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CHATHAM OUTREACH ALLIANCE, INC.

Financial Statements

June 30, 2021 and 2020

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The Board of Directors
Chatham Outreach Alliance, Inc.
Pittsboro, North Carolina

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of Chatham Outreach Alliance, Inc. (a not-for-profit 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Chatham Outreach Alliance, Inc. as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Chatham Outreach Alliance, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Chatham Outreach Alliance, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Chatham Outreach Alliance, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Chatham Outreach Alliance, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Koonce, Wooten & Haywood, L.L.P.

Raleigh, North Carolina
November 15, 2021

CHATHAM OUTREACH ALLIANCE, INC.
 Statements of Financial Position
 June 30, 2021 and 2020

ASSETS

	2021	2020
CURRENT ASSETS:		
Cash	\$ 1,332,937	\$ 906,183
Investments	258,508	
Promises to Give	78,000	76,000
Inventory	218,494	199,650
Sales Tax Refund and Other Receivables	9,458	16,411
Total Current Assets	1,897,397	1,198,244
PROPERTY AND EQUIPMENT:		
Property and Equipment	81,843	28,848
Vehicle	30,171	30,171
Total	112,014	59,019
Less Accumulated Depreciation	40,290	29,673
Net Property and Equipment	71,724	29,346
Total Assets	\$ 1,969,121	\$ 1,227,590

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Accounts Payable	\$ 6,107	\$ 51,862
Accrued Vacation	17,602	12,477
Accrued Salaries	11,346	11,692
Total Current Liabilities	35,055	76,031
NET ASSETS:		
Without Donor Restrictions	1,563,501	791,537
With Donor Restrictions	370,565	360,022
Total Net Assets	1,934,066	1,151,559
Total Liabilities and Net Assets	\$ 1,969,121	\$ 1,227,590

The accompanying notes are an integral part of the financial statements.

STATEMENTS OF ACTIVITIES

CHATHAM OUTREACH ALLIANCE, INC.
 Statements of Activities
 For the Years Ended June 30, 2021 and 2020

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT, REVENUES, AND OTHER:			
Contributions	\$ 1,405,039	\$	\$ 1,405,039
In-Kind Contributions	1,528,815		1,528,815
Grants	175,903	115,885	291,788
Investment Income, net	9,387		9,387
Special Events			
Net Assets Released from Restrictions:			
Satisfaction of Program Restrictions	<u>105,342</u>	<u>(105,342)</u>	
Total Support, Revenues, and Other	<u>3,224,486</u>	<u>10,543</u>	<u>3,235,029</u>
EXPENSES:			
Program Service	<u>2,247,881</u>		<u>2,247,881</u>
Support Services:			
General and Administrative	105,609		105,609
Fundraising	<u>99,032</u>		<u>99,032</u>
Total Support Services	<u>204,641</u>		<u>204,641</u>
Total Expenses	<u>2,452,522</u>		<u>2,452,522</u>
CHANGE IN NET ASSETS	771,964	10,543	782,507
NET ASSETS--Beginning of Year	<u>791,537</u>	<u>360,022</u>	<u>1,151,559</u>
NET ASSETS--End of Year	<u>\$ 1,563,501</u>	<u>\$ 370,565</u>	<u>\$ 1,934,066</u>

The accompanying notes are an integral part of the financial statements.

2020		
Without Donor Restrictions	With Donor Restrictions	Total
\$ 950,621	\$ 168,930	\$ 1,119,551
1,096,258		1,096,258
196,650	76,000	272,650
1,878		1,878
95,626		95,626
<u>61,557</u>	<u>(61,557)</u>	
<u>2,402,590</u>	<u>183,373</u>	<u>2,585,963</u>
<u>1,807,621</u>		<u>1,807,621</u>
80,273		80,273
<u>116,076</u>		<u>116,076</u>
<u>196,349</u>		<u>196,349</u>
<u>2,003,970</u>		<u>2,003,970</u>
398,620	183,373	581,993
<u>392,917</u>	<u>176,649</u>	<u>569,566</u>
<u>\$ 791,537</u>	<u>\$ 360,022</u>	<u>\$ 1,151,559</u>

STATEMENTS OF FUNCTIONAL EXPENSES

CHATHAM OUTREACH ALLIANCE, INC.
 Statements of Functional Expenses
 For the Years Ended June 30, 2021 and 2020

