

WEST SEATTLE FOOD BANK

**FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITORS' REPORT**

JUNE 30, 2021 AND 2020



INDEPENDENT AUDITORS' REPORT

To the Board of Directors
West Seattle Food Bank
Seattle, Washington

We have audited the accompanying financial statements of West Seattle Food Bank (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

A handwritten signature in cursive script that reads "Jones & Associates PLLC, CPAs".

Jones & Associates PLLC, CPAs
December 9, 2021

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WEST SEATTLE FOOD BANK
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

	2021	2020
ASSETS		
Cash and cash equivalents	\$ 1,975,319	\$ 1,271,326
Investments	1,071,612	804,885
Receivables	120,413	167,810
Prepays and deposits	22,572	21,344
Inventory	98,456	106,778
Total current assets	3,288,372	2,372,143
 Property and equipment, net	 1,960,901	 2,059,024
	\$ 5,249,273	\$ 4,431,167
 LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 38,669	\$ 36,296
Accrued payroll and other expenses	74,334	65,601
Total current liabilities	113,003	101,897
 Forgivable debt	 250,000	 250,000
Total liabilities	363,003	351,897
 NET ASSETS		
Without donor restrictions	4,865,202	4,050,502
With donor restrictions	21,068	28,768
	4,886,270	4,079,270
	\$ 5,249,273	\$ 4,431,167

**WEST SEATTLE FOOD BANK
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021**

	Without Donor Restrictions	With donor Restrictions	Total
SUPPORT AND REVENUE			
In-kind food and other donations	\$ 4,333,888	\$ -	\$ 4,333,888
Contributions	2,679,926	42,500	2,722,426
Special events, net	106,624	-	106,624
Government contracts and grants	568,007	-	568,007
Tenant revenue	5,385	-	5,385
Investment return	215,111	-	215,111
	<u>7,908,941</u>	<u>42,500</u>	<u>7,951,441</u>
Net asset releases:			
Satisfaction of purpose requirements	7,950	(7,950)	-
Satisfaction of time requirements	42,250	(42,250)	-
Total operating support and revenue	<u>7,959,141</u>	<u>(7,700)</u>	<u>7,951,441</u>
EXPENSES			
Program services	6,746,773	-	6,746,773
Management and general	123,325	-	123,325
Fundraising	274,343	-	274,343
Total expenses	<u>7,144,441</u>	<u>-</u>	<u>7,144,441</u>
 CHANGE IN NET ASSETS	 814,700	 (7,700)	 807,000
NET ASSETS			
Beginning of year	<u>4,050,502</u>	<u>28,768</u>	<u>4,079,270</u>
End of year	<u>\$ 4,865,202</u>	<u>\$ 21,068</u>	<u>\$ 4,886,270</u>

**WEST SEATTLE FOOD BANK
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020**

	Without Donor Restrictions	With donor Restrictions	Total
SUPPORT AND REVENUE			
In-kind food and other donations	\$ 3,805,263	\$ -	\$ 3,805,263
Contributions	1,961,945	41,130	2,003,075
Special events, net	122,688	5,000	127,688
Government contracts and grants	319,808	-	319,808
Tenant revenue	9,505	-	9,505
Investment return	72,013	-	72,013
	<u>6,291,222</u>	<u>46,130</u>	<u>6,337,352</u>
Net asset releases:			
Satisfaction of purpose requirements	31,817	(31,817)	-
Satisfaction of time requirements	39,000	(39,000)	-
Total operating support and revenue	<u>6,362,039</u>	<u>(24,687)</u>	<u>6,337,352</u>
EXPENSES			
Program services	4,927,867	-	4,927,867
Management and general	111,349	-	111,349
Fundraising	210,609	-	210,609
Total expenses	<u>5,249,825</u>	<u>-</u>	<u>5,249,825</u>
 CHANGE IN NET ASSETS	 1,112,214	 (24,687)	 1,087,527
NET ASSETS			
Beginning of year	<u>2,938,288</u>	<u>53,455</u>	<u>2,991,743</u>
End of year	<u>\$ 4,050,502</u>	<u>\$ 28,768</u>	<u>\$ 4,079,270</u>

