

St. Louis Park Emergency Program, Inc.
St. Louis Park, Minnesota

Financial Statements
Auditor's Report
For the Years Ended
June 30, 2021 and 2020



CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

Board of Directors
St. Louis Park Emergency Program, Inc.
St. Louis Park, Minnesota

We have audited the accompanying financial statements of St. Louis Park Emergency Program, Inc., which comprise the statement of financial position as of June 30, 2021 and 2020, and the related statements of activities and changes in net assets, functional expense, 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.

Auditor's 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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of 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 St. Louis Park Emergency Program, Inc. as of June 30, 2021 and 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.

Carpenter Evert and Associates, LTD.
Certified Public Accountants

Minneapolis, Minnesota
October 19, 2021

EXHIBIT A

ST. LOUIS PARK EMERGENCY PROGRAM, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:						
Grants and Contracts Contributions	\$ 1,340,293	\$ 98,000	\$ 1,438,293	\$ 645,749	\$ 107,770	\$ 753,519
Noncash Contributions	944,383	17,687	962,070	852,609	14,627	867,236
Interest Income	661,523	-	661,523	1,020,897	-	1,020,897
Change in Endowment Fund Held by Minnesota Community Foundation	238	-	238	162	-	162
Miscellaneous Income	107,012	-	107,012	(27,424)	-	(27,424)
Net Assets Released from Restrictions:	14,950	-	14,950	800	-	800
Satisfaction of Purpose and Time Restrictions	139,590	(139,590)	-	63,354	(63,354)	-
Total Support and Revenue	3,207,989	(23,903)	3,184,086	2,556,147	59,043	2,615,190
Expense:						
Program Services	2,605,598	-	2,605,598	1,941,100	-	1,941,100
Support Services:						
Management and General Fundraising	90,866	-	90,866	74,660	-	74,660
Total Support Services	138,349	-	138,349	136,938	-	136,938
Total Expense	229,215	-	229,215	211,598	-	211,598
	2,834,813	-	2,834,813	2,152,698	-	2,152,698
Change in Net Assets	373,176	(23,903)	349,273	403,449	59,043	462,492
Net Assets - Beginning of Year	1,869,882	97,372	1,967,254	1,466,433	38,329	1,504,762
Net Assets - End of Year	\$ 2,243,058	\$ 73,469	\$ 2,316,527	\$ 1,869,882	\$ 97,372	\$ 1,967,254

The accompanying Notes to Financial Statements are an integral part of these statements.

EXHIBIT B

ST. LOUIS PARK EMERGENCY PROGRAM, INC.
STATEMENT OF FUNCTIONAL EXPENSE
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE TOTALS FOR 2020

	2021										2020		
	Program Services					Support Services					Total	Total	Total
	Clothes Closet	Holiday Program	Back to School	Food Shelf	Emergency Assistance	Transportation	Social Worker Case Mgmt	Program Services	Management & General	Fund-raising	Total Support Services	Total All Services	Total All Services
Goods Distributed and Client Assistance	\$ 4,922	\$ 19,542	\$ 15,524	\$ 716,467	\$ 1,043,358	\$ 1,674	\$ 7,919	\$ 1,809,406	\$ -	\$ -	\$ -	\$ 1,809,406	\$ 1,226,864
Salaries	4,304	16,554	12,581	280,033	125,349	42,710	25,560	507,091	64,694	90,387	155,081	662,172	598,691
Payroll Taxes and Benefits	938	3,606	2,740	60,995	27,303	9,303	5,567	110,452	14,091	19,687	33,778	144,230	131,545
Occupancy	157	616	477	15,820	16,956	919	642	35,587	1,351	2,040	3,391	38,978	35,468
Office Supplies and Equipment	126	605	445	12,398	5,492	1,251	749	21,066	1,895	4,670	6,565	27,631	23,251
Professional Services	136	526	400	12,806	3,982	1,357	812	20,019	2,055	2,871	4,926	24,945	22,848
Postage and Printing	70	272	207	4,745	2,063	1,019	421	8,797	1,065	10,418	11,483	20,280	12,671
Insurance	82	318	242	5,380	2,408	821	491	9,742	1,243	1,736	2,979	12,721	13,106
Bank Service and Other Charges	65	250	190	4,229	1,893	645	386	7,658	977	1,365	2,342	10,000	7,510
Telephone	60	233	177	4,457	1,761	600	359	7,647	909	1,270	2,179	9,826	8,348
Miscellaneous	32	133	103	3,418	3,663	199	139	7,687	292	441	733	8,420	5,706
Recruitment and Training	12	44	34	1,135	1,217	66	46	2,554	97	146	243	2,797	5,093
Depreciation	257	1,001	775	25,736	27,583	1,495	1,045	57,892	2,197	3,318	5,515	63,407	61,597
	\$ 11,161	\$ 43,700	\$ 33,895	\$ 1,147,619	\$ 1,263,028	\$ 62,059	\$ 44,136	\$ 2,605,598	\$ 90,866	\$ 138,349	\$ 229,215	\$ 2,834,813	\$ 2,152,698