	2021			
	Program Service	Support Services		Total
		General and Administrative	Fundraising	
Direct Client Assistance--In-Kind	\$ 1,504,815	\$	\$	\$ 1,504,815
Salaries	269,156	34,951	56,209	360,316
Direct Client Assistance	315,137			315,137
Contracted Services	23,170	23,171	3,240	49,581
Employee Benefits	26,648	3,460	5,565	35,673
Printing, Postage, and Supplies	18,621	8,053	2,169	28,843
Payroll Taxes	20,975	2,723	4,380	28,078
Rent and Utilities--In-Kind	19,200	4,800		24,000
Bank and Processing Charges	4,226	6,697	12,674	23,597
Food Transport	13,674			13,674
Special Events			11,691	11,691
Depreciation	10,617			10,617
Equipment Rental, Repairs and Maintenance	9,878	181		10,059
Professional Fees		10,000		10,000
Equipment Purchases	1,958	4,483	637	7,078
Insurance		3,975	300	4,275
Dues and Subscriptions/Staff Development	622	1,866	1,499	3,987
Volunteer Expenses	3,928			3,928
Utilities	2,907	377	606	3,890
Travel and Meetings	2,349	872	62	3,283
Total Expenses	\$ 2,247,881	\$ 105,609	\$ 99,032	\$ 2,452,522

The accompanying notes are an integral part of the financial statements.

2020			
Support Services			
Program Service	General and Administrative	Fundraising	Total
\$ 1,062,758	\$	\$	\$ 1,062,758
264,590	34,358	55,256	354,204
337,305			337,305
7,734	4,812	2,619	15,165
23,067	2,995	4,817	30,879
15,815	3,899	559	20,273
21,697	2,817	4,532	29,046
19,200	4,800		24,000
3,567	5,944	10,697	20,208
16,499			16,499
		34,821	34,821
9,398			9,398
16,383	1,154		17,537
	10,000		10,000
4,583	2,046	637	7,266
	3,447	300	3,747
200	2,226	389	2,815
1,534			1,534
2,157	280	450	2,887
1,134	1,495	999	3,628
<u>\$ 1,807,621</u>	<u>\$ 80,273</u>	<u>\$ 116,076</u>	<u>\$ 2,003,970</u>

CHATHAM OUTREACH ALLIANCE, INC.
 Statements of Cash Flows
 For the Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ 782,507	\$ 581,993
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	10,617	9,398
Unrealized Gain on Investments	(8,508)	
Changes in Assets and Liabilities:		
Promises to Give	(2,000)	(14,482)
Inventory	(18,844)	(160,111)
Sales Tax Refund and Other Receivables	6,953	(11,712)
Accounts Payable	(45,755)	672
Accrued Vacation	5,125	1,607
Accrued Salaries	(346)	5,387
Net Cash Provided by Operating Activities	<u>729,749</u>	<u>412,752</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Property, Equipment and Vehicle	(52,995)	(5,798)
Purchase of Investments	(250,000)	
Net Cash Used by Investing Activities	<u>(302,995)</u>	<u>(5,798)</u>
NET INCREASE IN CASH	426,754	406,954
CASH--Beginning of Year	<u>906,183</u>	<u>499,229</u>
CASH--End of Year	<u>\$ 1,332,937</u>	<u>\$ 906,183</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
NONCASH TRANSACTIONS:		
Donated Materials and Services	<u>\$ 1,528,815</u>	<u>\$ 1,096,258</u>

The accompanying notes are an integral part of the financial statements.

CHATHAM OUTREACH ALLIANCE, INC.
Notes to Financial Statements
June 30, 2021 and 2020

1. Organization and Summary of Significant Accounting Policies

A. Organization and Activities:

Chatham Outreach Alliance, Inc. (the Organization) is a not-for-profit organization that was incorporated in 1989 dedicated to acquiring and distributing food to Chatham County residents who have a need for community support to keep themselves and their families fed, creating a community without hunger.

B. Basis of Accounting and Presentation:

The accompanying financial statements have been, in all material respects, prepared on the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred. This basis of accounting conforms to accounting principles generally accepted in the United States of America.

