



ALIVE!, Inc.

Financial Statements
and
Independent Auditor's Report

June 30, 2021 and 2020



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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

333 John Carlyle Street, Suite 500
Alexandria, VA 22314
703.836.1350

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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 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 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 audits. 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 audits 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, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Sikich LLP

Alexandria, Virginia
June 24, 2022

ALIVE!, Inc.
Statements of Financial Position
June 30, 2021 and 2020

	2021	2020
Assets		
Cash	\$ 252,654	\$ 436,207
Investments	2,505,931	1,058,842
Grants receivable	135,618	-
Inventory	233,949	111,562
Prepaid expenses	30,109	19,482
Property and equipment, net	<u>494,603</u>	<u>336,975</u>
Total assets	<u>\$ 3,652,864</u>	<u>\$ 1,963,068</u>
 Liabilities and Net Assets		
Accounts payable and accrued expenses	121,019	42,278
Accrued payroll liabilities	11,640	3,275
Refundable grant advance	<u>-</u>	<u>106,130</u>
Total liabilities	<u>132,659</u>	<u>151,683</u>
 Net assets:		
Without donor restrictions	2,974,413	1,550,696
With donor restrictions	<u>545,792</u>	<u>260,689</u>
Total net assets	<u>3,520,205</u>	<u>1,811,385</u>
Total liabilities and net assets	<u>\$ 3,652,864</u>	<u>\$ 1,963,068</u>

See accompanying notes to the financial statements.

ALIVE!, Inc.
Statement of Activities
For the Year Ended June 30, 2021

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Revenues:			
In-kind contributions	\$ 2,029,417	\$ -	\$ 2,029,417
Contributions	1,947,547	46,792	1,994,339
Government grants	1,585,893	390,000	1,975,893
Foundation grants	223,155	109,000	332,155
Investment income, net	117,872	-	117,872
Special fundraising events	62,085	-	62,085
United Way	38,341	-	38,341
Other income	4,873	-	4,873
Net assets released from restrictions:			
Satisfaction of donor restrictions	<u>260,689</u>	<u>(260,689)</u>	<u>-</u>
Total revenues	<u>6,269,872</u>	<u>285,103</u>	<u>6,554,975</u>
Expenses:			
Program services:			
Food program	3,575,120	-	3,575,120
Family assistance	472,827	-	472,827
ALIVE! House	178,049	-	178,049
Alexandria Eviction Prevention Partnership	159,092	-	159,092
Furniture and housewares	35,764	-	35,764
Child Development Center	<u>25,480</u>	<u>-</u>	<u>25,480</u>
Total program services	<u>4,446,332</u>	<u>-</u>	<u>4,446,332</u>
Support services:			
Fundraising	212,951	-	212,951
Management and general	<u>186,872</u>	<u>-</u>	<u>186,872</u>
Total support services	<u>399,823</u>	<u>-</u>	<u>399,823</u>
Total expenses	<u>4,846,155</u>	<u>-</u>	<u>4,846,155</u>
Change in net assets	1,423,717	285,103	1,708,820
Net assets, beginning of year	<u>1,550,696</u>	<u>260,689</u>	<u>1,811,385</u>
Net assets, end of year	<u>\$ 2,974,413</u>	<u>\$ 545,792</u>	<u>\$ 3,520,205</u>

See accompanying notes to the financial statements.