The accompanying Notes to Financial Statements are an integral part of this statement.

ST. LOUIS PARK EMERGENCY PROGRAM, INC.
STATEMENT OF FUNCTIONAL EXPENSE
FOR THE YEAR ENDED JUNE 30, 2020

	Program Services										Support Services			Total All Services		
	Clothes Closet	Holiday Program	Back to School	Food Shelf	Emergency Assistance	Transportation	Social Worker Case Mgmt	Total Program Services	Management & General	Fund- raising	Total Support Services					
Goods Distributed and																
Client Assistance	\$ 169,494	\$ 22,130	\$ 20,412	\$ 903,997	\$ 108,606	\$ 2,225	\$ -	\$ 1,226,864	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,226,864
Salaries	11,375	20,356	13,530	313,056	56,038	32,928	21,433	468,716	49,212	80,763	129,975	28,558	28,558	28,558	131,545	598,691
Payroll Taxes and Benefits	2,499	4,473	2,973	68,785	12,313	7,235	4,709	102,987	10,813	17,745	28,558	17,745	17,745	17,745	131,545	131,545
Occupancy	674	1,206	801	18,543	3,319	1,950	1,270	27,763	2,921	4,784	7,705	4,784	4,784	4,784	35,468	35,468
Office Supplies and Equipment	413	742	612	12,367	2,085	1,196	778	18,193	1,788	3,270	5,058	3,270	3,270	3,270	23,251	23,251
Professional Services	401	777	507	11,148	2,673	1,160	755	17,421	1,732	3,695	5,427	3,695	3,695	3,695	22,848	22,848
Postage and Printing	333	269	178	4,130	739	434	283	6,366	649	5,656	6,305	6,305	6,305	6,305	12,671	12,671
Insurance	249	446	296	6,853	1,227	721	469	10,261	1,077	1,768	2,845	1,768	1,768	1,768	13,106	13,106
Bank Service and Other Charges	4	7	5	105	19	11	7	158	15	7,337	7,352	7,352	7,352	7,352	7,510	7,510
Telephone	159	284	189	4,365	781	459	299	6,536	686	1,126	1,812	1,126	1,126	1,126	8,348	8,348
Miscellaneous	97	194	147	3,152	411	241	157	4,399	366	941	1,307	941	941	941	5,706	5,706
Recruitment and Training	78	140	93	2,145	384	226	147	3,213	336	1,544	1,880	1,544	1,544	1,544	5,093	5,093
Depreciation	1,170	2,094	1,392	32,209	5,765	3,388	2,205	48,223	5,065	8,309	13,374	8,309	8,309	8,309	61,597	61,597
	\$ 186,946	\$ 53,118	\$ 41,135	\$ 1,380,855	\$ 194,360	\$ 52,174	\$ 32,512	\$ 1,941,100	\$ 74,660	\$ 136,938	\$ 211,598	\$ 136,938	\$ 136,938	\$ 136,938	\$ 2,152,698	\$ 2,152,698

The accompanying Notes to Financial Statements are an integral part of this statement.