Net assets and support, revenue, expenses, gains and losses are classified based on the existence or absence of externally-imposed restrictions. The Organization follows standards for external financial reporting by not-for-profit organizations that requires its resources be classified for accounting and reporting purposes into two net asset categories according to externally-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions--Net assets without donor restrictions are available for use at the discretion of the Board and/or management for general operating purposes. From time to time the Board may designate a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion.

Net Assets With Donor Restrictions--Net assets subject to externally-imposed restrictions that may or will be met either by actions of the Organization and/or the passage of time and net assets subject to externally-imposed restrictions be maintained permanently by the Organization. Net assets with donor restrictions can include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Organization to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a Board approved spending policy. The Organization currently has no assets that meet this criteria.

C. Support and Revenue Without and With Donor Restrictions:

Contributions of cash and other assets, as well as grants, are recorded as increases in with or without donor restrictions, depending on the existence or nature of any externally-imposed restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support recognized. All other donor-restricted support is represented as an increase in net assets with donor restrictions depending on the nature of the restrictions.

CHATHAM OUTREACH ALLIANCE, INC.
Notes to Financial Statements
June 30, 2021 and 2020

1. Organization and Summary of Significant Accounting Policies (Continued)

D. Functional Allocation of Expenses:

The cost of providing the various program and support services of the Organization has been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and support services benefited. Directly identifiable expenses are charged to programs and support services. Expenses attributable to more than one function are generally allocated based on time and effort as traced by Organization staff and estimates made by management. Support services include those expenses that are not directly identifiable with any specific function but provide for the overall support and directions of the Organization.

E. Accounting Estimates:

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of support, revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates and assumptions are used for, but not limited to, the fair value of in-kind contributions, depreciable lives of property and equipment, discounted to net present value for promises to give, and functional allocation of expenses. Donated food is valued using gross weight and is based on the fair market value at the date of the donation.

F. Donated Materials, Facilities and Services:

The Organization records in-kind contributions of utilities and the use of properties and buildings at their fair market value at the date of the donation. The Organization records in-kind contributions of inventory (food) at its fair market value at the date of the donation. The Organization receives a substantial amount of services donated by volunteers interested in the Organization's programs. The Organization receives approximately 6,300 volunteer hours donated by approximately 275 volunteers interested in the Organization's programs. In addition, the Organization's officers and board of directors serve without compensation. No amounts have been reflected in the financial statements for volunteer hours since these services do not meet the requirements for recognition in the financial statements.

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would otherwise be purchased by the Organization.

G. Income Tax Status:

The Organization is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code and is classified under Section 501(c)(3) as a public charity. In addition, the Organization qualifies for deductible contributions under Section 170(b)(1)(A)(vi) of the Internal Revenue Code. Further, the Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) of the Internal Revenue Code. Accordingly, the accompanying financial statements do not include a provision for income taxes.

The Organization files Form 990 information returns in the U.S. Federal jurisdiction. The return is subject to examination by the Internal Revenue Service for a period of three years after the respective filing deadlines. The Organization has not been informed by any tax authorities for any jurisdiction that any of its tax years are under examination as of June 30, 2021.

CHATHAM OUTREACH ALLIANCE, INC.
Notes to Financial Statements
June 30, 2021 and 2020

1. Organization and Summary of Significant Accounting Policies (Continued)

H. Promises to Give:

The Organization recognizes as support and revenues, contributions received and made, including unconditional, legally enforceable promises to give, in the period in which the Organization is notified that the donor has made a promise to give. All contributions are considered to be without donor restrictions unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as donor restricted support that increases that net asset class. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support without donor restrictions.

Unconditional promises to give expected to be collected within one year are recorded at net realizable value and at the present value if expected to be collected beyond one year. Amortization of the discount is included in contribution revenue. Unconditional promises are also recorded net of an allowance for uncollectible promises. The allowance is based on management's analysis of specific promises to give and current economic conditions. All unconditional promises to give at June 30, 2021 and 2020 are expected to be collected within one year and no allowance is considered necessary.

Conditional promises to give are recognized when the conditions on which they depend are substantially met.

I. Inventory:

The Organization's inventory consists of purchased and donated food. The Organization valued purchased food inventory at the lower of cost or market. Donated food is valued at a fair market value determined by Feeding America, Inc. (a nationwide network of food banks). The value of donated food is recorded as an in-kind contribution.

