

TRI-LAKES CARES
FINANCIAL STATEMENTS
September 30, 2021 and 2020



TRI-LAKES CARES

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Tri-Lakes Cares

We have audited the accompanying financial statements of **Tri-Lakes Cares** (a nonprofit organization), which comprise the statements of financial position as of September 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.

Auditors' 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 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 **Tri-Lakes Cares** as of September 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.

Erickson, Brown & Kloster, LLC

Colorado Springs, Colorado
January 27, 2022

TRI-LAKES CARES
Statements of Financial Position
September 30, 2021 and 2020

	2021	2020
Assets		
Current assets:		
Cash	\$ 222,753	\$ 637,331
Grants and contributions receivable	121,433	86,455
Investments	1,121,587	23,200
Gift cards	4,279	12,753
Inventories	31,490	59,641
Prepaid expenses and other	39,286	27,300
Total current assets	1,540,828	846,680
Property and equipment, net	392,053	400,043
Investments - oil royalty interest	-	1,000
	\$ 1,932,881	\$ 1,247,723
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 12,979	\$ 9,028
Accrued expenses	61,823	49,585
Refundable advance - grants	1,731	4,671
Total current liabilities	76,533	63,284
Paycheck Protection Program loan	-	83,617
	76,533	146,901
Net assets:		
Without donor restrictions	1,683,287	871,007
With donor restrictions	173,061	229,815
	1,856,348	1,100,822
	\$ 1,932,881	\$ 1,247,723

See accompanying notes

TRI-LAKES CARES
Statements of Activities
Years Ended September 30, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues:						
Donated goods and services	\$ 725,693	\$ -	\$ 725,693	\$ 664,415	\$ -	\$ 664,415
Contributions	706,883	134,722	841,605	580,563	143,842	724,405
Grants	471,749	207,067	678,816	247,735	315,937	563,672
Noncash contributions of investments	40,427	-	40,427	-	-	-
Investment income	434,666	-	434,666	2,210	-	2,210
Other income	603	-	603	606	-	606
Net assets released from restrictions	398,543	(398,543)	-	364,461	(364,461)	-
	2,778,564	(56,754)	2,721,810	1,859,990	95,318	1,955,308
Expenses:						
Program services:						
Family Stabilization	630,321	-	630,321	541,724	-	541,724
Pantry	746,060	-	746,060	571,598	-	571,598
Housing and Utilities	249,507	-	249,507	218,855	-	218,855
	1,625,888	-	1,625,888	1,332,177	-	1,332,177
General and administrative	111,286	-	111,286	89,954	-	89,954
Fundraising and development	229,110	-	229,110	184,706	-	184,706
	1,966,284	-	1,966,284	1,606,837	-	1,606,837
Change in net assets	812,280	(56,754)	755,526	253,153	95,318	348,471
Net assets, beginning of year	871,007	229,815	1,100,822	617,854	134,497	752,351
Net assets, end of year	\$ 1,683,287	\$ 173,061	\$ 1,856,348	\$ 871,007	\$ 229,815	\$ 1,100,822

