

Financial Statements

LOUDOUN HUNGER RELIEF, INC.

June 30, 2021

GENERAL ORGANIZATIONAL DATA

ORGANIZATION AND PURPOSE

Loudoun Hunger Relief, Inc. is a non-profit corporation organized under the laws of the Commonwealth of Virginia on October 24, 1991 for the purpose of collecting and distributing food to needy families and individuals in Loudoun County. Loudoun Hunger Relief, Inc. was granted exemption from federal income tax under Section 501(c)(3) of the Internal Revenue Code in March 1992.

Loudoun Hunger Relief, Inc. was originally organized and named Loudoun Interfaith Relief, Inc. In September 2016 the board adopted a resolution to change the name to Loudoun Hunger Relief, Inc.

OFFICERS

Carol Barbe, Chair
Thomas Ciolkosz, Vice Chair
Charles McQuillan, Secretary
Roman Blazauskas, Treasurer

BOARD OF DIRECTORS

Carol Barbe	David McOmber
Roman Blazauskas	Charles McQuillan
Maristevie Bradley	Christina Moseley
Thomas Ciolkosz	Magdalene Johnson Obaji
Lorna Campbell Clarke	Eric Pearsall
Rose Ann Domenici	Michelle Rosati
William Junda	John Rowell
Andrea Winey	

STAFF

Jennifer Montgomery, President/CEO
Erika Huddleston, Deputy Director Programs/Partnership
Trish McNeal, Deputy Director for Supporter Engagement
Carla Fortenberry, Volunteer Manager
Justo Castillo, Operations Manager

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Loudoun Hunger Relief, Inc.
Leesburg, Virginia

Opinion

We have audited the accompanying financial statements of Loudoun Hunger Relief, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year 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 Loudoun Hunger Relief, Inc. as of June 30, 2021, 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.

Basis for Opinion

We conducted our audit 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 Loudoun Hunger Relief, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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, and for 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.

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 Loudoun Hunger Relief, 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.

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 Loudoun Hunger Relief, 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 Loudoun Hunger Relief, 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.

Report on Summarized Comparative Information

We have previously audited Loudoun Hunger Relief, Inc.'s 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 9, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Leesburg, Virginia
September 14, 2021

Mitchell & Co., P.C.

LOUDOUN HUNGER RELIEF, INC.

STATEMENT OF FINANCIAL POSITION

June 30, 2021

(with June 30, 2020 comparative totals)

	<u>2021</u>	<u>2020</u>
ASSETS		
Current assets		
Undesignated funds		
Cash and cash equivalents	\$ 120,981	\$ 173,041
Designated and restricted funds		
Cash and cash equivalents	3,241,335	1,620,488
Certificates of deposit	-	214,748
Prepaid food debit card	77,566	31,202
Grants and other receivables	-	15,430
Pledged contributions	37,708	74,883
Inventory- food products	360,427	183,656
Gift cards	21,912	25,508
Prepaid expenses	22,392	19,632
Total current assets	3,882,321	2,358,588
Property and equipment, net of depreciation	364,338	290,070
Security deposits	1,425	2,960
Total Assets	\$ 4,248,084	\$ 2,651,618
LIABILITIES AND NET ASSETS		
Accounts payable and accrued expenses	\$ 23,550	\$ 20,561
Accrued payroll	74,024	139,692
Total current liabilities	97,574	160,253
Net Assets		
Without donor restriction:		
Undesignated	84,452	162,771
Nonspendable	747,157	493,358
Designated by governing board:		
Funds held for long-term investment	1,000,000	400,000
Capital reserve	700,000	350,000
Strategic initiatives/expansion	555,000	355,000
Operating working capital	900,000	600,000
	3,155,000	1,705,000
With donor restriction	163,901	130,236
Total net assets	4,150,510	2,491,365
Total liabilities and net assets	\$ 4,248,084	\$ 2,651,618

See Notes to Financial Statements.

LOUDOUN HUNGER RELIEF, INC.

