

**IMPERIAL VALLEY FOOD BANK
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020**

IMPERIAL VALLEY FOOD BANK

| | <u>Pages</u> |
|--|--------------|
| I Index | 1 |
| II Independent auditor's report | 2 - 3 |
| III Consolidated statement of financial position | 4 |
| IV Consolidated statement of activities and changes in net assets | 5 |
| V Consolidated statement of functional expenses | 6 |
| VI Consolidated statement of cash flows | 7 |
| VII Notes to the consolidated financial statements | 8 - 22 |
| VIII Consolidating statement of financial position | 23 |
| IX Consolidating statement of activities and changes in net assets | 24 |

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Imperial Valley Food Bank

We have audited the accompanying consolidated financial statements of Imperial Valley Food Bank, a nonprofit organization, which comprise the consolidated statement of financial position as of December 31, 2020, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Imperial Valley Food Bank as of December 31, 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The consolidating statement of financial position and consolidating statement of activities and changes in net assets is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in cursive script that reads "Considine & Considine".

CONSIDINE & CONSIDINE
An accountancy corporation

July 8, 2021

**IMPERIAL VALLEY FOOD BANK
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020**

Page 4

ASSETS

CURRENT ASSETS

| | |
|--|------------|
| Cash and cash equivalents | \$ 989,417 |
| Restricted cash (note 3) | 143,543 |
| Investments (note 4) | 227,934 |
| Inventories | 1,994,662 |
| Accounts receivable | 1,309 |
| Grants and contracts receivable (note 5) | 995,360 |
| Pledges receivable (note 6) | 248,266 |

4,600,491

PROPERTY AND EQUIPMENT (note 7)

6,393,100

OTHER ASSETS

| | |
|--|-----------|
| Restricted cash (note 3) | 207,050 |
| Pledges receivable - long-term (note 6) | 117,943 |
| New markets tax credit financing (note 10) | 4,602,950 |

4,927,943

TOTAL ASSETS

15,921,534

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

| | |
|---|---------|
| Accounts payable | 112,333 |
| Accrued liabilities | 27,063 |
| Current portion of long-term debt (note 10) | 150,000 |

289,396

LONG-TERM LIABILITIES

| | |
|--|-----------|
| Note payable (note 10) | 335,273 |
| Capital lease (note 8) | 12,958 |
| New markets tax credit financing (note 10) | 6,370,000 |

6,718,231

TOTAL LIABILITIES

7,007,627

NET ASSETS (note 12)

| | |
|----------------------------|-----------|
| Without donor restrictions | 8,758,427 |
| With donor restrictions | 155,480 |

8,913,907

TOTAL NET ASSETS

TOTAL LIABILITIES AND NET ASSETS

\$ 15,921,534

See accompanying notes to the consolidated financial statements

IMPERIAL VALLEY FOOD BANK
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2020

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---------------------------------------|-------------------------------|----------------------------|--------------|
| REVENUE | | | |
| Governmental agencies | \$ 7,373,737 | \$ - | \$ 7,373,737 |
| Contributions | 5,867,859 | 106,792 | 5,974,651 |
| Interest | 179,626 | - | 179,626 |
| Program income | 147,766 | - | 147,766 |
| Public support | 130,958 | - | 130,958 |
| Campaign income | - | 157,392 | 157,392 |
| Special events | 85,958 | - | 85,958 |
| Miscellaneous income | 4,517 | - | 4,517 |
| Rental income | 1,000 | - | 1,000 |
| | 13,791,421 | 264,184 | 14,055,605 |
| Net assets released from restrictions | | | |
| Restrictions satisfied by payments | 1,214,749 | (1,214,749) | - |
| TOTAL SUPPORT AND REVENUE | 15,006,170 | (950,565) | 14,055,605 |
| EXPENSES | | | |
| Program services: | | | |
| Emergency Food Assistance (EFAP) | 5,223,560 | - | 5,223,560 |
| Other food bank programs | 5,947,790 | - | 5,947,790 |
| Total program services | 11,171,350 | - | 11,171,350 |
| Supporting services: | | | |
| Administration | 52,420 | - | 52,420 |
| Fundraising | 72,714 | - | 72,714 |
| Capital campaign | 197,729 | - | 197,729 |
| Total supporting services | 322,863 | - | 322,863 |
| TOTAL EXPENSES | 11,494,213 | - | 11,494,213 |
| CHANGE IN NET ASSETS | 3,511,957 | (950,565) | 2,561,392 |
| NET ASSETS, BEGINNING OF YEAR | 5,246,470 | 1,106,045 | 6,352,515 |
| NET ASSETS, END OF YEAR | \$ 8,758,427 | \$ 155,480 | \$ 8,913,907 |