WEST SEATTLE FOOD BANK
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2021

	Program Services			Support Services		
	Food Bank	Helpline	Total	Management and General	Fundraising	Total
In-kind food and other	\$ 4,064,562	\$ 277,649	\$ 4,342,211	\$ -	\$ -	\$ 4,342,211
Rental and utility assistance	-	996,154	996,154	-	-	996,154
Salaries and wages	379,958	135,013	514,971	45,914	139,234	700,119
Purchased food	482,595	-	482,595	-	-	482,595
Payroll taxes and benefits	78,259	34,631	112,890	10,833	26,797	150,520
Occupancy	71,085	24,408	95,493	1,933	1,758	99,184
Depreciation	79,627	6,762	86,389	6,145	5,588	98,122
Miscellaneous	3,164	7,105	10,269	14,664	59,750	84,683
Professional services	2,500	4,342	6,842	33,164	22,371	62,377
Equipment maintenance	39,207	-	39,207	633	-	39,840
Supplies	28,233	4,478	32,711	4,537	454	37,702
Volunteer and public relations	10,544	646	11,190	2,261	3,543	16,994
Printing and postage	1,343	462	1,805	450	13,703	15,958
Insurance	8,373	-	8,373	2,255	-	10,628
Telephone	4,293	1,380	5,673	536	1,145	7,354
	5,253,743	1,493,030	6,746,773	123,325	274,343	7,144,441
Special event costs	-	-	-	-	1,969	1,969
	\$ 5,253,743	\$ 1,493,030	\$ 6,746,773	\$ 123,325	\$ 276,312	\$ 7,146,410

See accompanying notes to financial statements.

WEST SEATTLE FOOD BANK
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2020

	Program Services			Support Services		
	Food Bank	Helpline	Total	Management and General	Fundraising	Total
In-kind food and other	\$ 3,659,918	\$ 33,317	\$ 3,693,235	\$ -	\$ -	\$ 3,693,235
Purchased food	338,774	-	338,774	-	-	338,774
Rental and utility assistance	-	163,901	163,901	-	-	163,901
Salaries and wages	344,342	29,575	373,917	49,545	112,886	536,348
Payroll taxes and benefits	70,992	6,104	77,096	7,817	19,755	104,668
Occupancy	64,293	7,000	71,293	346	346	71,985
Depreciation	96,160	-	96,160	1,306	1,306	98,772
Miscellaneous	2,478	4,406	6,884	8,568	40,708	56,160
Professional services	1,691	-	1,691	36,677	7,685	46,053
Equipment maintenance	44,045	-	44,045	92	12	44,149
Supplies	29,544	273	29,817	2,184	2,103	34,104
Volunteer and public relations	18,258	-	18,258	2,160	13,203	33,621
Printing and postage	1,440	-	1,440	55	12,176	13,671
Insurance	7,630	-	7,630	2,255	-	9,885
Telephone	2,928	798	3,726	344	429	4,499
	<u>4,682,493</u>	<u>245,374</u>	<u>4,927,867</u>	<u>111,349</u>	<u>210,609</u>	<u>5,249,825</u>
Special event costs	-	-	-	-	22,954	22,954
	<u>\$ 4,682,493</u>	<u>\$ 245,374</u>	<u>\$ 4,927,867</u>	<u>\$ 111,349</u>	<u>\$ 233,563</u>	<u>\$ 5,272,779</u>

See accompanying notes to financial statements.

**WEST SEATTLE FOOD BANK
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2021 AND 2020**

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from contributions, contracts and grants	\$ 3,444,454	\$ 2,351,160
Cash received from investment income and other	27,234	31,559
Cash paid to employees and suppliers	(2,693,169)	(1,429,464)
	778,519	953,255
 CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	-	130,000
Purchase of investments	(73,465)	(27,061)
	(74,526)	102,939
 NET CHANGE IN CASH AND CASH EQUIVALENTS	703,993	1,056,194
 CASH AND CASH EQUIVALENTS		
Beginning of the year	1,271,326	215,132
End of the year	\$ 1,975,319	\$ 1,271,326

WEST SEATTLE FOOD BANK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

Note 1 – Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities – West Seattle Food Bank (the Organization) is a not-for-profit community service organization whose mission is to strengthen the community through the power of neighbors helping neighbors, working to ensure all in our community have access to the essential necessities of living. The Organization’s program services include securing and distributing quality, nutritional food to low-income residents of this community; providing home delivery services for elderly or disabled individuals unable to come into the food bank; distributing weekend food to children at risk of hunger on weekends when they are not receiving meals at school; providing baby food, formula and other essential baby supplies for infants and young children; offering free books to encourage reading; and connecting the individuals we serve with other community services and resources.