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2021

(with June 30, 2020 comparative totals)

	2021			2020
	Without Donor Restriction	With Donor Restriction	Total	
SUPPORT AND REVENUE				
Contributions	\$ 2,491,330	\$ 30,000	\$ 2,521,330	\$ 1,664,662
In-kind contributions (principally food products)	4,271,573	74,578	4,346,151	3,546,710
Special events (net of expenses of \$550)	17,450	-	17,450	16,876
Grants	244,135	981,430	1,225,565	842,031
CARES Act PPP funding	-	-	-	128,000
Interest and dividend income	5,780	-	5,780	9,376
Total revenue	7,030,268	1,086,008	8,116,276	6,207,655
Net assets released from restrictions				
Satisfaction of usage restrictions	1,052,343	(1,052,343)	-	-
Total support and revenue	8,082,611	33,665	8,116,276	6,207,655
EXPENSES				
Program services	6,217,190	-	6,217,190	4,733,566
Supportive services				
Management and general	118,752	-	118,752	135,706
Fundraising	121,189	-	121,189	128,789
Total expenses	6,457,131	-	6,457,131	4,998,061
Change in net assets	1,625,480	33,665	1,659,145	1,209,594
Net assets, beginning of year	2,361,129	130,236	2,491,365	1,281,771
Net assets, end of year	\$ 3,986,609	\$ 163,901	\$ 4,150,510	\$ 2,491,365

See Notes to Financial Statements.

LOUDOUN HUNGER RELIEF, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2021

(with June 30, 2020 comparative totals)

	Program Services	Management and General	Fundraising	Totals	
				2021	2020
Salaries and wages	\$ 795,126	\$ 38,520	\$ 82,381	\$ 916,027	\$ 545,770
Employee benefits	74,218	509	764	75,491	44,341
Payroll taxes	60,445	1,551	2,326	64,322	42,451
Total salaries and related expenses	929,789	40,580	85,471	1,055,840	632,562
Bank charges	-	895	-	895	1,033
Depreciation	63,097	637	-	63,734	32,270
Education	3,006	471	133	3,610	6,026
Outreach	4,398	-	-	4,398	21,389
Equipment rental	35,846	-	-	35,846	-
Fees and licenses	1,399	660	865	2,924	2,728
Food distributed	4,040,116	-	-	4,040,116	2,864,772
Food purchased	847,703	-	-	847,703	78,133
Fundraising	-	-	8,046	8,046	-
Insurance	18,954	1,757	-	20,711	14,042
Maintenance (in-kind \$12,080)	55,535	1,365	6,210	63,110	31,680
Marketing	4,222	-	5,098	9,320	7,786
Miscellaneous	1,490	66	-	1,556	-
Postage	-	-	1,989	1,989	2,991
Professional fees (in-kind \$27,270)	24,320	53,766	13,305	91,391	78,342
Rent (in-kind \$91,200)	96,957	10,773	-	107,730	108,640
Office supplies and printing	6,745	3,787	72	10,604	6,037
Communications	5,118	569	-	5,687	5,066
Utilities	30,836	3,426	-	34,262	23,818
Transportation costs	40,911	-	-	40,911	25,454
Volunteer support	6,748	-	-	6,748	15,363
	5,287,401	78,172	35,718	5,401,291	3,325,570
Total expenses	\$ 6,217,190	\$ 118,752	\$ 121,189	\$ 6,457,131	\$ 3,958,132

See Notes to Financial Statements.

LOUDOUN HUNGER RELIEF, INC.

STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2021

(with June 30, 2020 comparative totals)

	<u>2021</u>	<u>2020</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 1,659,145	\$ 1,209,594
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Depreciation	63,734	37,801
Donated assets		
Inventory	(176,771)	(54,891)
Change in assets and liabilities:		
(Increase) decrease in assets:		
Grants and other receivables	15,430	(1,534)
Pledged contributions	37,175	(65,859)
Gift cards	3,596	(8,746)
Prepaid food debit card	(46,364)	(16,793)
Prepaid expenses	(2,760)	(7,924)
Security deposits	1,535	(1,535)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	2,989	(2,972)
Accrued payroll	(65,668)	123,721
Net cash provided by operating activities	<u>1,492,041</u>	<u>1,210,862</u>
Cash Flows From Investing Activities		
Redemption of certificates of deposit	214,748	108,256
Purchase of property and equipment	(138,002)	(204,599)
Net cash provided by (used in) investing activities	<u>76,746</u>	<u>(96,343)</u>
Net increase in cash	1,568,787	1,114,519
Cash and Cash Equivalents		
Beginning of year	1,793,529	679,010
End of year	<u>\$ 3,362,316</u>	<u>\$ 1,793,529</u>

See Notes to Financial Statements.