See accompanying notes to the consolidated financial statements

IMPERIAL VALLEY FOOD BANK
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

| | Program Services | | Supporting Services | | | Total |
|------------------------------------|------------------|-----------------------------|---------------------|-------------|---------------------|---------------|
| | EFAP | Other Food Bank Programs | Administration | Fundraising | Capital Campaign | |
| EXPENSES | | | | | | |
| Automobile expenses | \$ 10,354 | \$ 11,548 | \$ - | \$ - | \$ - | \$ 21,902 |
| Bank services fees | 1,405 | 2,490 | - | - | 195 | 4,090 |
| Distribution expense | 4,886,907 | 5,000,641 | - | - | - | 9,887,548 |
| Dues and subscriptions | 6,297 | 17,200 | - | - | - | 23,497 |
| Insurance | 53,304 | 32,085 | - | - | 5,406 | 90,795 |
| Interest | - | 62,904 | - | - | 185,920 | 248,824 |
| Miscellaneous | 600 | 56,826 | - | 606 | 24 | 58,056 |
| Office supplies | 3,553 | 4,363 | - | - | - | 7,916 |
| Payroll taxes | 15,083 | 37,038 | 4,328 | 5,493 | 40 | 61,982 |
| Postage and delivery | 469 | 536 | - | - | - | 1,005 |
| Printing and reproduction | 2,606 | 3,735 | - | - | - | 6,341 |
| Professional fees | 24,002 | 10,834 | - | - | 5,850 | 40,686 |
| Repairs and maintenance | 3,110 | 2,608 | - | - | - | 5,718 |
| Telephone | 8,074 | 7,731 | - | - | - | 15,805 |
| Travel | 5,657 | 7,522 | - | - | - | 13,179 |
| Wages | 157,263 | 357,436 | 48,092 | 66,615 | 267 | 629,673 |
| Warehouse expenses | 44,876 | 52,714 | - | - | 27 | 97,617 |
| TOTAL EXPENSES BEFORE DEPRECIATION | 5,223,560 | 5,668,211 | 52,420 | 72,714 | 197,729 | 11,214,634 |
| Depreciation | - | 279,579 | - | - | - | 279,579 |
| TOTAL EXPENSES | \$ 5,223,560 | \$ 5,947,790 | \$ 52,420 | \$ 72,714 | \$ 197,729 | \$ 11,494,213 |

See accompanying notes to the consolidated financial statements

**IMPERIAL VALLEY FOOD BANK
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Page 7

| | |
|--|--------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Change in net assets | \$ 2,561,392 |
| ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO | |
| CASH PROVIDED BY OPERATING ACTIVITIES | |
| Depreciation | 279,579 |
| Adjustment for long-term capital campaign pledges | (9,859) |
| Amortization of debt issuance costs | 2,857 |
| Change in operating assets and liabilities: | |
| Receivables | (809,883) |
| Pledges | (15,641) |
| Inventories | (625,515) |
| Accounts payable | (11,270) |
| Accrued expenses | 8,696 |
| | (1,181,036) |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 1,380,356 |
| CASH USED BY INVESTING ACTIVITIES | |
| Acquisition of property and equipment | (325,948) |
| Purchase of certificate of deposit | (200,000) |
| | (525,948) |
| NET CASH USED BY INVESTING ACTIVITIES | (525,948) |
| CASH USED BY FINANCING ACTIVITIES | |
| Collections of contributions restricted for capital campaign | 231,331 |
| Principal payments on capital lease | (2,991) |
| Principal payments on note payable | (1,100,000) |
| | (871,660) |
| NET CASH USED BY FINANCING ACTIVITIES | (871,660) |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (17,252) |
| CASH AND RESTRICTED CASH, BEGINNING OF YEAR | 1,357,262 |
| CASH AND RESTRICTED CASH, END OF YEAR | \$ 1,340,010 |
| SUPPLEMENTAL DISCLOSURES: | |
| Taxes paid | \$ - |
| Interest paid | \$ 260,479 |

See accompanying notes to the consolidated financial statements

IMPERIAL VALLEY FOOD BANK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020

Page 8

NOTE 1 THE ORGANIZATION

Imperial Valley Food Bank (the Organization) is a tax-exempt corporation, incorporated in the State of California on February 20, 1973 pursuant to Section 501(c)(3) of the Internal Revenue Code. The Organization's mission is to mobilize resource to fight hunger in our community. The Organization is affiliated with the national network of food banks known as Feeding America.

The core work of the Organization is the collection and distribution of donated food and other grocery products. Food and commodities are donated by the general public and government agencies. The Organization solicits donations from a wide variety of sources including produce growers, supermarket chains, wholesalers, the United States Department of Agriculture, large manufacturers and locally sponsored food drives and distributes these food commodities to qualifying distribution agencies and neighborhood pantries in Imperial County serving low-income and needy people.

The Organization also participates in hunger awareness campaigns in order to educate and inform the public regarding the problem of hunger. Revenues are primarily derived from fundraising, direct mail campaigns, grants, and contributions. The following are the primary programs of the Organization:

The *Emergency Food Assistance Program* (EFAP) provides emergency food assistance to residents of Imperial County. The EFAP program helps supplement the diets of low-income Americans, including elderly people, by providing them with emergency food and nutrition assistance at no cost. EFAP is partially funded by the United States Department of Agriculture (USDA) through its agent, the California Department of Social Services.

The *CalFresh Program*, federally known as the Supplemental Nutrition Assistance Program (SNAP) is a federally funded program that helps low-income individuals to buy the food they need for good health. The CalFresh Program helps improve the health and well-being of qualified households and individuals by providing them a means to meet their nutritional needs. The program provides education to food pantries to provide food stamp resources and information to their clients, including conducting informational meetings. The program issues monthly electronic benefits that can be used to buy most foods at many markets and food stores. Imperial Valley Food Bank helps with the application process in remote locations and advocates with DSS for those who apply.

The *Weekend Backpack Program* is fully funded by nongovernmental grants and serves the most vulnerable school-aged children by providing a backpack of healthy, nutritious food for the weekend. Each backpack contains enough food for six meals to include breakfast, lunch and dinner. The Organization has partnered with over 30 schools and provides backpacks to over 600 students.