See accompanying notes

TRI-LAKES CARES
Statement of Functional Expenses
Year Ended September 30, 2021

	Program Services				Supporting Services		
	Family Stabilization	Pantry	Housing and Utilities	Total	General and Administrative	Fundraising and Development	Total
Direct expenses:							
Donated goods distributed	\$ 119,044	\$ 511,252	\$ 6,881	\$ 637,177	\$ 272	\$ 1,088	\$ 638,537
Housing assistance	-	-	149,787	149,787	-	-	149,787
Groceries and food assistance	23,125	118,960	-	142,085	-	-	142,085
Transportation	42,007	-	-	42,007	-	-	42,007
Medical assistance	-	23,924	-	23,924	-	-	23,924
General assistance	9,584	1,187	1,350	12,121	-	-	12,121
Gifts	11,585	-	-	11,585	-	-	11,585
Utilities	-	-	11,264	11,264	-	-	11,264
School supplies	7,608	-	-	7,608	-	-	7,608
Education assistance	371	-	-	371	-	-	371
Total direct expenses	213,324	655,323	169,282	1,037,929	272	1,088	1,039,289
Indirect expenses:							
Salaries	191,142	68,607	61,922	321,671	76,601	161,497	559,769
Payroll taxes	21,074	5,608	6,951	33,633	8,015	17,046	58,694
Donated goods used in operations	25,937	3,828	4,193	33,958	3,635	17,785	55,378
Occupancy	35,697	7,745	176	43,618	1,733	1,656	47,007
Management	22,218	1,187	3,753	27,158	3,567	5,947	36,672
Information technology	16,493	1,508	1,769	19,770	2,874	9,491	32,135
Office expenses	9,779	967	40	10,786	2,073	7,910	20,769
Meetings	8,731	421	710	9,862	753	1,571	12,186
Depreciation	10,100	-	-	10,100	500	473	11,073
Insurance	8,796	110	134	9,040	731	1,180	10,951
Advertising and promotion	5,873	667	479	7,019	527	3,361	10,907
Accounting	-	-	-	-	9,950	-	9,950
Travel	415	89	3	507	55	105	667
Total indirect expenses	356,255	90,737	80,130	527,122	111,014	228,022	866,158
Donated services	60,742	-	95	60,837	-	-	60,837
Total expenses	\$ 630,321	\$ 746,060	\$ 249,507	\$ 1,625,888	\$ 111,286	\$ 229,110	\$ 1,966,284
Expense percentages	32%	38%	13%	83%	5%	12%	100%

See accompanying notes

TRI-LAKES CARES
Statement of Functional Expenses
Year Ended September 30, 2020

	Program Services				Supporting Services		
	Family Stabilization	Pantry	Housing and Utilities	Total	General and Administrative	Fundraising and Development	Total
Direct expenses:							
Donated goods distributed	\$ 80,296	\$ 417,285	\$ 25,272	\$ 522,853	\$ 75	\$ 102	\$ 523,030
Housing assistance	-	-	108,195	108,195	-	-	108,195
Groceries and food assistance	23	64,066	-	64,089	-	-	64,089
Medical assistance	20,637	-	-	20,637	-	-	20,637
Transportation	18,454	-	-	18,454	-	-	18,454
General assistance	14,320	-	-	14,320	-	-	14,320
Gifts	11,288	-	-	11,288	-	-	11,288
Utilities	-	-	9,644	9,644	-	-	9,644
Home repair assistance	2,302	-	-	2,302	-	-	2,302
School supplies	793	-	-	793	-	-	793
Education assistance	193	-	-	193	-	-	193
Total direct expenses	148,306	481,351	143,111	772,768	75	102	772,945
Indirect expenses:							
Salaries	176,128	62,794	60,646	299,568	62,919	124,518	487,005
Payroll taxes	19,655	5,351	6,332	31,338	6,262	12,760	50,360
Occupancy	33,497	8,412	1,111	43,020	1,084	1,458	45,562
Donated goods used in operations	16,033	5,231	1,278	22,542	1,918	16,405	40,865
Information technology	19,243	2,977	1,985	24,205	2,828	9,207	36,240
Fees for services	2,512	612	2,540	5,664	11,833	3,462	20,959
Office expenses	11,462	873	-	12,335	451	5,844	18,630
Advertising and promotion	5,517	505	103	6,125	178	5,386	11,689
Depreciation	8,959	-	-	8,959	258	354	9,571
Insurance	6,798	181	200	7,179	386	652	8,217
Meetings	1,654	441	482	2,577	439	651	3,667
Travel	1,110	366	217	1,693	191	317	2,201
Total indirect expenses	302,568	87,743	74,894	465,205	88,747	181,014	734,966
Donated services	90,850	2,504	850	94,204	1,132	3,590	98,926
Total expenses	\$ 541,724	\$ 571,598	\$ 218,855	\$ 1,332,177	\$ 89,954	\$ 184,706	\$ 1,606,837
Expense percentages	34%	35%	14%	83%	6%	11%	100%