ST. LOUIS EMERGENCY PROGRAM, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

EXHIBIT D

	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>		
Current Assets:		
Cash and Cash Equivalents	\$ 680,881	\$ 704,298
Accounts Receivable	59,303	137,628
Inventory	117,289	99,820
Prepaid Expenses	12,020	10,338
Food, Gas and Other Client Certificates	18,316	12,762
Total Current Assets	<u>887,809</u>	<u>964,846</u>
Endowment Fund Held by Minnesota Community Foundation	461,573	370,041
Property and Equipment - Net	<u>1,495,989</u>	<u>705,302</u>
 TOTAL ASSETS	 <u>\$ 2,845,371</u>	 <u>\$ 2,040,189</u>
 <u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts Payable	\$ 9,200	\$ 18,970
Accrued Expenses	69,644	53,965
Notes Payable - Current	15,181	-
Total Current Liabilities	<u>94,025</u>	<u>72,935</u>
Long-Term Liabilities:		
Notes Payable - Long Term	<u>434,819</u>	<u>-</u>
Total Liabilities	<u>528,844</u>	<u>-</u>
Net Assets:		
Without Donor Restrictions:		
Designated - Endowment	461,573	370,041
Undesignated	<u>1,781,485</u>	<u>1,499,841</u>
Total Net Assets Without Donor Restrictions	<u>2,243,058</u>	<u>1,869,882</u>
With Donor Restrictions	<u>73,469</u>	<u>97,372</u>
Total Net Assets	<u>2,316,527</u>	<u>1,967,254</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 2,845,371</u>	 <u>\$ 2,040,189</u>

The accompanying Notes to Financial Statements
are an integral part of these statements.

ST. LOUIS PARK EMERGENCY PROGRAM, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

EXHIBIT E

	<u>2021</u>	<u>2020</u>
<u>Increase (Decrease) in Cash and Cash Equivalents</u>		
Cash Flows from Operating Activities:		
Change in Net Assets	\$ 349,273	\$ 462,492
Total Adjustments	31,404	(22,686)
Net Cash Provided by Operating Activities	<u>380,677</u>	<u>439,806</u>
Cash Flows from Investing Activities:		
Purchase of Property and Equipment	(854,094)	(33,332)
Net Cash (Used) by Investing Activities	<u>(854,094)</u>	<u>(33,332)</u>
Cash Flows from Financing Activities:		
Proceeds from Issuance of Notes Payable	450,000	-
Net Cash Provided by Financing Activities	<u>450,000</u>	<u>-</u>
Net Increase (Decrease) in Cash	(23,417)	406,474
Cash and Cash Equivalents - Beginning of Year	<u>704,298</u>	<u>297,824</u>
Cash and Cash Equivalents - End of Year	<u>\$ 680,881</u>	<u>\$ 704,298</u>

The accompanying Notes to Financial Statements
are an integral part of these statements.

ST. LOUIS PARK EMERGENCY PROGRAM, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

1. Summary of Significant Accounting Policies

Organizational Purpose

St. Louis Park Emergency Program, Inc. (the Organization) provides direct assistance and support services to residents of St. Louis Park, targeting households with low incomes and those faced with a financial crisis.