The *Perishable Donation Partnership Fresh Food Rescue Program* brings food banks and local retailers together to rescue fresh food, such as, fresh meat, produce, dairy and bakery items that would otherwise be tossed away, by collecting and properly storing it, so it could be quickly shipped to reach hungry families. The Organization has partnered with Walmart, Target, and Food-4-Less to prevent retail food waste. The Organization's trucks pick up donations daily in order to distribute foods to local soup kitchens and shelters.

The *Farm to Family Produce and Perishables Program* connects the state's growers and packers with the Organization to deliver fresh, nutritious food to families in need, year-round. The California Association

IMPERIAL VALLEY FOOD BANK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020

Page 9

of Food Banks' Farm to Family team finds growers and packers with excess produce that is not right for market timing or might not meet marketplace standards for beauty, size or shape. The produce and perishables are distributed through the various food bank distribution programs.

Box of Basics Program (BOB) allows individuals in the Imperial Valley to purchase a variety of food items made to last up to one week for \$25. The Organization utilizes bulk buying power to be able to provide food at discounted rates and accepts CalFresh (SNAP) as a form of payment for the box of basics.

Partner Pantry Program is made of donated food obtained through food-drives held by various companies within the Imperial Valley area. The Partner Pantry provides partner agencies the opportunity to purchase items from the Organization's 'Agency Store'. The Organization's bulk buying power allows partner agencies to purchase items at minimal cost to stock their own cabinets or shelters.

Imperial Valley Food Bank Foundation is a nonprofit corporation organized under the laws of the State of California since August 7, 2018, and was incorporated for the purpose of obtaining the New Market Tax Credit (see note 8).

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting - The accompanying financial statements are prepared using the accrual method of accounting in conformity with generally accepted accounting principles (GAAP) in the United States of America.

Consolidations – The accompanying consolidated financial statements include the accounts of Imperial Valley Food Bank and its 100% owned subsidiary, Imperial Valley Food Bank Foundation, Inc. All significant intercompany transactions and accounts have been eliminated.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from these estimates.

Basis of presentation - Under accounting standards on Financial Statements of Not-for profit Organizations, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Net assets without donor restrictions - Consists of assets which are fully available, at the discretion of management and the Board of Directors, for the Organization to utilize in any of its programs or supporting services. Net assets without donor restrictions also include amounts designated for certain purposes by the Board of Directors.

Net assets with donor restrictions - Net assets with donor restrictions consist of contributed funds subject to donor-imposed restrictions contingent upon specific performance of a future event or a specific passage of time before the Organization may spend the funds.

Cash - The Organization considers financial instruments with a fixed maturity date of less than three months to be cash equivalents. The Organization maintains accounts with financial institutions with funds insured by the Federal Deposit Insurance Corporation (FDIC). The Organization maintains cash

IMPERIAL VALLEY FOOD BANK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020

balances in bank accounts that, at times, may exceed the federally insured deposit limits. The Organization has not experienced any losses in such accounts and management believes it is not exposed to any significant risk on cash.

Restricted cash - The Organization follows Accounting Standards Update (ASU) 2016-18, *Statement of Cash Flows Topic 230: Restricted Cash*, which provides guidance on the cash flows statement presentation and disclosure of restricted cash.

Investments - Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Gains and losses are included in the statements of activities and changes in net assets.

Fair value measurement - The Organization follows accounting standards consistent with the FASB codification which defines fair value, establishes a framework for measuring fair value and enhances disclosures about fair value measurements for all financial assets and liabilities.

Inventory - Inventory consists of food products that are purchased, donated and commodities received through the United States Department of Agriculture (USDA). The Organization records contributed food received from the USDA based on actual food product prices provided by the USDA. Inventory may neither be sold nor pledged as security for debt. Donated food is valued at \$162 per pound at December 31, 2020, using an average value derived from Feeding America, a national food bank network non-profit corporation. Purchased food is valued at the lower of cost (first-in, first-out) or market.

Property and equipment - Purchased property and equipment are recorded at cost. Donations of property and equipment are recorded as support at their estimated fair value as of the date of donation. The Organization's capitalization limit is \$500. Donations of property and equipment are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Maintenance and repairs are charged to the expense as incurred; major renewals and betterments are capitalized. When items of property and equipment are sold or retired, the related costs and accumulated depreciation are removed from the accounts, and any gain or loss is included in income.

Depreciation expense is computed using the straight line method over the estimated useful lives of the assets. Estimated useful lives are listed below:

| | |
|----------------------------|--------------|
| Vehicles | 5 years |
| Office equipment | 5 years |
| Warehouse equipment | 5 - 7 years |
| Warehouse and improvements | 7 - 39 years |

IMPERIAL VALLEY FOOD BANK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020

Page 11

Capitalized interest - Interest associated with the construction of the building was capitalized in the amount of \$152,038. These costs, commencing with occupation in 2019, are being depreciated over a 39 year period using the straight-line method.

Impairment of long-lived assets - The Organization reviews its long-lived assets and certain identifiable intangibles for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the future net undiscounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets held for sale are reported at the lower of the carrying amount or the fair value less costs to sell. Based on an evaluation of existing long-lived and intangible assets, the Organization determined that no impairments occurred for the years ended December 31, 2020.

Notes receivable - Notes receivable represents funds advanced to the investment fund relating to the New Market Tax Credit Program (see note 10). Loans are stated at unpaid principal and interest income is recorded when received.

Debt issuance costs - The Organization follows guidance issued by the FASB on accounting and disclosure requirements related to debt issuance costs. The guidance nets costs associated with acquiring debt with the principal of the debt acquired. Annual amortization of the debt issuance costs is included in interest expense.