See accompanying notes

TRI-LAKES CARES
Statements of Cash Flows
Years Ended September 30, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ 755,526	\$ 348,471
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	11,073	9,571
Noncash contributions of investments	(40,427)	-
Realized and unrealized gains on investments	(431,133)	(724)
Loss on disposition of property and equipment	392	3,729
Decrease (increase) in assets:		
Grants and contributions receivable	(34,978)	(6,998)
Gift cards	8,474	(7,117)
Inventories	28,151	(1,594)
Prepaid expenses and other	(11,986)	(10,044)
Increase (decrease) in liabilities:		
Accounts payable	3,951	(6,571)
Accrued expenses	12,238	20,259
Refundable advance - grants	(2,940)	4,671
Paycheck Protection Program loan	(83,617)	83,617
Net cash provided by operating activities	214,724	437,270
Cash flows from investing activities:		
Purchases of investments	(1,835,019)	(214)
Proceeds from sale of investments	735,992	-
Purchases of property and equipment	(3,475)	(11,558)
Proceeds from sale of investments - oil royalty interest	473,200	-
Net cash used in investing activities	(629,302)	(11,772)
Net increase (decrease) in cash	(414,578)	425,498
Cash, beginning of year	637,331	211,833
Cash, end of year	\$ 222,753	\$ 637,331

See accompanying notes

TRI-LAKES CARES
Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of activities

Tri-Lakes Cares (the Organization) is a nonprofit organization that was incorporated in Colorado on January 24, 1984. The Organization is a community based, volunteer supported, resource center whose purpose is to improve people's lives through emergency assistance, self-sufficiency, and relief programs. In addition, the Organization hosts several other community partners, enabling their clients to obtain medical assistance, access food, apply for government programs, as well as meeting several other basic needs all in one location.

The Organization is dependent on contributions and grants primarily from the El Paso County Colorado community and grantor agencies to maintain its operations at current levels.

Basis of accounting

The accounts of the Organization are maintained, and the financial statements are prepared, on the accrual basis of accounting.

Basis of presentation

Under U.S. generally accepted accounting principles (GAAP), 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* and net assets *with donor restrictions*. The two classes of net assets are defined as follows:

Net assets without donor restrictions – net assets that are not subject to, or are no longer subject to, donor-imposed stipulations.

Net assets with donor restrictions – net assets whose use is limited by donor-imposed time and/or purpose restrictions.

Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and cash equivalents

For purposes of the statements of cash flows, the Organization considers highly liquid investments with an initial maturity of three months or less, not held for long-term purposes, to be cash equivalents.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Grants and contributions receivable

Grants and contributions receivable are reported at the amount the Organization expects to collect on balances outstanding at year end. The Organization provides for probable uncollectible amounts through a charge against contributions or grant revenue and a credit to an allowance based on its assessment of the current status of individual receivables. At September 30, 2021 and 2020, the Organization considers grants and contributions receivable to be fully collectible. Accordingly, no allowance for uncollectible grants and contributions is required.

Investments

The majority of the Organization's investments are reported at fair value. Fair value is the price that would be received to sell an asset or would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 5 for discussion of fair value measurements.

Additionally, during the year ended September 30, 2021, the Organization sold an investment in oil royalty interest which was donated to the Organization in 2010. The Organization had previously elected to measure this investment at cost, which approximated the fair value at the date of donation, as this investment did not have a readily determinable fair value.

Investment income, which includes interest, dividends, royalties, and net realized and unrealized gains and losses, less investment fees, is reported as an increase in net assets with or without donor restrictions, depending on the existence and/or nature of any donor restrictions. Unrealized gains and losses represent the change in the fair value of the individual investment for the year, or since the acquisition date, if acquired during the year.

Inventories

Inventories of donated food items are valued at an estimated wholesale value of \$1.74 and \$1.62 per pound as of September 30, 2021 and 2020, respectively. The estimated value per pound used by management is equivalent to that used by a leading national food bank. Inventories of items donated for a silent auction fundraising event are valued at their fair value as provided by each donor at the time of donation.

Property and equipment

Property and equipment is stated at cost, or if donated, at the estimated fair value at the date of donation. The Organization's policy is to capitalize acquisitions of property and equipment costing in excess of \$2,000 and having a useful life exceeding one year. Depreciation is provided using the straight-line method over the following estimated useful lives:

Building	50 Years
Furniture and equipment	3-7 Years

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Support and revenue recognition

Contributions and grants (other than cost-reimbursable grants) are recorded as revenue when unconditional promises to give have been made or grant awards have been received and are shown as increases in net assets, with or without donor restrictions, depending on the existence and/or nature of any donor restrictions. When restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Donated assets are recorded at their fair value on the date of donation.