ALIVE!, Inc.
Statement of Activities
For the Year Ended June 30, 2020

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Revenues:			
Contributions	\$ 960,105	\$ 204,604	\$ 1,164,709
In-kind contributions	1,027,640	-	1,027,640
Government grants	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, net	7,202	-	7,202
Other income	<u>2,553</u>	<u>-</u>	<u>2,553</u>
Total revenues	<u>2,806,275</u>	<u>260,689</u>	<u>3,066,964</u>
Expenses:			
Program services:			
Food program	1,176,254	-	1,176,254
Family assistance	299,062	-	299,062
ALIVE! House	154,229	-	154,229
Furniture and housewares	98,714	-	98,714
Child Development Center	<u>530,320</u>	<u>-</u>	<u>530,320</u>
Total program services	<u>2,258,579</u>	<u>-</u>	<u>2,258,579</u>
Support services:			
Fundraising	101,408	-	101,408
Management and general	<u>160,298</u>	<u>-</u>	<u>160,298</u>
Total support services	<u>261,706</u>	<u>-</u>	<u>261,706</u>
Total expenses	<u>2,520,285</u>	<u>-</u>	<u>2,520,285</u>
Change in net assets	285,990	260,689	546,679
Net assets, beginning of year	<u>1,264,706</u>	<u>-</u>	<u>1,264,706</u>
Net assets, end of year	<u>\$ 1,550,696</u>	<u>\$ 260,689</u>	<u>\$ 1,811,385</u>

See accompanying notes to the financial statements.

ALIVE!, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2021

	Food program	Family assistance	ALIVE! House	Alexandria Eviction Prevention Partnership	Furniture and housewares	Child Development Center	Total program services	Fundraising	Management and general	Total support services	Total expenses
Compensation	\$ 312,782	\$ 19,453	\$ 84,589	\$ 53,724	\$ 14,911	\$ 1,753	\$ 487,212	\$ 88,785	\$ 12,641	\$ 101,426	\$ 588,638
Depreciation	15,135	3,985	2,856	7,369	3,055	-	32,400	18,190	18,470	36,660	69,060
Employee benefits	15,698	457	5,134	1,424	350	9,099	32,162	2,085	2,117	4,202	36,364
Financial assistance	2,097	423,350	2,969	6,095	423	-	434,934	2,520	2,559	5,079	440,013
Food and kitchen supplies	1,401,337	-	765	-	-	-	1,402,102	-	-	-	1,402,102
In-kind food and furniture	1,707,207	-	-	-	-	-	1,707,207	-	-	-	1,707,207
In-kind rent	38,698	10,190	7,302	18,840	7,811	-	82,841	46,510	47,224	93,734	176,575
In-kind services	-	-	-	-	-	-	-	-	16,467	16,467	16,467
Insurance	4,933	1,299	931	2,401	996	1,913	12,473	5,928	6,017	11,945	24,418
Maintenance	15,975	3,046	16,753	15,024	1,946	3,389	56,133	11,587	11,764	23,351	79,484
Memberships	-	-	-	-	-	-	-	-	626	626	626
Miscellaneous	888	233	168	433	179	-	1,901	1,069	1,084	2,153	4,054
Occupancy	4,275	1,126	807	2,081	861	-	9,150	5,138	5,217	10,355	19,505
Office and other expense	11,458	1,494	4,318	32,114	933	86	50,403	5,553	7,789	13,342	63,745
Operating supplies	4,201	868	18,518	779	324	-	24,690	1,923	1,951	3,874	28,564
Payroll taxes	21,421	1,171	6,243	3,524	898	134	33,391	5,344	5,426	10,770	44,161
Postage and shipping	404	106	76	197	81	-	864	487	9,623	10,110	10,974
Professional fees	3,134	825	591	6,626	633	8,778	20,587	3,767	33,370	37,137	57,724
Security	225	87	1,637	22	9	-	1,980	54	55	109	2,089
Software and website	11,159	2,588	1,986	5,281	1,984	-	22,998	11,815	2,243	14,058	37,056
Staff development	812	88	4,070	2,432	67	-	7,469	400	405	805	8,274
Telephone	2,246	1,495	1,832	472	196	244	6,485	1,166	1,184	2,350	8,835
Utilities	1,035	966	16,504	254	107	84	18,950	630	640	1,270	20,220
Total expenses	\$ 3,575,120	\$ 472,827	\$ 178,049	\$ 159,092	\$ 35,764	\$ 25,480	\$ 4,446,332	\$ 212,951	\$ 186,872	\$ 399,823	\$ 4,846,155

See accompanying notes to the financial statements.

