SIKICH®

ALIVE!, Inc.

Financial Statements
and
Independent Auditor's Report

June 30, 2020 and 2019

Table of Contents

Independent Auditor's Report .... 1 - 2

Audited Financial Statements

Statements of Financial Position 3

Statements of Activities .... 4 - 5

Statements of Functional Expenses .... 6 - 7

Statements of Cash Flows 8

Notes to the Financial Statements .... 9 - 18

1199 N. Fairfax Street, 10th Floor
Alexandria, VA 22314
703.836.1350

SIKICH.COM

Independent Auditor's Report

To the Board of Directors
ALIVE!, Inc.
Alexandria, Virginia

We have audited the accompanying financial statements of ALIVE!, Inc. (the Organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year 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 these 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 audit 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 from material misstatement.

An audit involves 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 the 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 the Organization as of June 30, 2020, 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.

Emphasis-of-Matter Regarding Revenue Recognition

As discussed in Note 2 to the financial statements, the Organization adopted the provisions of Accounting Standards Update (ASU) 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The adoption of this ASU did not result in a change to the accounting for any of the Organization's revenue streams; as such, no cumulative effect adjustment was recorded. Our opinion has not been modified with respect to this matter

Prior Period Financial Statements

The financial statements of the Organization as of June 30, 2019, were audited by Halt, Buzas, and Powell, Ltd., who merged with Sikich LLP as of January 1, 2020, and whose report dated December 7, 2019, expressed an unmodified opinion on those statements.

Sikich LLP

Alexandria, Virginia
May 14, 2021

ALIVE!, Inc.

Statements of Financial Position

June 30, 2020 and 2019

	2020	2019
Assets		
Cash	$ 436,207	$ 114,444
Accounts receivable, net	-	2,932
Investments	1,058,842	806,802
Inventory	111,562	29,412
Prepaid expenses	19,482	15,759
Property and equipment, net	336,975	344,219
Total assets	$ 1,963,068	$ 1,313,568
Liabilities and Net Assets		
Accounts payable and accrued expenses	42,278	4,312
Accrued payroll liabilities	3,275	42,584
Deferred revenue, program service fees	-	1,966
Refundable grant advance	106,130	-
Total liabilities	151,683	48,862
Net assets:		
Without donor restrictions	1,550,696	1,264,706
With donor restrictions	260,689	-
Total net assets	1,811,385	1,264,706
Total liabilities and net assets	$ 1,963,068	$ 1,313,568

ALIVE!, Inc.

Statement of Activities

For the Year Ended June 30, 2020

	Without donor restrictions	With donor restrictions	Total
Revenues:			
Contributions	$ 960,105	$ 204,604	$ 1,164,709
In-kind contributions	1,027,640	-	1,027,640
Government reimbursements	481,573	-	481,573
Foundation grants	152,450	56,085	208,535
Program service fees	73,388	-	73,388
Special fundraising events	65,377	-	65,377
United Way	35,987	-	35,987
Investment income	7,202	-	7,202
Other income	2,553	-	2,553
Total revenues	2,806,275	260,689	3,066,964
Expenses:			
Program services:			
Food program	1,176,254	-	1,176,254
Child Development Center	530,320	-	530,320
Family assistance	299,062	-	299,062
ALIVE! House	154,229	-	154,229
Furniture and housewares	98,714	-	98,714
Total program services	2,258,579	-	2,258,579
Support services:			
Fundraising	101,408	-	101,408
Management and general	160,298	-	160,298
Total support services	261,706	-	261,706
Total expenses	2,520,285	-	2,520,285
Change in net assets	285,990	260,689	546,679
Net assets, beginning of year	1,264,706	-	1,264,706
Net assets, end of year	$ 1,550,696	$ 260,689	$ 1,811,385

ALIVE!, Inc.