LOUDOUN HUNGER RELIEF, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activities and Significant Accounting Policies

Nature of Activities

Loudoun Hunger Relief, Inc. (LHR), previously named Loudoun Interfaith Relief, Inc., is a nonprofit corporation established to serve the community of Loudoun County, Virginia, for the purpose of collecting and distributing food to needy families and individuals. Loudoun Hunger Relief is operated by a volunteer Board of Directors, paid employees and approximately 249 operational volunteers.

Significant Accounting Policies

The financial statements of Loudoun Hunger Relief, Inc. have been prepared in accordance with policies followed by nonprofit organizations. The significant accounting policies that follow are described below to enhance the usefulness of the financial statements to the reader.

Basis of Accounting: The financial statements of LHR have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation: Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) as defined in the FASB Accounting Standards Codification (ASC) Topic 958 dated August 2016, *Not-For-Profit Entities*, and the provisions of the American Institute of Certified Public Accountants (AICPA) “Audit and Accounting Guide for Not-for-Profit Organizations”. (ASC) 9588-205 was effective January 1, 2018. Under ASC Topic 958, the Organization is required to report information regarding its financial position and activities according to two classes of net assets:

Net Assets Without Donor Restriction: Net assets not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization’s board may designate assets without restrictions for specific operational purposes from time to time.

Net Assets With Donor Restriction: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Non-Profit Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity

Contributions: Contributions, including unconditional promises to give, are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give due in the next year are recorded at their net realizable value.

Income tax status: Loudoun Hunger Relief, Inc. was granted exemption from federal income tax under Section 501(c)(3) of the Internal Revenue Code. LHR has adopted the guidance under ASC Topic 740, *Accounting for Uncertainty in Income Taxes*. Management has evaluated the LHR’s tax positions and concluded that LHR has taken no uncertain tax provisions that would require adjustment to, or disclosure in, the financial statements to comply with the provisions of the guidance. Loudoun Hunger Relief, Inc. annually files the IRS informational filing form 990, return of organizations exempt from income taxes. Income tax years open for IRS inspection include years ended in 2018, 2019, 2020, and 2021.

LOUDOUN HUNGER RELIEF, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1. Significant Accounting Policies (Continued)

Cash and cash equivalents: For purposes of reporting cash flows, LHR considers all cash on demand deposits, money market deposits, cash management accounts, and certificates of deposit with a maturity of three months or less to be cash equivalents.

Property, plant and equipment: Expenditures for donations of property and equipment exceeding \$2,500 are capitalized at cost or fair market value at the date of gift or purchase. Depreciation of property improvements, furniture and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis.

Inventory: Inventory consists of donated food and related food products. Food inventory is stated at the per pound rate established by the United States Department of Agriculture (USDA).

Allowance for doubtful accounts receivable: All receivables at year end are expected to be collected within one year. Management of LHR reviews the collectability of the receivables on a monthly basis. No provision for doubtful accounts has been made as management considers all amounts fully collectible.

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

Revenue recognition: Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. All donor-restricted contributions are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Other public support, grant funds and revenue are reported as the income is earned or in the period designated. Funds received in advance of participation and for future periods are reported as unearned or deferred.

Donated Noncash Assets: Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

Noncash contributions are made up primarily of food and related food products donated by producers, manufactures, retailers, USDA, and the general public.

Measure of Operations: The statements of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to LHR's ongoing activities. Non-operating activities are limited to resources that generate return from investments, endowment contributions, financing costs, and other activities considered to be of a more unusual or nonrecurring nature. There were no non-operating activities in 2021.

LOUDOUN HUNGER RELIEF, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1. Significant Accounting Policies (Continued)

Functional Allocation of Expense: The cost of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include the following:

Description	Method
Personnel costs	Time and effort
Administrative costs	Salaries percentage
Utilities	Building square footage use
Professional fees and other	Direct

In FY21, program demands were considerably higher than ever before due to community need from impacts of COVID-19. As such, FY21 program expenses are significantly higher than in typical operating years.