A portion of the Organization's revenue is derived from cost-reimbursable federal and state grants, which are conditioned upon certain performance requirements and/or incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific grant provisions.

Unconditional promises to give are recorded at net realizable value if expected to be collected within one year and at the present value of estimated future cash flows if expected to be collected in more than one year. All unconditional grants and contributions receivable recorded at September 30, 2021 and 2020 are expected to be received within one year.

Conditional promises to give are not included as support and revenue until the conditions are substantially met. The Organization reports donor-restricted support and revenue that was initially a conditional contribution or grant and for which the donor-imposed conditions and restrictions are met in the same reporting period as net assets without donor restrictions.

At September 30, 2021 and 2020, the Organization's conditional promises to give consist of \$467,339 and \$181,430, respectively, related to grants which have been awarded to the Organization but for which certain performance requirements have not been met and/or allowable qualifying expenses have not been incurred.

As of September 30, 2021 and 2020, advanced payments for conditional grants which have been received but for which the conditions of the grants have not been met as of year end, totaled \$1,731 and \$4,671, respectively, and are included in refundable advance – grants on the accompanying statements of financial position.

Expense allocations

The costs of providing programs and supporting services have been summarized on a functional basis in the statements of activities. Most expenses can be directly attributed to program or supporting functions. When certain categories of expense are attributed to more than one functional category, management allocates those expenses based on reasonable criteria. The most significant expenses which are allocated among the programs and supporting services benefited include salaries, payroll taxes, donated goods used in operations, and occupancy.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Expense allocations (continued)

Salaries and payroll taxes are allocated based on the time spent by employees on providing certain activities. Donated goods used in operations and occupancy are allocated based on the square footage of the Organization's building as used by the supporting service.

Income tax status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (the Code) and comparable Colorado law as a charitable organization. In addition, it has been classified as an organization that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions. For the years ended September 30, 2021 and 2020, the Organization had no unrelated business taxable income. Accordingly, no provision has been made for income taxes in the accompanying financial statements.

Reclassifications

Certain reclassification have been made to the prior year financial statements to conform to the current year presentation.

2. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization receives substantial support from donor-restricted cash contributions and grants as well as in-kind contributions. However, most of these grants and contributions are believed to be available for general expenditures within one year of the statement of financial position date because the restrictions on the net assets can be met by conducting the normal activities of the Organization's programs within one year. Accordingly, the related resources have been included in the quantitative information below which details the financial assets available to meet general expenditures within one year.

The Organization's financial assets available within one year for general expenditures consist of the following at September 30:

	2021	2020
Financial assets:		
Cash	\$ 222,753	\$ 637,331
Grants and contributions receivable	121,433	86,455
Investments	1,121,587	23,200
Gift cards	4,279	12,753
	<u>1,470,052</u>	<u>759,739</u>
Less financial assets not available within one year for general expenditures:		
Funds designated by the Board for emergencies	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
Total financial assets available within one year for general expenditures	<u>\$ 1,370,052</u>	<u>\$ 659,739</u>

2. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (continued)

Subsequent to year end, the Organization adopted a formal investment policy (see Note 12) which resulted in the Board of Directors designating certain investments of the Organization for long-term use. Had the impact of the increased board designated net assets been reflected in the preceding table, the total amount of financial assets available within one year for general expenditures at September 30, 2021 would decrease by approximately \$800,000. Although the Organization does not intend to do so, any funds reserved for emergencies or long-term use could be made available as they are set aside by the Board of Directors and such designations could be removed should the Organization need access to those funds within one year for general expenditures.