Pledges receivable - The pledges receivable consist of donor promises to give. It is the Organization's policy to charge off uncollectible pledges receivable when management determines the pledge will not be collected. As of December 31, 2020, pledges considered to be uncollectible were \$0. A discount on pledges receivable expected to be received over several years are computed using risk-free interest rates applicable to the years in when the pledges are received. Amortization of the discount is included in donations revenue on the statements of activities and changes in net assets.

Contributions - Contributions are recognized when the donor makes a pledge to give that is, in substance, an unconditional promise. Contributions are recorded as without donor restrictions, or with donor restrictions, depending on the existence and/or nature of any donor restrictions. Contributions received with donor-imposed restrictions that are reported as increases in net assets with restrictions. When the restriction is met the amount is shown as a reclassification of net assets from with restrictions to without restrictions.

Contributions in-kind - Contributed services, which require a specialized skill and which the Organization would have paid for if not donated, are recorded at the estimated fair value at the time the services are rendered. The Organization also receives donated services that do not require specific expertise but which are nonetheless central to the Organization's operations; however, no amounts have been reflected in the accompanying financial statements for these donated services as they do not meet the criteria under generally accepted accounting principles to be recorded as donated services.

The Organization follows Accounting Standards Update No. 2014-09, 2016-08, 2016-10, 2016-12 and 2016-20, collectively implemented as FASB Accounting Standards Codification ("ASC") Topic 606 ("ASC 606") *Revenue from Contracts with Customers*, which provides guidance for revenue recognition. This

IMPERIAL VALLEY FOOD BANK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020

Page 12

ASC's core principle requires a company to recognize revenue when it transfers promised goods or services to customers in an amount that reflects consideration to which the company expects to be entitled in exchange for those goods or services.

The Organization follows ASU 2018-08, *Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The ASU includes clarification regarding the accounting for contracts and agreements as exchange transactions or contributions and provides improved guidance to better distinguish between conditional and unconditional contributions. The Organization does not make significant contributions and the impact of ASU 2018-08 related to contributions made is not material to the financial statements or disclosures.

Functional allocations of expenses - The Organization allocates its expenses on a functional basis among its program and support services. Directly identifiable expenses are charged to program and supporting services. Expenses related to more than one function are charged to program and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Income taxes - The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and did not conduct unrelated business activities. Therefore no provision has been made for federal income taxes in the accompanying financial statements.

The Organization follows accounting standards which clarify the accounting for uncertainty in income taxes recognized in the consolidated financial statements and recognition threshold and measurement attribute for the consolidated financial statements and recognition and measurement of a tax position taken or expected to be taken in a tax return. As of December 31, 2020, the Organization has not accrued interest or penalties related to uncertain tax positions. The Organization files tax returns in the U.S. Federal jurisdiction and the State of California.

Recently issued accounting standards - In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which requires balance sheet presentation of lease assets and lease liabilities for those leases classified as operating leases. For nonpublic entities, the standard is effective retrospectively for fiscal years beginning after December 15, 2021, however, early application is permitted. Management will evaluate the application of these standards to determine future impact on the Company's financial statements.

IMPERIAL VALLEY FOOD BANK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 3 CASH AND RESTRICTED CASH

Restricted cash consists of amounts restricted by the Organization’s donors and the NMTC funding to be used for the following specified purposes in the following year:

| | |
|--------------------------------|------------|
| Pledge accumulation ** | \$ 20,676 |
| Capital campaign | 82,510 |
| NMTC fee and expense reserve * | 40,357 |
| | \$ 143,543 |

Restricted cash consists of amounts restricted by the Organization’s donors and the NMTC funding to be used for the following specified long-term purposes:

| | |
|--------------------------------|------------|
| NMTC fee and expense reserve * | \$ 168,825 |
| Interest reserve *** | 38,225 |
| | \$ 207,050 |

*Amounts are held and controlled by Partnerships of Hope XXII, LLC and can only be used toward interest and the RDF Compliance Cost Reimbursement related to the NMTC financing for the Organization’s new facility. Each year during the compliance period \$27,857 is withdrawn to pay a portion of interest expense and \$12,500 is withdrawn to pay the annual RDF Compliance Cost Reimbursement.

**Amounts are held and controlled by Raza Development Fund, Inc. (RDF) The amounts are accumulated from donors under the capital campaign and are used to make the principal payments against the bridge loan due to RDF.

***Amounts are held and controlled by RDF for interest reserve for the note payable included on the statement of financial position.

The following table provides a reconciliation of cash and restricted cash reported within the consolidated statement of financial position that sum to the total of the same such amounts in the consolidated statements of cash flows.

| | |
|--|--------------|
| Cash and cash equivalents | \$ 989,417 |
| Restricted cash | 143,543 |
| Restricted cash included in other assets | 207,050 |
| | \$ 1,340,010 |

IMPERIAL VALLEY FOOD BANK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020

Page 14

NOTE 4 INVESTMENTS

Investments consist of the following at December 31, 2020:

| | |
|------------------------|-------------------|
| Certificate of deposit | \$ 200,000 |
| Pooled investment | 27,934 |
| | <u>\$ 227,934</u> |

Certificate of deposit bear interest at 0.30% and have a nine month maturity, with no material penalties for early withdrawal.

The Organization established a non-endowment fund with the Imperial Valley Community Foundation. Non-endowment funds do not have a permanent principal balance and may be granted out in their entirety. The non-endowment fund balances are stated at fair value of \$27,934 as of December 31, 2020. Non-endowment fund investments are held in various securities as determined and defined by the Imperial Valley Community Foundation.