Note 2. Cash and Cash Equivalents

Composition of cash and cash equivalents at June 30 is as follows:

Name	Bank	Accounting	
	2021	2021	2020
BB&T - checking	\$ 85,783	\$ 85,783	\$ 86,677
Atlantic Union Bank:			
Checking	734,657	739,797	1,273,525
Savings	2,363,139	2,363,139	317,697
John Marshall - Savings	57,662	57,662	-
Main Street Bank - checking	115,935	115,935	115,630
	<u>\$ 3,357,176</u>	<u>\$ 3,362,316</u>	<u>\$ 1,793,529</u>

Individual bank combined cash account deposits up to \$250,000 are insured by the Federal Deposit Insurance Corporation (FDIC). At June 30, 2021, \$2,847,796 exceeded the FDIC insurance limits at Atlantic Union Bank.

Note 3. Certificates of Deposit

Certificates of deposit consist of the following bank deposit accounts:

Name	2021	2020
John Marshall Bank	\$ -	\$ 57,387
Atlantic Union Bank	-	157,361
	<u>\$ -</u>	<u>\$ 214,748</u>

LOUDOUN HUNGER RELIEF, INC.

NOTES TO FINANCIAL STATEMENTS

Note 4. Property and Equipment

A summary of property and equipment is as follows:

Description	2021	2020
Computers	\$ 5,581	\$ 5,581
Equipment	148,620	133,703
Leasehold improvements	39,651	39,651
Office Equipment	17,692	17,692
Software	17,431	17,430
Vehicles	484,055	360,970
	<u>713,030</u>	<u>575,027</u>
Less accumulated depreciation	(348,692)	(284,957)
	<u>\$ 364,338</u>	<u>\$ 290,070</u>

Depreciation expense for the year ended June 30, 2021 was \$63,734.

Note 5. Donated Inventory- Food Products

Noncash contributions of food products are donated by producers, manufacturers, retailers, USDA, and the general public. Contributed food is recorded as in-kind contributions income when donated and placed in inventory at the USDA nationally calculated average per pound. Food products are expensed when distributed. Any purchased supplement food products are distributed in the period purchased.

The established USDA value per pound of food for 2021 is \$1.79.

Note 6. Donated Services

Contributions of services are recognized when they are received if the services (a) create or enhance non-financial assets or (b) require specialized skill provided by individuals possessing those skills, and would typically need to be purchased if not donated. LHR recognized \$39,350 and \$48,410 of specialized services for the years ended June 30, 2021 and 2020, respectively.

LHR also receives a substantial amount of services from individuals who assist in food collection and distribution. These services have not been recorded in the financial statements because they did not meet the criteria for recognition under generally accepted accounting principles. Although no amounts have been reflected in the financial statements, management estimates the fair value of those services to be approximately \$123,940 for 6,291 hours and \$236,605 for 11,937 hours for the years ended June 30, 2021 and 2020, respectively.

Note 7. Operations and Warehouse Facility Leases

Operations Facility: LHR occupies space at the Leesburg Airpark complex consisting of approximately 10,541 square feet of combined warehouse and office space at 750 and 751 Miller Drive, Leesburg, Virginia. During 2015, Loudoun County purchased the building and started providing the space by agreement through an in-kind contribution. LHR is responsible for utilities. In-kind rent expense under this lease for fiscal year 2021 amounted to \$91,200.

LOUDOUN HUNGER RELIEF, INC.

NOTES TO FINANCIAL STATEMENTS

Note 7. Operations and Warehouse Facility Leases (Continued)

Warehouse Facility: LHR entered into a sub-lease arrangement with Walgreens of Virginia, Inc. for approximately 3,480 square feet of warehouse space at 452 South King Street, Leesburg, Virginia. The lease commenced in May 2011 and was amended in November, 2017 and extended through January, 2023 with a fixed annual payment of \$16,530.

Minimum office rent lease commitment under this lease is as follows:

Year ending June 30:	Amount
2022	\$ 16,530
2023	9,643
	<u>\$ 26,173</u>

Note 8. Retirement Plan

Effective for fiscal years beginning July 1, 2016, LHR established an employer sponsored and funded IRA retirement arrangement for eligible employees. The amount contributed to the employee's IRA account is determined annually by the Board of Directors. For the year ended June 30, 2021 and 2020, the board approved contributions of two percent (2.00%) of eligible employees' compensation which amounted to \$15,944 and \$11,934, respectively.