Statement of Activities

For the Year Ended June 30, 2019

	Without donor restrictions	With donor restrictions	Total
Revenues:			
Contributions	$ 433,793	$ -	$ 433,793
In-kind contributions	986,456	-	986,456
Government reimbursements	256,486	-	256,486
Foundation grants	336,979	-	336,979
Program service fees	111,647	-	111,647
Special fundraising events	141,850	-	141,850
United Way	36,335	-	36,335
Investment income	25,163	-	25,163
Other income	105	-	105
Rental income	7,500	-	7,500
Net assets released from restrictions:			
Satisfaction of donor restrictions	10,000	(10,000)	-
Total revenues	2,346,314	(10,000)	2,336,314
Expenses:			
Program services:			
Food program	944,097	-	944,097
Child Development Center	512,069	-	512,069
Family assistance	453,577	-	453,577
ALIVE! House	120,345	-	120,345
Total program services	2,030,088	-	2,030,088
Support services:			
Fundraising	155,747	-	155,747
Management and general	95,546	-	95,546
Total support services	251,293	-	251,293
Total expenses	2,281,381	-	2,281,381
Change in net assets	64,933	(10,000)	54,933
Net assets, beginning of year	1,199,773	10,000	1,209,773
Net assets, end of year	$ 1,264,706	$ -	$ 1,264,706

ALIVE!, Inc.

Statement of Functional Expenses

For the Year Ended June 30, 2020

	Food program	Child Development Center	Family assistance	ALIVE! House	Furniture and housewares	Total program services	Fundraising	Management and general	Total support services	Total expenses
Compensation	$ 107,249	$ 363,248	$ 9,415	$ 67,321	$ 9,522	$ 556,755	$ 41,588	$ 71,940	$ 113,528	$ 670,283
Depreciation	2,173	1,088	1,254	860	1,268	6,643	5,535	9,582	15,117	21,760
Employee benefits	6,906	30,309	205	3,334	208	40,962	906	1,568	2,474	43,436
Financial assistance	-	-	273,375	943	-	274,318	-	-	-	274,318
Food and kitchen supplies	131,687	24,153	-	-	-	155,840	-	-	-	155,840
In-kind food and furniture	838,161	-	-	-	82,286	920,447	-	-	-	920,447
In-kind rent	59,666	15,491	725	497	733	77,112	3,199	5,538	8,737	85,849
In-kind services	2,131	1,067	1,230	844	1,244	6,516	5,429	9,399	14,828	21,344
Insurance	3,893	4,913	3,586	5,180	159	17,731	694	1,201	1,895	19,626
Maintenance	-	-	-	-	-	-	-	1,486	1,486	1,486
Memberships	351	176	203	139	203	1,072	893	1,544	2,437	3,509
Miscellaneous	2,324	14,124	1,163	24,650	629	42,890	2,750	4,761	7,511	50,401
Occupancy	1,256	15,491	725	497	733	18,702	3,199	5,537	8,736	27,438
Office and other expense	1,415	8,661	1,174	1,696	288	13,234	13,633	2,664	16,297	29,531
Operating supplies	7,952	12,712	3,220	16,660	379	40,923	1,651	2,859	4,510	45,433
Payroll taxes	8,539	30,089	487	5,545	492	45,152	2,148	3,719	5,867	51,019
Postage and shipping	196	133	113	79	115	636	5,453	11,875	17,328	17,964
Professional fees	75	2,650	-	7,674	-	10,399	5,588	20,595	26,183	36,582
Security	15	7	9	549	9	589	38	66	104	693
Software and website	-	-	-	-	-	-	6,761	2,601	9,362	9,362
Staff development	320	3,611	905	814	55	5,705	243	421	664	6,369
Telephone	1,635	1,399	1,194	587	209	5,024	912	1,578	2,490	7,514
Utilities	310	998	79	16,360	182	17,929	788	1,364	2,152	20,081
Total expenses	$ 1,176,254	$ 530,320	$ 299,062	$ 154,229	$ 98,714	$ 2,258,579	$ 101,408	$ 160,298	$ 261,706	$ 2,520,285

See accompanying notes to the financial statements.

ALIVE!, Inc.