3. INVENTORIES

Inventories consist of the following at September 30:

	2021	2020
Food	\$ 28,593	\$ 34,067
Donated items for silent auction	1,087	21,269
Other	1,810	4,305
	<u>\$ 31,490</u>	<u>\$ 59,641</u>

4. INVESTMENTS

Investments consist of the following at September 30:

	2021	2020
Cash	\$ 404,894	\$ 25
Mutual funds	566,553	23,175
Corporate stocks	73,501	-
Exchange traded and closed-end funds (ETFs and CEFs)	76,639	-
Oil royalty interest at cost	-	1,000
	<u>\$ 1,121,587</u>	<u>\$ 24,200</u>

The following schedule summarizes investment income for interest bearing cash accounts and investments for the years ended September 30:

	2021	2020
Interest	\$ 865	\$ 771
Dividends	1,580	284
Royalties	1,088	431
Net realized and unrealized gains	431,133	724
	<u>\$ 434,666</u>	<u>\$ 2,210</u>

5. FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets 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.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

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

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize observable inputs and minimize the use of unobservable inputs. There have been no changes in the methodologies used at September 30, 2021 and 2020.

Following is a description of the valuation methodologies used for assets measured on a recurring basis at fair value.

Mutual funds: Valued at the daily closing price as reported by the funds. The mutual funds held by the Organization are open-end mutual funds which are registered with the Securities and Exchange Commission. The funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

Corporate stocks, ETFs (exchange traded funds), and CEFs (closed-end funds): Valued at the closing price reported on the active market on which the individual securities are traded.

5. FAIR VALUE MEASUREMENTS (continued)

The following table sets forth the level, within the fair value hierarchy, of the Organization's assets measured on a recurring basis at fair value as of September 30, 2021:

	<u>Fair value</u>	<u>Level 1</u>
Mutual funds	\$ 566,553	\$ 566,553
Corporate stocks	73,501	73,501
Exchange traded and closed-end funds (ETFs and CEFs)	<u>76,639</u>	<u>76,639</u>
Total assets measured at fair value	<u>\$ 716,693</u>	<u>\$ 716,693</u>

At September 30, 2020, the Organization's assets measured on a recurring basis consist of an investment in a mutual fund totaling \$23,175. The investment is considered a level 1 asset within the fair value hierarchy.

Reconciliation of total assets measured at fair value to total investments per the statements of financial position at September 30:

	<u>2021</u>	<u>2020</u>
Total assets measured at fair value	\$ 716,693	\$ 23,175
Add:		
Cash included in investments	<u>404,894</u>	<u>25</u>
Total investments	<u>\$ 1,121,587</u>	<u>\$ 23,200</u>

6. PROPERTY AND EQUIPMENT

Property and equipment consists of the following at September 30:

	<u>2021</u>	<u>2020</u>
Land	\$ 85,268	\$ 85,268
Building	413,336	413,336
Furniture and equipment	<u>18,907</u>	<u>18,371</u>
	517,511	516,975
Less accumulated depreciation	<u>125,458</u>	<u>116,932</u>
	<u>\$ 392,053</u>	<u>\$ 400,043</u>

7. PAYCHECK PROTECTION PROGRAM LOAN

In April 2020, the Organization obtained a \$83,617 loan under the Paycheck Protection Program (PPP), part of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), an economic stimulus bill passed by the U.S. government on March 27, 2020, in response to the economic fallout of the COVID-19 pandemic in the United States. Repayment of the loan under this program is forgiven to any recipient of the PPP loan when the funds are used during a specified period for eligible expenses, such as maintaining payroll and benefits at certain levels and for payments of rent and utilities.

7. PAYCHECK PROTECTION PROGRAM LOAN (continued)

At September 30, 2020, the Organization recorded the PPP loan as a liability in the statements of financial position. During the year ended September 30, 2021, the Organization obtained forgiveness of repayment of the PPP loan. As a result, the amount of the loan is included in grants in the accompanying statements of activities for the year ended September 30, 2021. Due to the nature of expenses these funds were used for, the PPP loan is included in cash flows from operating activities in the statements of cash flows.

8. NET ASSETS

The financial statements report amounts of net assets as without donor restrictions or with donor restrictions based on the absence or existence and the type of donor-imposed restrictions. Amounts designated by the Board of Directors for specific programs or activities are treated as net assets without donor restrictions. At September 30, 2021 and 2020, net assets without donor restrictions, but designated by the Board of Directors for emergencies, totaled \$100,000. The balance can be transferred to the undesignated portion of net assets without donor restrictions at the Board's discretion. See Note 12.

