \$66,214 and \$73,422 for the years ending June 30, 2022 and 2021, respectively. Financial assets available for general expenditures as of June 30, 2022 and 2021 could cover approximately 7 months of expenditures and approximately 6 months of expenditures, respectively.