Statement of Functional Expenses

For the Year Ended June 30, 2019

	Food program	Child Development Center	Family assistance	ALIVE! House	Total program services	Fundraising	Management and general	Total support services	Total expenses
Compensation	$ 61,678	$ 348,315	$ 34,486	$ 79,510	$ 523,989	$ 72,230	$ 51,440	$ 123,670	$ 647,659
Depreciation	2,333	1,730	3,708	1,496	9,267	7,766	5,531	13,297	22,564
Employee benefits	896	23,246	9,489	3,779	37,410	2,642	1,882	4,524	41,934
Financial assistance	-	-	209,066	-	209,066	-	-	-	209,066
Food and kitchen supplies	68,221	44,226	-	-	112,447	-	-	-	112,447
In-kind food and furniture	732,157	-	126,136	-	858,293	-	-	-	858,293
In-kind rent	43,376	2,133	45,071	1,844	92,424	9,575	6,819	16,394	108,818
In-kind services	2,000	1,484	3,179	1,282	7,945	6,658	4,742	11,400	19,345
Insurance	2,319	1,721	3,687	1,487	9,214	7,722	5,499	13,221	22,435
Maintenance	1,472	9,168	980	1,297	12,917	1,267	1,079	2,346	15,263
Occupancy	1,438	14,976	2,286	922	19,622	4,787	3,409	8,196	27,818
Office and other expense	2,052	6,914	1,267	2,919	13,152	14,878	2,180	17,058	30,210
Operating supplies	6,669	16,586	5,257	1,351	29,863	3,083	252	3,335	33,198
Payroll taxes	4,744	25,263	2,680	6,071	38,758	5,612	3,997	9,609	48,367
Postage and shipping	161	130	256	123	670	8,593	846	9,439	10,109
Professional fees	12,155	4,376	3,398	1,371	21,300	7,118	5,069	12,187	33,487
Public relations	838	1,578	1,141	460	4,017	2,390	1,702	4,092	8,109
Security	11	-	-	697	708	-	-	-	708
Special activities	-	2,817	-	-	2,817	-	-	-	2,817
Staff development	308	5,076	100	316	5,800	209	149	358	6,158
Telephone	1,120	1,418	1,133	707	4,378	888	633	1,521	5,899
Utilities	149	912	257	14,713	16,031	329	317	646	16,677
Total expenses	$ 944,097	$ 512,069	$ 453,577	$ 120,345	$ 2,030,088	$ 155,747	$ 95,546	$ 251,293	$ 2,281,381

See accompanying notes to the financial statements.

ALIVE!, Inc.

Statements of Cash Flows

For the Years Ended June 30, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
Change in net assets	$ 546,679	$ 54,933
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	21,760	22,564
Net realized and unrealized gains on investments	(7,007)	(5,011)
Donated securities	(35,033)	(32,422)
Decrease in allowance for doubtful accounts	-	(7,101)
Decrease (increase) in assets:		
Accounts receivable	2,932	4,991
Contributions receivable	-	36,500
Inventory	(82,150)	12,932
Prepaid expenses	(3,723)	1,231
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	37,966	(1,526)
Accrued payroll liabilities	(39,309)	(4,917)
Deferred revenue, program service fees	(1,966)	1,966
Refundable grant advance	106,130	-
Liability related to residents of ALIVE! House	-	(95)
Total adjustments	(400)	29,112
Net cash provided by operating activities	546,279	84,045
Cash flows from investing activities:		
Purchases of property and equipment	(14,516)	(16,571)
Proceeds from sales of investments	190,000	135,941
Purchases of investments	(400,000)	(200,924)
Net cash used in investing activities	(224,516)	(81,554)
Net increase in cash	321,763	2,491
Cash, beginning of year	114,444	111,953
Cash, end of year	$ 436,207	$ 114,444

See accompanying notes to the financial statements.

1. Organization

ALIVE!, Inc. (ALexandrians InVolved Ecumenically, referred to as the Organization) is a nonprofit organization that was incorporated in 1969 under the laws of the Commonwealth of Virginia to help people faced with emergency situations or long-term needs become capable of assuming self-reliant roles in the community. The Organization serves thousands of Alexandrians monthly with shelter; low-cost early childhood education and childcare; financial help for rent, utilities, medical care and other critical needs; emergency food; and deliveries of donated furniture and housewares.

2. Summary of Significant Accounting Policies

a. Basis of presentation

The Organization's financial statements are presented in accordance with accounting principles generally accepted in the United States of America (US GAAP) for nonprofit organizations. Under those principles, the Organization is required to report information regarding its financial position and activities according to two classes of net assets:

- *Net Assets Without Donor Restrictions* represent resources that are not subject to donor imposed restrictions and are available for operations at management's discretion.