In March 2020, the Organization acquired the West Seattle Helpline and added financial assistance for rent, utilities, and move in assistance; and a free clothing bank called the Clothesline.

The Organization is supported primarily by the City of Seattle, in-kind donations, private foundations, and community support.

Basis of Accounting and Presentation – The financial statements of the Organization have been prepared on the accrual basis of accounting and report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, 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 restriction. There were no donor-restricted net assets of perpetual nature at June 30, 2021 and 2020.

Cash and Cash Equivalents – For purposes of the statements of cash flows, the Organization considers all checking and savings accounts and unrestricted highly liquid investments with an initial maturity of three months or less to be cash and cash equivalents. At times, cash and cash equivalents may exceed federally insured limits. The Organization has not experienced any losses in these accounts, and management does not believe it is exposed to any significant credit risk.

Investments – The Organization carries its investments at fair value in the statements of financial position. Investment return is included in the change in net assets in the accompanying statements of activities.

WEST SEATTLE FOOD BANK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

Note 1 – Nature of Activities and Summary of Significant Accounting Policies (Continued)

Fair Value Measurements – Fair value is defined as the price received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Accounting standards establish a hierarchy for measuring fair value that gives the highest priority to unadjusted quoted prices in active markets (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are as follows:

- Level 1 Unadjusted quoted prices for identical assets or liabilities in active markets.

- Level 2 Quoted prices for similar assets or liabilities in active markets, quoted prices for identical assets or liabilities in inactive markets, or other inputs that can be corroborated by observable market data.

- Level 3 Inputs that are not observable that reflect management’s assumptions and estimates.

Fair value measurements apply to the Organization’s equity and fixed income funds, which are classified within Level 1 of the fair value hierarchy.

Receivables – Receivables consist primarily of amounts due from governmental agencies and pledges from other nonprofit organizations. Pledges are recorded by the Organization when promised. All account balances are due in less than one year. No allowance for uncollectible balances has been established by management based upon the Organization’s historical experience in the collection of balances due.

Inventory – Inventory consists of donated food and clothing and is recognized at estimated fair value.

Property and Equipment – Property and equipment is carried at cost if purchased, or at fair value if donated. Depreciation is computed using the straight-line method, currently over a period of three to forty years. The Organization follows a policy whereby it capitalizes purchases of property and equipment with a value in excess of \$5,000. When an asset is disposed of, the cost and related accumulated depreciation of the asset is removed from the accounting records, and gain or loss is recognized.

Revenue Recognition – Revenue is recognized when earned. Contributions (including those received at special events) are recognized when cash, securities or other assets, or an unconditional promise to give is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. Expirations of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled or the stipulated time period has elapsed) are reported as reclassifications between net assets with donor restrictions and net assets without donor restrictions.

Revenues from government grants are recognized when the qualified expense is incurred and are subject to audit and retroactive adjustment made by the funding agencies. The adjustments would be recorded at the time that such amounts can first be reasonably determined, normally upon notification by the government agency. There were no government audits or adjustments during the years ended June 30, 2021 and 2020.

WEST SEATTLE FOOD BANK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

Note 1 – Nature of Activities and Summary of Significant Accounting Policies (Continued)

In-kind Food and Other Donations – Donations of goods include food and other materials and are recorded as revenue at the estimated fair value at the date of donation. The Organization estimated receipt of 1,952,864 and 1,752,216 pounds of food valued at \$4,050,717 and \$3,588,036 for the years ended June 30, 2021 and 2020, respectively. The Organization records food donations on an average value per pound basis, as determined by the State of Washington Emergency Food Assistance Program and based on pricing lists published by the U.S. Department of Agriculture. The Organization received donated baby items and books valued at \$22,640 and \$112,402 and donated clothing valued at \$260,531 and \$104,825 for the years ended June 30, 2021 and 2020, respectively.