Investment income on funds held by the Imperial Valley Foundation of \$0 for the year ended December 31, 2020, is shown net of investment fees of \$0.

NOTE 5 GRANTS AND CONTRACTS RECEIVABLE

Grants and contracts receivable relates mainly to reimbursements under government programs that have not been received from the respective government agency. It represents the amount due through the year ended December 31, 2020.

Management assesses the collectability of all receivables at the close of each period and records an allowance for doubtful accounts based on specific identification. Management has determined all receivables were collectible at December 31, 2020.

NOTE 6 PLEDGES RECEIVABLE

Long-term pledges receivable are shown at present value using discount rates ranging from 0.13% to 0.17%. Pledges receivable consist of the following at December 31:

| | |
|-------------------------------------|-------------------|
| Gross pledges receivable | 366,627 |
| Less: discount to net present value | (418) |
| Net pledges receivable | <u>\$ 366,209</u> |

Amounts due in:

| | |
|----------------------------|-------------------|
| One year or less | \$ 248,266 |
| Between one and five years | 118,361 |
| | <u>\$ 366,627</u> |

**IMPERIAL VALLEY FOOD BANK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 7 PROPERTY AND EQUIPMENT

Major categories of property and equipment are summarized as follows:

| | |
|----------------------------|--------------|
| Warehouse and improvements | \$ 5,240,957 |
| Vehicles | 484,805 |
| Furniture and fixtures | 278,087 |
| Warehouse equipment | 230,050 |
| Computer equipment | 135,857 |
| Office equipment | 17,511 |
| | 6,387,267 |
| Accumulated depreciation | (549,722) |
| | 5,837,545 |
| Land | 555,555 |
| | \$ 6,393,100 |

Depreciation expense for the year ended December 31, 2020 is \$279,579.

The Organization has pledged land and pre-development costs of approximately \$839,000, the new location of the food bank, towards financing the New Markets Tax Credit (see note 10).

NOTE 8 CAPITAL LEASE

The Organization leases equipment under a capital lease. The economic substance of the agreement is that the Organization is financing the acquisition of the equipment through the lease and, accordingly, it is recorded in the Organization's assets and liabilities. Included in property and equipment on the accompanying statement of financial position as of December 31, 2020, is equipment financed under capital leases with a capitalized cost of \$17,000 and less accumulated depreciation of \$4,533.

The following is a schedule by year of future minimum lease payments under the capitalized lease, together with the present value of net minimum lease payments at December 31, 2020.

| | | |
|--|-----------------------------------|-----------|
| | 2021 | \$ 4,020 |
| | 2022 | 4,020 |
| | 2023 | 4,020 |
| | 2024 | 2,681 |
| | Total minimum lease payments | 14,741 |
| | Less amount representing interest | 1,783 |
| | | \$ 12,958 |

IMPERIAL VALLEY FOOD BANK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020

Page 16

NOTE 9 CONTRIBUTIONS IN KIND

The estimated fair value of donated food and local services received are recorded as contributions. During the year ended December 31, 2020 there was \$4,486,736 in food donations received.

NOTE 10 NEW MARKETS TAX CREDIT

In September 2018, the Organization entered into a debt transaction to access additional funds through the New Markets Tax Credit ("NMTC") Program. These funds were used towards the construction of an approximately 28,000 square foot food bank and outreach facility. The NMTC Program permits taxpayers to claim federal tax credits for making Qualified Equity Investments ("QEI") in a designated Community Development Entity - Partnerships of Hope XXII, LLC ("CDE"). The CDE must use substantially all of the proceeds to make Qualified Low-Income Community Investments ("QLICs"). The tax credits are claimed over a seven-year period and equate to 39% of the QLICs. The Organization has partnered with an investor, Chase Community Equity, LLC ("Chase"), to utilize the NMTC Program.

At closing, the Food Bank received a \$2,000,000 bridge loan from RDF. The bridge loan calls for monthly interest payments at 7.0%, and is due in full in September 2025. The Organization uses funds that it receives as donations under the capital campaign for the new facility as principal payments. These funds are deposited into the pledge accumulation account which RDF has right and control of. At December 31, 2020 the balance of the note was \$498,845 and accrued interest under the note was \$0.

Chase established Chase NMTC IVFB Investment Fund, LLC (the "Fund"), a special purpose entity, to raise the capital for the transaction. The Fund was funded with \$2,104,050 of equity from Chase, and loans from the Organization in the amounts of \$2,000,000 (leverage loan A) and \$2,590,950 (leverage loan B).

The leverage loan A from Imperial Valley Food Bank to the Fund requires quarterly interest-only payments at 3.1% until September 2025. At that date the full amount of principal is due. The note is secured by the Fund membership interests in the CDE. At December 31, 2020, the balance of the note was \$2,000,000 and interest accrued under the note was \$0.

The leverage loan B from Imperial Valley Food Bank to the Fund requires quarterly interest-only payments at 3.1% until September 2025. Thereafter, the payments will consist of quarterly installments of principal plus accrued interest until maturity in September 2048. The note is secured by the Fund membership interests in the CDE. At December 31, 2020, the balance of the note was \$2,602,950 and accrued interest under the note was \$0.

The Organization established Imperial Valley Food Bank Foundation, Inc. ("Foundation") as a California non-profit corporation to serve as the entity to hold the title of the new facility and serve as the Qualified Active Low Income Community Business (QALICB) in the NMTC transaction.