J. Property and Equipment:

Property and equipment is recorded at cost if purchased or at fair value if donated at the date of donation. Depreciation is provided using the straight-line method over the estimated useful lives of the assets. A capitalization threshold of \$1,000 is utilized. Expenditures for repairs and maintenance are charged against operations. Depreciation expense for the years ended June 30, 2021 and 2020 totaled \$10,617 and \$9,398, respectively.

K. Advertising:

The Organization expenses the cost of advertising as it is incurred. Advertising expense, included in contracted services, for the years ended June 30, 2021 and 2020 totaled \$10,373 and \$6,106, respectively. The expenses promote the Organization's programs.

L. Compensated Absences:

Employees of the Organization vest in vacation pay earned but unused. The aggregate amount of vacation pay due has been accrued on the statement of financial position of the Organization.

M. Investments:

Investments in marketable securities with readily determinable fair values are reported at their fair values in the statements of financial position. Fair value is based on quoted market prices. Net realized gains and losses and changes in net unrealized market gains and losses are determined by comparing cost to proceeds and fair value, respectively. Realized gains and losses on the sale of investments are determined using the specific identification method.

CHATHAM OUTREACH ALLIANCE, INC.
Notes to Financial Statements
June 30, 2021 and 2020

1. Organization and Summary of Significant Accounting Policies (Concluded)

N. Revenue Recognition:

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers, Accounting Standards Code Topic 606* (Topic 606). Topic 606 and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in GAAP. This standard became effective for the Organization on June 30, 2020 and the Organization adopted Topic 606. The financial statements for the year ended June 30, 2020 are presented in accordance with the Organization's historical accounting. The adoption of Topic 606 did not result in an adjustment to net assets as of June 30, 2020.

The following is a summary of the principal forms of the Organization's services recognized in accordance with Topic 606 and how revenue is recognized for each.

Sponsorship Revenue

The portion of sponsorship revenue that relates to the commensurate value the sponsor received in return is recognized when the related events are held and performance obligations are met.

Special Event Revenue – Ticket Sales

The portion of ticket sales that relates to the commensurate value the attendee receives in return is recognized when the related events are held and performance obligations are met.

2. Concentrations

The Organization receives a major portion of its support and revenue from contributions. A reduction in the level of support could possibly have a significant effect on the Organization's programs and activities.

The Organization maintains its operating bank accounts at a financial institution located in North Carolina. Balances in interest-bearing accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2021 and 2020, the Organization had uninsured cash balances of \$1,125,108 and \$695,244, respectively.

The Organization's investments in marketable securities are insured against certain acts through coverage provided by the Securities Investor Protection Corporation. The Organization's investments in marketable securities are also exposed to various risks such as interest rate, currency, market, and credit risks. Due to the level of the risk associated with certain investment securities, it is at least reasonably possible that changes in the values of these investments will occur in the near term and that such changes could materially affect the amounts reported in the Organization's financial statements.

3. Promises to Give

Promises to give at June 30, 2021 and 2020 were \$78,000 and \$76,000, respectively. The amounts are expected to be collected in full during the years ended June 30, 2022 and 2021.

CHATHAM OUTREACH ALLIANCE, INC.
Notes to Financial Statements
June 30, 2021 and 2020

4. Investments

Investments held at June 30, 2021 consist of the following:

	Historical Cost	Fair Market Value
Equity Securities	\$ 250,000	\$ 258,508

There were no investments at June 30, 2020.

Investment income consists of the following for the years ended June 30, 2021 and 2020, respectively:

	2021	2020
Interest	\$ 1,225	\$ 1,878
Unrealized Holding Gain on Investments	8,508	
Investment Expenses	(346)	
Investment Income, net	\$ 9,387	\$ 1,878

5. Fair Value Measurements

The Organization follows Accounting Standards Codification 820, *Fair Value Measurements and Disclosures*, as amended, with respect to fair value measurements of its financial assets and financial liabilities. This standard defines fair value as the exit price, or the amount that would be received to sell an asset or pay to transfer a liability in an orderly transaction between market participants as of the measurement date. The standard also establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available.

The hierarchy is broken down into three levels. Level 1 inputs are quoted market prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and inputs (other than quoted prices) that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. Categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The following is a description of the valuation methodologies used for the Organization's assets measured at fair value in the accompanying financial statements.

- **Equity Securities**

Shares of marketable securities are valued at market prices held at the measurement date and are considered to be Level 1 investments.