- *Net Assets With Donor Restrictions* represent resources restricted by donors. Some donor restrictions are temporary in nature and 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. When a donor restriction expires, that is, when a purpose restriction is accomplished or time restriction has elapsed, donor restricted net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the accompanying statements of activities.

b. Basis of accounting

The Organization's financial statements are prepared on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses when obligations are incurred.

c. Use of estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses and their functional allocation during the reporting period. Actual results could differ from those estimates.

d. Fair value measurements

US GAAP establishes a framework for measuring fair value. That framework uses a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. US GAAP requires The Organization to maximize the use of observable inputs when measuring fair value. The hierarchy describes three levels of inputs, which are as follows:

- Level 1 - Quoted prices in active markets for identical assets or liabilities.
- Level 2 - Quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in inactive markets; or inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 - Significant unobservable inputs.

In many cases, a valuation technique used to measure fair value includes inputs from more than one level of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy. The categorization of an investment within the hierarchy reflects the relative ability to observe the fair value measure and does not necessarily correspond to the perceived risk of that investment.

Valuation technique

Following is a description of the valuation techniques used for assets measured at fair value on a recurring basis. There have been no changes to the techniques used during the year ended June 30, 2020.

- Mutual funds: Valued at the closing quoted price in an active market.
- Equity funds: Valued at the closing quoted price in an active market.

e. Income taxes

The Organization is exempt from federal and local income taxes under Section 501(c)(3) of the Internal Revenue Code on income derived from activities related to its exempt purpose. The Organization is not classified as a private foundation.

f. Investments

Investments are reported at fair value and realized and unrealized gains and losses are reported in the statements of activities as increases or decreases in net assets without donor restrictions, unless the income or loss is restricted by donor restrictions or law. Investment income and gains restricted by donors are reported as increases in unrestricted net assets if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized. The Organization invests in a variety of investments that are exposed to various risks, such as fluctuations in market value and credit risk. It is reasonably possible that changes in risks in the near term could materially affect investment balances and amounts reported in the accompanying financial statements. Investment return is reported net external and direct internal investment expenses.

g. Inventory

Inventory is comprised of donated and purchased food and is valued using an estimated market valuation rate.

h. Property and equipment, net

Property and equipment acquisitions are recorded in the financial statements at cost, net of accumulated depreciation. Donated property and equipment is stated at fair value at the date of donation. Depreciation expense is computed using the straight-line method over the estimated useful lives of the assets as follows:

Building	40 years
Vehicles	5 years
Furniture and equipment	3 - 15 years

The Organization's policy is to capitalize: 1) purchased property and equipment with costs greater than $500 and estimated useful lives greater than one year, and 2) donated property and equipment with estimated values greater than $500 and estimated useful lives greater than one year. Repairs and maintenance that do not significantly add to the value of assets are expensed as incurred.

i. Revenue recognition

Grants and contributions: The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met. The Organization reports gifts of cash and other assets as net assets with donor restriction if they are received or promised with donor stipulations that limit the use of the donated assets to the Organization's programs or to a future year. When a donor restriction expires, that is, when a purpose restriction is accomplished or time restriction has elapsed, net assets with donor restrictions are reclassified to net assets without donor restriction and reported in the accompanying statements of activities as net assets released from restrictions. Grants and contributions that are restricted by the donor are reported as without donor restriction if the restriction expires in the same reporting period in which the contribution is recognized.

Government reimbursements: The Organization receives government monies to reimburse the Organization for tuition and food costs for children of some families enrolled in its Child Development Center. Government reimbursements are recorded as revenue in the same period that goods and services are provided.

Special fundraising events: Special fundraising events revenue consists of revenue from various fundraisers held throughout the year. Revenue from such events is recognized when the event takes place. Funds received relating to future periods is recorded as deferred revenue in the accompanying financial statements.

Program service fees: Program service fees are recognized as revenue in the period in which services are provided. Fees received relating to future periods are recorded as deferred revenue in the accompanying statements of financial position.

In-kind contributions: The fair value of donated materials, services, and facilities space are recorded as revenue and expense in the period they are donated. The fair value of donated property and equipment is also recorded as revenue and expense in the period they are donated, unless capitalized pursuant to the Organization's capitalization policies (see Note 2.h, Summary of Significant Accounting Policies, Property and equipment, net, page 12).