The capital raised by the Fund was used to make a \$6,500,000 QEI in the CDE, an entity 99.9% owned by the Fund and 0.01% owned by RDF. The CDE then loaned these funds to the Foundation in the form of three notes:

**IMPERIAL VALLEY FOOD BANK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020**

Page 17

The first note payable (QLICI Loan A1), has a balance of \$2,000,000 as of December 31, 2020 and bears interest at 2.677%. The note requires quarterly interest only payments through September 2025 at which time all accrued interest and principal is due. The note is secured by a first mortgage on the property and project. It is also guaranteed by the Food Bank. At December 31, 2020, the Foundation had accrued interest payable amount of \$0 due to the CDE relating to QLICI Loan A1.

The second note payable (QLICI Loan A2), has a balance of \$2,602,950 as of December 31, 2020 and bears interest at 2.677%. The note requires quarterly interest only payments through September 2025, at which time quarterly payments increase to include principal amounts to fully amortize the note over 30 years. The note matures in September 2048 and is secured by a first mortgage on the property and project and is guaranteed by the Food Bank. At December 31, 2020, the Foundation had accrued interest payable amount of \$0 due to the CDE relating to QLICI Loan A2.

The third note payable (QLICI Loan B), has a balance of \$1,767,050 as of December 31, 2020 and bears interest at 2.677%. The note requires quarterly interest only payments through September 2025, at which time quarterly payments increase to include principal amounts to fully amortize the note over 30 years. The note matures in September 2048 and is secured by a first mortgage on the property and project and is guaranteed by the Food Bank. At December 31, 2020, the Foundation had accrued interest payable amount of \$0 due to the CDE relating to QLICI Loan B.

Notes receivable and notes payable related to the NMTC financing reflected on the consolidated statement of financial position as of December 31, 2020 are as follows:

NMTC notes receivable:

| | |
|-----------------|----------------------------|
| Leverage loan B | \$ 2,602,950 |
| Leverage loan A | <u>2,000,000</u> |
| | <u><u>\$ 4,602,950</u></u> |

NMTC notes payable:

| | |
|---------------|----------------------------|
| QLICI loan A2 | \$ 2,602,950 |
| QLICI loan A1 | 2,000,000 |
| QLICI loan B | <u>1,767,050</u> |
| | <u><u>\$ 6,370,000</u></u> |

Notes payable

| | |
|--|--------------------------|
| Raza Development Fund, Inc bridge loan | \$ 498,845 |
| Unamortized debt issuance cost | <u>(13,572)</u> |
| | <u><u>\$ 485,273</u></u> |

Interest income and expense related to NMTC financing for the year ended December 31, 2020 is as follows:

| | |
|------------------|------------|
| Interest income | \$ 178,364 |
| Interest expense | \$ 245,967 |

**IMPERIAL VALLEY FOOD BANK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020**

The seven year compliance period for the NMTC ends in September 2025, at which time Chase may exit the transaction through the exercise of a call/put agreement that it has entered into with the Organization. Under the agreement, Chase Bank may “put” its interest in the Fund to the Organization for a purchase price of \$1,000. In the event that Chase has not exercised this put option, the Organization has 90 days to exercise its call option to purchase Chase’s entire interest in the Funds for a purchase price equal to the appraised value of Chase interest. To exercise the call option, the Organization must be current on all payments under the three notes payable and must not owe any additional amounts to the Fund or Chase. The Organization will realize its savings from the NMTC transactions through the exercise of this put or call option, at which time it will control the Fund and can effectively forgive the QLIC Loans. No amounts have been recorded in the accompanying consolidated financial statements related to these put and call options.

There is a related-party lease between the Organization and the Foundation and RDF has an interest in the lease and the leverage loan receivables.

The future principal payments required under the notes payable for the years ended December 31 are as follows:

| | | | |
|--|------------|-----------|------------------|
| | 2021 | \$ | 150,000 |
| | 2022 | | 150,000 |
| | 2023 | | 150,000 |
| | 2024 | | 48,845 |
| | 2025 | | 2,034,544 |
| | Thereafter | | <u>4,335,456</u> |
| | | <u>\$</u> | <u>6,868,845</u> |

NOTE 11 CONCENTRATIONS

The Organization receives a significant amount of its grants funding from federal, state, and local governmental agencies. To a large extent, the continued efficient operation of the Food Bank depends on the current level of support from these agencies. A significant change in funding could impair the Food Bank’s ability to operate the full scope of current programs.

**IMPERIAL VALLEY FOOD BANK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020**

Page 19

NOTE 12 NET ASSETS

Net assets consist of the following at December 31, 2020:

With donor restrictions:

Subject to expenditure for specific purpose:

| | |
|------------------------------|---------------|
| Backpack | \$ 142,733 |
| Construction of new facility | <u>12,747</u> |
| | 155,480 |

Without donor restrictions

| |
|----------------------------|
| <u>8,758,427</u> |
| <u><u>\$ 8,913,907</u></u> |

Net assets released from donor restrictions by incurring expenses satisfying the restricted purpose or by the occurrence of the passage of time or other events specified by donors during the year ended December 31, 2020 are as follows:

Purpose restriction accomplished:

| | |
|------------------------------|----------------------------|
| Construction of new facility | \$ 1,162,904 |
| Backpack | <u>51,845</u> |
| | <u><u>\$ 1,214,749</u></u> |

**IMPERIAL VALLEY FOOD BANK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 13 LIQUIDITY AND AVAILABILITY

The following table reflects the Organization's financial assets as of December 31, 2020 reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of contractual restrictions.

| | |
|---|--------------|
| Financial assets, at year-end: | |
| Restricted cash | \$ 350,593 |
| Cash and cash equivalents | 989,417 |
| Contracts and grants receivable | 995,360 |
| Accounts receivable | 1,309 |
| Investments | 227,934 |
| Pledge receivable | 248,266 |
| | \$ 2,812,879 |
| | |
| Less those unavailable for general expenditures within one year due to contractual or donor imposed restrictions: | |
| Restricted by purpose restrictions | 402,887 |
| | |
| Financial assets available to meet cash needs for general expenditures within one year | \$ 2,409,992 |

The Organization is supported by contributions and government grants and programs to fund its annual operations and general expenditures.