The preceding method may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

CHATHAM OUTREACH ALLIANCE, INC.
Notes to Financial Statements
June 30, 2021 and 2020

5. Fair Value Measurements (Continued)

Fair values measured on a recurring basis at June 30, 2021 are as follows:

	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>		
		<u>Quoted Prices In Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Equity Securities	\$ <u>258,508</u>	\$ <u>258,508</u>	\$ _____	\$ _____

Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions.

There were no investments at June 30, 2020.

6. Net Assets With Donor Restrictions

Net assets with donor restrictions at June 30, 2021 and 2020 were available for expenses related to fiscal years ending June 30, 2021 and 2020 as follows:

	<u>2021</u>	<u>2020</u>
United Way of Chatham County	\$ 40,000	\$ 36,000
Chatham County	38,000	40,000
Private Contributions and Additional Grants:		
Backpack	82,220	82,892
Delivery Truck and Building Expansion	173,364	199,537
Friends of CORA Garden	1,593	1,593
Mobile Pantry	<u>35,388</u>	<u> </u>
	<u>\$ 370,565</u>	<u>\$ 360,022</u>

7. Net Assets Released from Donor Restrictions:

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors. Net assets were released from restrictions for the following during the years ended June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Expenses related to:		
Grants:		
United Way (Snack and Pantry)	\$ 36,000	\$ 34,518
Chatham County (Food)	40,000	27,000
Private Contributions and Additional Grants:		
Garden		39
Backpack	672	
Delivery Truck and Building Expansion	26,173	
Mobile Pantry	<u>2,497</u>	
	<u>\$ 105,342</u>	<u>\$ 61,557</u>

CHATHAM OUTREACH ALLIANCE, INC.
Notes to Financial Statements
June 30, 2021 and 2020

8. Donated Materials, Facilities & Services

The Organization received donations of food, use of facilities and services for the year ended June 30, 2021 and 2020. The use of donated facilities was valued at \$24,000 for the years ended June 30, 2021 and 2020. Donated food for the years ended June 30, 2021 and 2020 was valued at \$1,504,815 and \$1,062,758, respectively. For the year ended June 30, 2020, donated special events related services were \$9,500.

9. Leases

The Organization operates in premises leased from Chatham County through October 31, 2022. No payments are due under this lease. The Organization also leases equipment and storage space when needed. At June 30, 2021 and 2020, there were no commitments for future payments under these leases.

10. Building Renovation and Commitment

The Organization operates in donated facilities from Chatham County. Chatham County has undertaken plans to renovate and expand the facilities. The Organization has agreed to pay for certain costs exceeding \$300,000. Management expects to incur costs of \$150,000 with respect to this agreement.

11. Liquidity and Availability of Resources

The Organization manages its liquid resources by focusing on fundraising efforts to ensure the entity has adequate contributions and revenue to cover the programs that are being conducted. The Organization prepares detailed budgets and is very active in managing costs to ensure the entity remains liquid.

The Organization's financial assets as of June 30, 2021 and 2020 expected to be available within one year to meet the cash needs for general expenditures comprise the following:

	<u>2021</u>	<u>2020</u>
Financial assets available within one year:		
Cash	\$ 1,332,937	\$ 906,183
Investments	258,508	
Promises to Give	78,000	76,000
Sales Tax Refund and Other Receivables	<u>9,458</u>	<u>16,411</u>
Financial assets, at year end	1,678,903	998,594
Less those unavailable for general expenditures within one year, due to:		
Contractual or Donor-Imposed Restrictions:		
Restricted by donor with time or purpose restrictions	<u>370,565</u>	<u>360,022</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u>1,308,338</u>	\$ <u>638,572</u>

CHATHAM OUTREACH ALLIANCE, INC.
Notes to Financial Statements
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12. Subsequent Events

Subsequent events have been evaluated through November 15, 2021, which is the date the financial statements were available to be issued. The Organization is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

For the year ended June 30, 2021, the Organization evaluated subsequent events for potential recognition and disclosure through November 15, 2021, the date of financial statement issuance. As a result of the spread of COVID-19 coronavirus, economic uncertainties have arisen which may negatively impact the Organization.

13. Reclassifications

Certain amounts from 2020 have been reclassified to conform to the 2021 presentation. Such reclassifications have no effect on changes in net assets or cash flows as previously reported.