Donated Services – Donated services are recognized as revenue and corresponding expense when (a) the services received create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Volunteers assisted in food collection, distribution and home delivery. No amounts have been recognized as contributions in the financial statements for these volunteer hours since the recognition criteria were not met.

Functional Expense Allocation – The statements of functional expenses present expenses by function and natural classification. Certain categories of expenses are attributed to more than one program or supporting function and have been allocated among the programs and supporting services benefited. All expenses are allocated directly at the point of original data entry based on function and use. Expenses related to the building are functionally allocated based on the square footage each functional area occupies. Payroll related expenses are allocated based on employee time and effort spent in each functional area.

Estimates – Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Income Tax Status – The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and has been classified as an organization other than a private foundation under Section 509(a)(1).

Subsequent Events – Subsequent events were evaluated through December 9, 2021, which is the date the financial statements were available to be issued.

WEST SEATTLE FOOD BANK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

Note 2 – Liquidity and Availability

Financial assets available for general expenditure within one year of the statement of financial position date are as follows at June 30:

	<u>2021</u>	<u>2020</u>
Financial Assets		
Cash and cash equivalents	\$ 1,975,319	\$ 1,271,326
Investments	1,071,612	804,885
Receivables	120,413	167,810
	<u>3,167,344</u>	<u>2,244,021</u>
Financial assets available within one year	<u>\$ 3,167,344</u>	<u>\$ 2,244,021</u>

Unexpected and higher than usual income through private and public sources were received during year ending June 30, 2021, which allowed the Organization to build reserves for the 2022 fiscal year. Funds are held in liquid assets so that liquidity in the coming year is not a concern. There is usually some seasonal variation of income during the year due to timing of major events and end of year donations, but there are also several regular monthly income sources. The Bookkeeper and Executive Director review liquidity on a regular basis and transfer money between accounts as needed. The Organization has financial assets available for use on general expenditures in excess of our annual budgeted expenses for the fiscal year.

Note 3 – Inventory

Inventory consisted of the following at June 30:

	<u>2021</u>	<u>2020</u>
Clothing inventory	\$ 54,390	\$ 71,508
Food inventory	44,066	35,270
	<u>\$ 98,456</u>	<u>\$ 106,778</u>

Note 4 – Investments

Investments consist of the following at June 30:

	<u>2021</u>	<u>2020</u>
Equity funds	\$ 793,137	\$ 592,405
Fixed income funds	132,968	121,965
Money market funds	145,507	90,515
	<u>\$ 1,071,612</u>	<u>\$ 804,885</u>

WEST SEATTLE FOOD BANK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

Note 5 – Conditional Grants

As of June 30, 2021, the Organization has received notice of three multi-year government grant awards totaling \$343,854, of which \$174,201 was recognized in the year ended June 30, 2021 and the remaining \$169,653 is to be received in the year ended June 30, 2022. As the remainder represents conditional promises to give, these portions of the awards will not be recognized as revenue until the grantor conditions are met. As of June 30, 2020, the Organization received notice of three multi-year government grant awards totaling \$337,442, of which \$167,988 was recognized in the year ended June 30, 2020 and the remaining \$169,454 was received in the year ended June 30, 2021.

Note 6 – Property and Equipment

Property and equipment consists of the following at June 30:

	2021	2020
Building - condominium unit	\$ 2,985,620	\$ 2,985,620
Furniture and equipment	123,253	123,253
Vehicles	87,735	87,735
	3,196,608	3,196,608
Less accumulated depreciation	(1,235,707)	(1,137,584)
	\$ 1,960,901	\$ 2,059,024

Note 7 – Forgivable Debt

The non-interest-bearing note payable of \$250,000 to City of Seattle Human Services Department is secured by a deed of trust on the building. The note expires on September 30, 2022, at which time the debt will be forgiven, provided that the Organization adheres to the terms of the note. The Organization fully intends to comply with the terms of the note.