The Organization is currently involved in the construction of a new facility. A previous capital campaign allowed the Organization to raise approximately \$5,563,000 dollars in cash and pledges. A \$2 million loan was obtained through RDF to finance the future pledges. Both the cash collected and the loan were put into a New Market Tax Credit Subsidy (see note 10), which garnered approximately an additional \$1 million. These funds are held at Chase bank and are disbursed as spent and verified through a construction draw process. There are various accounts that are assigned to the building project and are restricted from use for operating. At December 31, 2020 these funds include:

| | |
|---------------------------------|------------|
| Interest reserve | \$ 38,225 |
| Pledge accumulation account | 20,676 |
| Fee and expense reserve account | 209,182 |
| | \$ 268,083 |

As a requirement of the New Market Tax Credits, a separate holding company was formed (Imperial Valley Food Bank Foundation) to own the building and property and lease it to the Organization for the life of the tax credit (seven years). The cash in the Imperial Valley Food Bank Foundation at December 31, 2020 for operations within the Foundation was \$180,336.

**IMPERIAL VALLEY FOOD BANK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020**

In addition, the Food Bank is working toward improving their reserve position in the future. The Organization has excellent credit and if more cash would be needed, a line of credit could be established until such time as reserves are sufficient for internal credit.

NOTE 14 FAIR VALUE MEASUREMENTS

The Organization follows the methods of fair value to value its financial assets and liabilities. Fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy that prioritized observable and unobservable inputs used to measure fair value into three broad levels has been established, which are described below.

Level 1: Quote prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to level 1 inputs.

Level 2: Observable inputs other than level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to level 3 inputs.

In determining fair value, the Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible as well as considers counterparty credit risk in its assessment of fair value.

The investments in the Imperial Valley Community Foundation (IVCF) are measured using values provided by IVCF. The values are based on the fair market value of the underlying cash, securities and other investments. Although the Organization classifies its investments in IVCF as level 3, the investments held in IVCF are comprised of level 1, 2 and 3 investments.

Certificate of deposit is valued at cost plus accrued interest, which approximates fair value due to the short-term nature of these investments.

Financial assets and liabilities carried at fair value measured on a recurring basis at December 31, 2020 are classified in one of the three categories previously described as follows:

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|--|----------------|----------------|----------------|--------------|
| Assets | | | | |
| Imperial Valley Community Foundation - non-endowment | \$ - | \$ - | 27,934 | \$ 27,934 |

IMPERIAL VALLEY FOOD BANK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020

Page 22

Changes in level 3 financial instruments during the year ended December 31, 2020 were as follows:

| | |
|---|------------------|
| Fair value, beginning | \$ 27,934 |
| Contributions | - |
| Total gains or losses (realized and unrealized) | - |
| Fair value, ending | <u>\$ 27,934</u> |

NOTE 15 SOLAR LEASE

During 2019, the Organization entered into a solar lease agreement. Under the agreement the Organization leases an area of the property to the solar system owner. The service term of the agreement is for 35 years from the completion of the project, which was in October 2020. After seven years the Organization has the option to purchase the system at the defined purchase price in the agreement. During the term of the agreement the Organization must purchase the electricity output from the system owner at a predetermined price according to the contract.

NOTE 16 SUBSEQUENT EVENTS

Management has evaluated subsequent events through, July 8, 2021, the date the financial statements were available to be issued. There were no material subsequent events which affected the amounts or disclosures in the financial statements, except noted below.

As a result of the Covid-19 Coronavirus and the resulting stay-at-home orders issued by the State of California, the state in which the Organization operates, the Organization may be experiencing operational effects. The duration of the operational effects may only be temporary. However, the related financial impact and duration cannot be reasonably estimated at this time.