Contributions of services are recognized when services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The value of such services is recorded based on the estimated fair value of services provided and is classified as in-kind contributions revenue and expense charged to programs and supporting services based on the program or support services directly benefited. The Organization received $21,344 and $19,345 of in-kind contributed IT and accounting services for the years ended June 30, 2020 and 2019, respectively.

The Organization received in-kind contributions of materials and facilities valued at $1,006,296 and $967,111 for the years ended June 30, 2020 and 2019, respectively. Such amounts are classified as in-kind contribution revenue and expense and are allocated to the various programs and supporting services based on the program or support services directly benefited.

j. Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statements of activities. Accordingly, certain costs, such as compensation, employee benefits, payroll taxes, depreciation, insurance, maintenance, occupancy, office and other expenses, operating supplies, postage and printing, public relations, staff development, telephone and utilities have been allocated among programs and supporting services based on staff level of effort that was not directly attributable to a program or supporting service.

k. Adoption of new accounting standard

In June 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605)*. This standard is intended to address questions stemming from ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, regarding its implications on grants and contracts of not-for-profit organizations. The change in accounting principle was adopted on a modified prospective basis as of July 1, 2019. As a result, there was no cumulative-effect adjustment to opening net assets without donor restrictions or opening net assets with donor restrictions as of July 1, 2019.

l. New pronouncements

The FASB issued new guidance that created Topic 606, *Revenue from Contracts with Customers*, in the Accounting Standards Codification (ASC). Topic 606 supersedes the revenue recognition requirements in FASB ASC 605, *Revenue Recognition*, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The new guidance also added Subtopic 340-40, *Other Assets and Deferred Costs - Contracts with Customers*, to the ASC to require the deferral of incremental costs of obtaining a contract with a customer. On June 3, 2020, the FASB issued ASU No. 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842) Effective Dates for Certain Entities*, to defer the effective date of FASB ASC 606 to fiscal years beginning after December 15, 2019 for certain entities that have not yet issued financial statements due to the COVID-19 pandemic. The Organization has not yet selected a transition method and is currently evaluating the effect that the updated standard will have on its financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, to increase transparency and comparability about leases among entities. The new guidance requires lessees to recognize a lease liability and a corresponding lease asset for virtually all lease contracts. It also requires additional disclosure about leasing arrangements. ASU No. 2016-02, as amended by 2020-05, is effective for nonprofit entities for fiscal years beginning after December 15, 2021 and interim periods within fiscal years beginning after December 15, 2022. ASU No. 2016-02 originally specified a modified retrospective transition method which requires the entity to initially apply the new lease standard at the beginning of the earliest period presented in the financial statements.

In July 2018, FASB issued ASU No. 2018-11, *Leases (Topic 842): Targeted Improvements*, providing a second, optional transition method which allows the entity to apply the new standard at the adoption date and recognize a cumulative effect adjustment to the opening balance of net assets in the period of adoption. The Organization is currently assessing the impacts of this new standard, including the two optional transition methods.

The Organization plans to adopt the new ASUs at the respective required implementation dates.

3. Liquidity and Availability

The following represents the Organization's financial assets at June 30:

Financial assets at year end:	2020	2019
Cash	$ 436,207	$ 114,444
Investments	1,058,842	806,802
Accounts receivable, net	-	2,932
Total financial assets	1,495,049	924,178
Less amounts not available within one year:		
Net assets with donor restrictions	(260,689)	-
Financial assets available to meet general expenditures within one year	$ 1,234,360	$ 924,178

The Organization has established a reserve policy to maintain financial assets to cover operating expenses. As part of its liquidity plan, excess cash is invested in short-term investments, including money market accounts, certificates of deposit, mutual funds and stocks.

4. Concentrations of Credit Risk

The Organization maintains bank deposits that, at times, may exceed the Federal Deposit Insurance Corporation (FDIC) limits. At June 30, 2020, the Organization had bank deposits in excess of FDIC limits of $249,812. There were no deposits in excess of FDIC limits at June 30, 2019.