Net assets with donor restrictions consist of the following at September 30:

	<u>2021</u>	<u>2020</u>
Purpose restrictions:		
Family Stabilization program	\$ 73,881	\$ 93,487
Pantry program	53,715	92,362
Housing and Utilities program	510	-
Disaster relief (COVID-19)	-	27,936
Time restrictions (grants and contributions receivable)	<u>44,955</u>	<u>16,030</u>
	<u>\$ 173,061</u>	<u>\$ 229,815</u>

Net assets received with donor restrictions were released from those restrictions by satisfying the following restrictions during the years ended September 30:

	<u>2021</u>	<u>2020</u>
Purpose restrictions:		
Family Stabilization program	\$ 142,737	\$ 109,489
Pantry program	125,864	56,288
Housing and Utilities program	10,000	33,227
Disaster relief (COVID-19)	71,472	125,024
Time restrictions (grants and contributions receivable)	<u>48,470</u>	<u>40,433</u>
	<u>\$ 398,543</u>	<u>\$ 364,461</u>

9. DONATED GOODS AND SERVICES

During the years ended September 30, 2021 and 2020, the Organization received and distributed goods and services for client programs and for operational support as follows:

	2021	2020
Received for client programs:		
Food and sundries	\$ 504,281	\$ 432,223
Medical services and supplies	60,344	68,332
Holiday gifts for seniors and children	12,715	14,410
School supplies	8,498	11,796
Other services	7,743	11,129
Other supplies	97,917	69,955
	<u>691,498</u>	<u>607,845</u>
Received for operational support:		
Goods and services	34,195	56,570
	<u>\$ 725,693</u>	<u>\$ 664,415</u>
Distributed for client programs:		
Food and sundries	\$ 504,171	\$ 416,569
Medical services and supplies	59,590	68,591
Holiday gifts for seniors and children	12,715	13,626
School supplies	9,261	16,044
Other services	7,708	11,132
Other supplies	105,927	71,969
	<u>699,372</u>	<u>597,931</u>
Distributed for operational support:		
Goods and services	55,380	64,890
	<u>\$ 754,752</u>	<u>\$ 662,821</u>

The Organization recognizes donated services that create or enhance non-financial assets or that require specialized skills and would typically need to be purchased if not provided by donation.

The Organization also receives donated services not reflected in the financial statements as they do not meet the criteria for recognition under GAAP. For the years ended September 30, 2021 and 2020, the Organization received approximately 14,620 and 13,500 volunteer hours with an estimated value of approximately \$417,000 and \$367,000, respectively.

10. CASH FLOW STATEMENT DISCLOSURES

Supplemental disclosures of cash flow information

During the years ended September 30, 2021 and 2020, the Organization did not pay any interest or unrelated business income tax.

10. CASH FLOW STATEMENT DISCLOSURES (continued)

Supplemental disclosures of noncash investing and financing activities

During the year ended September 30, 2021, the Organization received noncash contributions of investments valued at \$40,427.

11. CONCENTRATIONS

At times, cash balances held in one financial institution may exceed federally insured limits. The Organization has not experienced any losses in its cash accounts and management believes the Organization is not exposed to any significant credit risk on cash.

The Organization has significant investments which subject the Organization to concentrations of credit risk. Investments are made by investment managers engaged by the Organization and the investments are monitored by the Organization. Though the market value of investments is subject to fluctuations, management believes the Organization's investment policies are prudent for the long-term welfare of the Organization. See Note 12.

12. SUBSEQUENT EVENTS

Subsequent to year end, the Board of Directors agreed to designate approximately 80% of the Organization's investments for long-term purposes. As of the date of the attached independent auditors' report, the Board of Directors has not decided on the specific designated purposes for which those net assets are to be reserved. Additionally, the Board adopted an investment policy which outlines investment guidelines for short-term and long-term periods.

Management has evaluated subsequent events through the date of the attached independent auditors' report, the date which the financial statements were available to be issued. Management believes that there have been no significant subsequent events other than the matters described in the preceding paragraph.