ALIVE!, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2020

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

See accompanying notes to the financial statements.

ALIVE!, Inc.
Statements of Cash Flows
For the Years Ended June 30, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ <u>1,708,820</u>	\$ <u>546,679</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	69,060	21,760
Net realized and unrealized gains on investments	(118,090)	(7,007)
Donated securities	(28,999)	(35,033)
Donated property and equipment	(93,299)	-
Decrease (increase) in assets:		
Grants receivable	(135,618)	2,932
Inventory	(122,387)	(82,150)
Prepaid expenses	(10,627)	(3,723)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	78,741	37,966
Accrued payroll liabilities	8,365	(39,309)
Deferred revenue, program service fees	-	(1,966)
Refundable grant advance	<u>(106,130)</u>	<u>106,130</u>
Total adjustments	<u>(458,984)</u>	<u>(400)</u>
Net cash provided by operating activities	<u>1,249,836</u>	<u>546,279</u>
Cash flows from investing activities:		
Purchases of property and equipment	(133,389)	(14,516)
Purchases of investments	(1,300,000)	(400,000)
Proceeds from sales of investments	<u>-</u>	<u>190,000</u>
Net cash used in investing activities	<u>(1,433,389)</u>	<u>(224,516)</u>
Net (decrease) increase in cash	(183,553)	321,763
Cash, beginning of year	<u>436,207</u>	<u>114,444</u>
Cash, end of year	<u>\$ <u>252,654</u></u>	<u>\$ <u>436,207</u></u>
Supplemental disclosures of cash flow information:		
Forgiveness of Payment Protection Plan Loan	<u>\$ <u>106,130</u></u>	<u>\$ <u>-</u></u>

See accompanying notes to the financial statements.

ALIVE!, Inc.
Notes to the Financial Statements
June 30, 2021 and 2020

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.

b. Basis of accounting

The Organization's financial statements are prepared on the accrual basis of accounting in accordance with US GAAP.

ALIVE!, Inc.
Notes to the Financial Statements
June 30, 2021 and 2020

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 years ended June 30, 2021 and 2020.

- Mutual funds: Valued at the NAV of shares on the last trading day of the fiscal year.
- Equity funds: Valued at the closing quoted price in an active market.

ALIVE!, Inc.
Notes to the Financial Statements
June 30, 2021 and 2020

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. 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. Investments that are restricted by the donor are reported as net assets without donor restrictions if the restriction expires in the same reporting period in which the contribution is recognized. 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

ALIVE!, Inc.
Notes to the Financial Statements
June 30, 2021 and 2020

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

Contributions, foundation grants, special fundraising events and United Way: 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 grants: The Organization receives government monies to assist the Organization with food and emergency assistance projects. Government grants are considered contribution revenues and are recognized when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. A portion of government grants revenue is derived from cost reimbursable grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are recorded as refundable advances in the accompanying statement of financial position. For the years ended June 30, 2021 and 2020, the Organization had no cost reimbursable federal grants that had not been recognized because qualifying expenditures have not yet been incurred.

ALIVE!, Inc.
Notes to the Financial Statements
June 30, 2021 and 2020

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 11).

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 \$14,400 and \$21,344 of in-kind contributed IT and accounting services for the years ended June 30, 2021 and 2020, respectively.

The Organization received in-kind contributions of materials and facilities valued at \$1,921,718 and \$1,006,296 for the years ended June 30, 2021 and 2020, respectively. For the year June 30, 2021, the Organization also received \$93,299 in donated vehicles. 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. Certain indirect 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.

ALIVE!, Inc.
Notes to the Financial Statements
June 30, 2021 and 2020

k. New pronouncements

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.

In September 2020, the FASB issued ASU 2020-07 on Topic 958, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This standard requires nonprofits to change their financial statement presentation and disclosure of contributed nonfinancial assets, or gifts-in-kind. The standard is effective for annual reporting periods beginning after June 15, 2021, and interim periods with annual reporting periods beginning after June 15, 2022. The Organization is currently assessing the impact of this new standard, but does not anticipate it having a material impact.