Note 9. Net Assets with Donor Restriction

Net assets with donor restriction is summarized as follows:

Year ending June 30:	Unspent	FY 2021 Activity		Unspent
	6/30/2020	Additions	Uses	6/30/2021
Feeding children	\$ -	\$ 48,190	\$ (29,400)	\$ 18,790
Harris Teeter - prepaid food debit card	31,202	74,578	(28,214)	77,566
Mobile pantry vehicle	53,023	-	(53,023)	-
Children's breakfast	-	20,624	(20,624)	-
CARES funding	-	760,343	(760,343)	-
COVID-19 costs	7,211	5,000	(12,211)	-
Capital campaign	31,000	-	-	31,000
Food purchase	-	65,000	(55,000)	10,000
Dinner bags	3,000	5,000	(8,000)	-
Diapers, wipes and supplies	-	10,000	(10,000)	-
Adult bladder protection and baby cereal	-	25,000	(374)	24,626
Carol Jenkins holiday dinner fund	-	20,000	(20,000)	-
Refrigerated truck purchase	-	50,000	(50,000)	-
Other	4,800	2,273	(5,154)	1,919
	<u>\$ 130,236</u>	<u>\$ 1,086,008</u>	<u>\$ (1,052,343)</u>	<u>\$ 163,901</u>

LOUDOUN HUNGER RELIEF, INC.

NOTES TO FINANCIAL STATEMENTS

Note 10. Designated Net Assets

The Board of Directors has designated net assets and related cash balances for specific future obligations and projects summarized as follows:

Designated obligation/project	Balance	FY21 Activity		Balance
	6/30/2020	Additions	Uses	6/30/2021
Long-term investment	\$ 400,000	\$ 600,000	\$ -	\$ 1,000,000
Strategic initiatives/expansion	355,000	200,000	-	555,000
Operating working capital	600,000	300,000	-	900,000
Capital reserve	350,000	350,000	-	700,000
	<u>\$ 1,705,000</u>	<u>\$ 1,450,000</u>	<u>\$ -</u>	<u>\$ 3,155,000</u>

Long-term Endowment: Net assets are designated for long-term savings.

Strategic initiatives/expansion: Several strategic planning and mission critical initiatives have been planned requiring resources for implementation. Net asset funds are designated for these future activities.

Operating working capital: The level and amount of operations funding varies each year dependent on donations and grants received. To insure continued service and operations, net assets and funds are set aside for a future operating funding shortfall.

Capital reserve: Several vehicles and other fixed assets will need to be replaced in the upcoming years. Net funds are set aside to be used for this purpose.

Note 11. Liquidity

The Organization's financial assets available within one year of the balance sheet date for general expenditure are as follows:

Description	Amount
Cash and cash equivalent without donor restriction	\$ 3,198,415
Grants and other receivable	-
Current bills	(23,550)
	<u>\$ 3,174,865</u>

LOUDOUN HUNGER RELIEF, INC.

NOTES TO FINANCIAL STATEMENTS

Note 12. In-Kind Contributions

In-kind contributions of consist of the following donations:

Donated Item/Service	2021	2020
Marketing	\$ 971	\$ 3,514
Gift cards including prepaid food debit cards	131,603	81,696
Donated fixed assets	32,000	-
Rent	91,200	91,200
Professional fees		
Accounting	24,000	24,000
Auditing	1,645	1,868
Information Technology	12,080	22,542
Consulting	1,625	-
Other	519	2,705
	<u>295,643</u>	<u>227,525</u>
Food product	4,050,508	3,319,185
	<u>\$ 4,346,151</u>	<u>\$ 3,546,710</u>

Note 13. Fair Value of Financial Instruments

LHR's financial instruments are cash and cash equivalents, certificates of deposit, accounts receivable, accounts payable and accrued expenses. The recorded values of these instruments approximate their fair values based on their short-term nature.

Note 14. Prior Year Summarized Comparative Information

The financial statements include certain prior-year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended June 30, 2019 of the prior year, from which the summarized information was derived.

Note 15. Risks and Uncertainties

COVID-19: The extent of the impact of COVID-19 on LHR's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, as well as the impact on LHR's customers, employees, and vendors, all of which are uncertain and cannot be reasonably predicted.

Note 16. Subsequent Events

Loudoun Hunger Relief, Inc. has evaluated subsequent events from June 30, 2021 through September 14, 2021, the date these financial statements were available to be issued, and determined that there were no material subsequent events requiring adjustment to, or disclosure in, the financial statements for the year ended June 30, 2021.