5. Investments and Fair Value Measurements

Assets measured at fair value on a recurring basis as of June 30, 2020 are as follows:

	Level 1	Level 2	Level 3	Total
Equity funds	$ 6,122	$ -	$ -	$ 6,122
Mutual funds	230,257	-	-	230,257
Total investments, measured at fair value	$ 236,379	$ -	$ -	$ 236,379
Money market funds, measured at amortized cost				589,637
Certificates of deposit, measured at cost				232,826
Total investments				$ 1,058,842

Assets measured at fair value on a recurring basis at June 30, 2019 are as follows:

	Level 1	Level 2	Level 3	Total
Mutual funds	$ 201,765	$ -	$ -	$ 201,765
Total investments, measured at fair value	$ 201,765	$ -	$ -	$ 201,765
Money market funds, measured at amortized cost				378,240
Certificates of deposit, measured at cost				226,797
Total investments				$ 806,802

6. Property and Equipment, Net

The following is a summary of property and equipment held at June 30:

	2020	2019
Building	$ 676,907	$ 676,907
Vehicles	92,119	92,119
Furniture and equipment	90,947	76,431
Land	28,039	28,039
Property and equipment	888,012	873,496
Accumulated depreciation	(551,037)	(529,277)
Total property and equipment, net	$ 336,975	$ 344,219

7. Refundable Grant Advance

The Paycheck Protection Program is a low interest Small Business Administration (SBA) loan and may be forgiven entirely if the borrower maintains certain staffing levels and the proceeds are used for qualified expenses over the qualified period of time. The Organization was approved for a loan on May 1, 2020 under this program in the amount of $106,130, and bears interest at 1.0% per annum and a maturity date of May 1, 2022. As of the June 30, 2020, loan forgiveness requirements had not been met, however, management anticipates meeting the requirements under the Program. The balance of the loan is included on the statement of financial position as of June 30, 2020 as a refundable grant advance until requirements are substantially met and forgiveness is approved.

8. Net Assets With Donor Restrictions

Net assets were released from donor restrictions in the amount of $10,000 for the year ended June 30, 2019, by incurring expenses satisfying the Child Development Center purpose restriction. No net assets were released from donor restrictions for the year ended June 30, 2020.

At June 30, 2020, net assets totaling $260,689 were available for the Food program. There were no net assets with donor restrictions for the year ended June 30, 2019.

9. Retirement Plan

The Organization provides a retirement plan for its employees through a Section 403(b) defined contribution plan. The plan covers all eligible employees upon completion of one year of service. The Organization contributes an amount equal to 2% of salaries for those employees with one to five years of service and 5% thereafter for each eligible employee. Retirement plan contributions for the years ended June 30, 2020 and 2019 were $11,147 and $12,899, respectively.

10. Commitment

Operating leases

In June 2012, the Organization entered into a lease agreement for office space. The agreement, which is renewed annually, had a base monthly rent of $2,122. In July 2018, the base monthly rent increased to $2,334. The Organization paid $27,438 and $27,818 under the lease for the years ended June 30, 2020 and 2019, respectively.

The market rent for the space, however, is estimated to be twice that amount. Consequently, an additional $27,438 and $27,818 was recognized as in-kind revenue and expense for the years ended June 30, 2020 and 2019, respectively. Additionally, the Organization received donated warehouse space valued at $58,410 and $81,000 and was recognized as in-kind revenue and expense for the years ended June 30, 2020 and 2019, respectively. The total annual rent expense was $113,286 and $136,636 for the years ended June 30, 2020 and 2019, respectively.

11. Subsequent Events

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through May 14, 2021, which is the date the financial statements were available to be issued. Except as noted below, there were no subsequent events that require recognition of, or disclosure in, these financial statements.

Beginning around March 2020, the COVID-19 virus was declared a global pandemic and it continues to spread rapidly as of the date of these financial statements. The Organization's business continuity, programs and funding sources have been impacted, however the Organization is taking significant measures to mitigate the consequences of the pandemic. Management continues to carefully monitor the situation and evaluate its options during this time. The Organization expects that it is reasonably possible that this matter will negatively impact its operating results going forward. However, the related financial impact and duration cannot be reasonably estimated at this time. No adjustments have been made to these financial statements as a result of this uncertainty.