3. Liquidity and Availability

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

Financial assets at year end:	<u>2021</u>	<u>2020</u>
Cash	\$ 252,654	\$ 436,207
Investments	2,505,931	1,058,842
Grants receivable	<u>135,618</u>	<u>-</u>
Total financial assets	2,894,203	1,495,049
Less amounts not available within one year:		
Net assets with donor restrictions	<u>(545,792)</u>	<u>(260,689)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 2,348,411</u>	<u>\$ 1,234,360</u>

ALIVE!, Inc.
Notes to the Financial Statements
June 30, 2021 and 2020

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, 2021 and 2020, the Organization had bank deposits in excess of FDIC limits of \$79,762 and \$249,812, respectively. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

5. Investments and Fair Value Measurements

Assets measured at fair value on a recurring basis as of June 30, 2021 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity funds	\$ 18,957	\$ -	\$ -	\$ 18,957
Mutual funds	<u>358,528</u>	<u>-</u>	<u>-</u>	<u>358,528</u>
Total investments, measured at fair value	<u>\$ 377,485</u>	<u>\$ -</u>	<u>\$ -</u>	377,485
Money market funds, measured at amortized cost				1,891,445
Certificates of deposit, measured at cost				<u>237,001</u>
Total investments				<u>\$ 2,505,931</u>

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

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

ALIVE!, Inc.
Notes to the Financial Statements
June 30, 2021 and 2020

6. Property and Equipment, Net

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

	2021	2020
Building	\$ 676,907	\$ 676,907
Vehicles	289,234	92,119
Furniture and equipment	120,519	90,947
Land	28,039	28,039
Property and equipment	1,114,699	888,012
Accumulated depreciation	(620,096)	(551,037)
Total property and equipment, net	\$ 494,603	\$ 336,975

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 April 28, 2020 under this program in the amount of \$106,130. The Organization received loan forgiveness on March 24, 2021. The balance of the forgiven loan is included in government grants on the statement of activities for the year ended June 30, 2021.

8. Net Assets With Donor Restrictions

Net assets were released from donor restrictions in the amount of \$260,689 during the year ended June 30, 2021, by incurring expenses for the Food program. No net assets were released from donor restrictions for the year ended June 30, 2020.

For the years ended June 30, 2021 and 2020, net assets totaling \$545,792 and \$260,689 were available for the Food program.

ALIVE!, Inc.
Notes to the Financial Statements
June 30, 2021 and 2020

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, 2021 and 2020 were \$6,542 and \$11,147, respectively.

10. Commitments and contingency

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 2020, the base monthly rent decreased to \$1,802. The Organization paid \$19,505 and \$27,438 under the lease for the years ended June 30, 2021 and 2020, respectively.

The market rent for the space, however, is estimated to approximately be twice that amount. For the years ended June 30, 2021 and 2020, the Organization recognized \$18,000 and \$27,439, respectively, of in-kind revenue and expense. Additionally, the Organization received donated warehouse space valued at \$158,575 and \$58,410 which was recognized as in-kind revenue and expense for the years ended June 30, 2021 and 2020, respectively. The total in-kind rent expense was \$176,575 and \$85,849 for the years ended June 30, 2021 and 2020, respectively.

Contingency

Beginning around March 2020, the COVID-19 virus was declared a global pandemic as it continued to spread rapidly. Business continuity, Organization activities and funding sources could continue to be impacted for months or beyond as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic. Management is carefully monitoring the situation and evaluating its options during this time. No adjustments have been made to these financial statements as a result of this uncertainty.

ALIVE!, Inc.
Notes to the Financial Statements
June 30, 2021 and 2020

11. Subsequent Events

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through June 24, 2022, which is the date the financial statements were available to be issued. There were no subsequent events that require recognition of, or disclosure in, these financial statements.