**IMPERIAL VALLEY FOOD BANK
SUPPLEMENTARY INFORMATION
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020**

Page 23

| | Imperial Valley Food Bank | Imperial Valley Food Bank Foundation | Eliminations | Consolidated Balance |
|---|------------------------------|--|--------------------|-------------------------|
| ASSETS | | | | |
| CURRENT ASSETS | | | | |
| Cash and cash equivalents | \$ 809,081 | \$ 180,336 | \$ - | \$ 989,417 |
| Restricted cash | 103,186 | 40,357 | - | 143,543 |
| Investments | 227,934 | - | - | 227,934 |
| Inventories | 1,994,662 | - | - | 1,994,662 |
| Accounts receivable | 1,309 | - | - | 1,309 |
| Grants and contracts receivable | 995,360 | - | - | 995,360 |
| Pledges receivable | 248,266 | - | - | 248,266 |
| Due from related parties | - | 99,726 | (99,726) | - |
| | <u>4,379,798</u> | <u>320,419</u> | <u>(99,726)</u> | <u>4,600,491</u> |
| PROPERTY AND EQUIPMENT | 368,074 | 6,025,026 | - | 6,393,100 |
| OTHER ASSETS | | | | |
| Restricted cash | 38,225 | 168,825 | - | 207,050 |
| Pledges receivable - long-term | 117,943 | - | - | 117,943 |
| New markets tax credit financing | 4,602,950 | - | - | 4,602,950 |
| | <u>4,759,118</u> | <u>168,825</u> | <u>-</u> | <u>4,927,943</u> |
| TOTAL ASSETS | <u>9,506,990</u> | <u>6,514,270</u> | <u>(99,726)</u> | <u>15,921,534</u> |
| LIABILITIES AND NET ASSETS | | | | |
| CURRENT LIABILITIES | | | | |
| Accounts payable | 111,483 | 850 | - | 112,333 |
| Accrued liabilities | 27,063 | - | - | 27,063 |
| Due to related parties | 99,726 | - | (99,726) | - |
| Current portion of long-term debt | 150,000 | - | - | 150,000 |
| | <u>388,272</u> | <u>850</u> | <u>(99,726)</u> | <u>289,396</u> |
| LONG-TERM LIABILITIES | | | | |
| Note payable | 335,273 | - | - | 335,273 |
| Capital lease | 12,958 | - | - | 12,958 |
| New markets tax credit financing | - | 6,370,000 | - | 6,370,000 |
| | <u>348,231</u> | <u>6,370,000</u> | <u>-</u> | <u>6,718,231</u> |
| TOTAL LIABILITIES | 736,503 | 6,370,850 | (99,726) | 7,007,627 |
| NET ASSETS | | | | |
| Without donor restrictions | 8,615,007 | 143,420 | - | 8,758,427 |
| With donor restrictions | 155,480 | - | - | 155,480 |
| TOTAL NET ASSETS | <u>8,770,487</u> | <u>143,420</u> | <u>-</u> | <u>8,913,907</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 9,506,990</u> | <u>\$ 6,514,270</u> | <u>\$ (99,726)</u> | <u>\$ 15,921,534</u> |

See accompanying notes to the consolidated financial statements and independent auditor's report

**IMPERIAL VALLEY FOOD BANK
SUPPLEMENTARY INFORMATION
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2020**

| | Imperial Valley Food Bank | | | Imperial Valley Food Bank Foundation | | | Eliminations | Consolidated Balance |
|---------------------------------------|----------------------------|-------------------------|--------------|--------------------------------------|-------------------------|------------|--------------|----------------------|
| | Without Donor Restrictions | With Donor Restrictions | Total | Without Donor Restrictions | With Donor Restrictions | Total | | |
| REVENUE | | | | | | | | |
| Governmental agencies | \$ 7,373,737 | - | \$ 7,373,737 | \$ - | \$ - | \$ - | \$ - | \$ 7,373,737 |
| Contributions | 5,867,859 | 106,792 | 5,974,651 | - | - | - | - | 5,974,651 |
| Interest | 179,281 | - | 179,281 | 345 | - | 345 | - | 179,626 |
| Campaign income | - | 157,392 | 157,392 | - | - | - | - | 157,392 |
| Program income | 147,766 | - | 147,766 | - | - | - | - | 147,766 |
| Public support | 130,958 | - | 130,958 | - | - | - | - | 130,958 |
| Special events | 85,958 | - | 85,958 | - | - | - | - | 85,958 |
| Miscellaneous income | 9,126 | - | 9,126 | (4,609) | - | (4,609) | - | 4,517 |
| Rental income | 1,000 | - | 1,000 | 150,000 | - | 150,000 | (150,000) | 1,000 |
| | 13,795,685 | 264,184 | 14,059,869 | 145,736 | - | 145,736 | (150,000) | 14,055,605 |
| Net assets released from restrictions | | | | | | | | |
| Restrictions satisfied by payments | 1,214,749 | (1,214,749) | - | - | - | - | - | - |
| TOTAL SUPPORT AND REVENUE | 15,010,434 | (950,565) | 14,059,869 | 145,736 | - | 145,736 | (150,000) | 14,055,605 |
| EXPENSES | | | | | | | | |
| Program services: | | | | | | | | |
| Other Food Bank programs | 5,879,607 | - | 5,879,607 | 218,183 | - | 218,183 | (150,000) | 5,947,790 |
| Emergency Food Assistance (EFAP) | 5,223,560 | - | 5,223,560 | - | - | - | - | 5,223,560 |
| Total program services | 11,103,167 | - | 11,103,167 | 218,183 | - | 218,183 | (150,000) | 11,171,350 |
| Supporting services: | | | | | | | | |
| Administration | 52,420 | - | 52,420 | - | - | - | - | 52,420 |
| Fundraising | 72,714 | - | 72,714 | - | - | - | - | 72,714 |
| Capital campaign | 3,164 | - | 3,164 | 194,565 | - | 194,565 | - | 197,729 |
| Total supporting services | 128,298 | - | 128,298 | 194,565 | - | 194,565 | - | 322,863 |
| TOTAL EXPENSES | 11,231,465 | - | 11,231,465 | 412,748 | - | 412,748 | (150,000) | 11,494,213 |
| CHANGE IN NET ASSETS | 3,778,969 | (950,565) | 2,828,404 | (267,012) | - | (267,012) | - | 2,561,392 |
| NET ASSETS, BEGINNING OF YEAR | 4,836,038 | 1,106,045 | 5,942,083 | 410,432 | - | 410,432 | - | 6,352,515 |
| NET ASSETS, END OF YEAR | \$ 8,615,007 | \$ 155,480 | \$ 8,770,487 | \$ 143,420 | \$ - | \$ 143,420 | \$ - | \$ 8,913,907 |

See accompanying notes to the consolidated financial statements and independent auditor's report