Note 8 – Lease Commitment

On February 1, 2020, the Organization assumed the operating lease for West Seattle Helpline's offices and Clothesline program. The lease expired on January 31, 2021, with two extension options of 12 months each. The first option was exercised at the expiration date. Rent expense totaled \$22,250 and \$7,000 for the years ended June 30, 2021 and 2020, respectively. Future minimum lease payments for the year ending June 30, 2022 are \$14,000.

WEST SEATTLE FOOD BANK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

Note 9 – Special Events

Special events revenue is shown in the statements of activities net of consumable costs that directly benefit the participants of the events. The net revenue is as follows for the years ended June 30:

	2021	2020
Special events revenue	\$ 108,593	\$ 150,642
Less cost of direct donor benefit	(1,969)	(22,954)
	\$ 106,624	\$ 127,688

Note 10 – Net Assets with Donor Restrictions

Net assets with donor restrictions are composed of the following restrictions at June 30:

	2021	2020
Time restricted	\$ 19,500	\$ 22,750
Event sponsorships	-	5,000
Pet pantry	1,568	1,018
	\$ 21,068	\$ 28,768

Note 11 – Related Party Transactions

The Organization owns one condominium unit within the two-unit West Seattle Community Resource Center Condominium Association (the Association). The Organization’s unit is comprised of 10,000 square feet of operating space for its food bank operations and office space, a portion of which is leased to other social service agencies. The second unit is comprised of 34 units of affordable housing and is owned and operated by an unrelated organization. Each owner may appoint two directors to serve on the Board of the Association.

As a member of the Association, the Organization pays monthly assessments for common expenses, insurance, and other specially approved assessments such as reserves. For the years ended June 30, 2021 and 2020, the Organization paid assessments of \$22,143 and \$18,186, respectively, which are included in occupancy expense in the accompanying statements of functional expenses.

The Organization is a member of the Food Resource Network Federation (FRNF). The FRNF collects workplace giving campaign donations and forwards them to the member organizations. The Executive Director of the Organization is one of six individuals who serve on the Board of Directors of FRNF. For the years ended June 30, 2021 and 2020, the Organization received \$22,055 and \$9,423, respectively, in donations from FRNF, which are included in contribution support in the accompanying statements of activities.

WEST SEATTLE FOOD BANK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

Note 12 – Concentrations

At June 30, 2021, 82% of receivables was due from two organizations. At June 30, 2020, 86% of receivables was due from three organizations.

For the years ended June 30, 2021 and 2020, in-kind food contributions from one supplier comprised 40% and 29% of total support and revenue, respectively.

Note 13 – Risks and Uncertainties

In December 2019, a novel strain of coronavirus (COVID-19) was reported. This crisis continued to impact operations during the fiscal year ending June 30, 2021. Management continued to actively monitor the situation, but most programming remained similar to the status as of June 2020. An increase in funds from public and private sources allowed the agency to increase financial assistance for rent and utilities, and increase food purchases where needed. There was an increase in the amount of food and other products that were donated by the federal, state, and local governments which helped with increasing demand for food services. While significant uncertainty remains, the Organization was able to budget for a loss in the coming fiscal year since donations were so generous in the current fiscal year. Although service levels remained high and donations started leveling off towards the end of the 2021 fiscal year, there is not a concern that the continuing impact of the COVID-19 outbreak will have a negative impact on the ability to maintain adequate funds and to continue priority services in the 2022 fiscal year.

The extent to which the pandemic will further impact the Organization going forward remains unknown. Its major fundraisers were both pivoted to virtual events during the year, and several third party fundraising activities were canceled. While this was not a concern for fiscal year 2021, if this trend continues the Organization's ability to maintain programs and staffing at current levels may be challenged. Numerous evolving factors, including the duration and scope of the pandemic; governmental, business, and individuals' actions in response to the pandemic; and the impact on economic activity including the possibility of recession or financial market instability, remain unknowns that may impact the Organization's ability to continue to provide services. Although there is a budgeted shortfall in the 2022 fiscal year, cash reserves are adequate to compensate and some programming expenses may be reduced when this crisis abates. Overall, the Organization remains in strong financial position.