The Organization's programs are as follows:

- Social work services are provided in the context of each program. Residents are able to contact social workers for no-cost advice and support. When food shelf visits are in-person, clients have access to crisis counseling, general support and guidance, advocacy, and referral to medical, mental health, child care, job readiness, and other services from a professional social worker. During this fiscal year, STEP had 8,174 household client contacts with social workers.
- Food shelf program provides food and personal products in community members in need of assistance. During this fiscal year, STEP distributed 406,602 pounds of food among 4,165 household food shelf visits. There were individual food shelf visits with the average size of 3 people per household. An average of 33 pounds of food was distributed to each individual during each visit to the food shelf.
- Emergency financial assistance is provided for eligible housing and other essential life expenses. The program is also referred to as the Homelessness Prevention Program due to its primary purpose. STEP served a significant increase due to pandemic-caused housing crises. During this fiscal year, \$745,667 in direct housing payments was distributed for 221 households.
- Transportation program offers residents assistance accessing healthcare, social service and other essential appointments, with hired drivers. This program was greatly curtailed during the pandemic. STEP also delivers food to those with transportation or physical mobility barriers. Those eligible under this program include seniors, individuals with disabilities, families and other adults. STEP provided 9 rides and performed 479 food deliveries in this fiscal year.
- Bus and gas certificates totaling \$1,300 were distributed to help 97 individuals and families with transportation needs identified under social service plans.
- Holiday program supplies food and grocery certificates specific to holidays to eligible families to enable them to fully participate in holiday traditions. STEP provided 41,215 pounds of food to 343 families in November. STEP's holiday toy drive supplied gifts or gift certificates to families of 445 children at an average of \$30 per child.

THE ST. LOUIS PARK EMERGENCY PROGRAM, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

1. Summary of Significant Accounting Policies (continued)

- Clothes Closet is a no-cost program that provides no-cost, gently-used clothing and household items. It has been mostly suspended during the pandemic. STEP has been able to distribute 189 coats during this fiscal year.
- Case management is provided by social workers as part of collaborative, housing-related programs. The Kids in the Park program serves 20 families with school-age children. The Family Self-Sufficiency program serves 22 housing authority residents and their families.

Fund Accounting

In order to observe the limitation and restrictions placed on resources available to the Organization, the accounts are maintained in accordance with the principles of fund accounting. This is the procedure whereby resources are classified for accounting and reporting purposes into net asset groupings established according to their nature and restrictions. A description of the groupings is as follows:

Net Assets without Donor Restrictions – Net assets available for use in general operations and not subject to donor-imposed restrictions. These net assets include both board designated and undesignated amounts.

Net Assets with Donor Restriction – Net assets subject to donor-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. The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire 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 restrictions.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Accounts Receivable and Doubtful Accounts

The Organization extends credit to its customers based on standardized terms. Receivables are recorded at amounts billed and are generally due when billed. Amounts outstanding for more than 30 days are considered delinquent receivables. Accounts receivable are generally uncollateralized and the Organization does not charge interest on accounts receivable balances. The Organization reviews accounts receivable balances on a periodic basis and writes off delinquent receivables when they are considered uncollectible. The Organization provides an allowance for doubtful accounts based on historical experience and management's evaluation of outstanding accounts receivable at the end of each year. No allowance for doubtful accounts has been provided for both the periods ended June 30, 2021 and June 30, 2020, respectively.

THE ST. LOUIS PARK EMERGENCY PROGRAM, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

1. Summary of Significant Accounting Policies (continued)

Inventory

Inventory consists of donated food, clothing and non-food supplies. Inventory is valued based on management prepared cost studies and estimates.

Community Foundation Holdings

Minnesota Community Foundation (the Foundation) holdings reside in the Multi Asset Endowment Portfolio in separate funds designated as St. Louis Park Emergency Program funds. The Organization's agreement with the Foundation include variance power to the Foundation allowing the Foundation's Board of Directors to modify restrictions if conditions in the agreement become unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community. Provisions of the agreement include that, upon request from the Organization, the Foundation will transfer the assets, the return on the assets, or both, back to the Organization to be used at the Organization Board of Director's discretion.

Property and Equipment

All major expenditures for property and equipment over \$2,000 are capitalized at cost. Depreciation is provided through the use of the straight-line method.

Revenue and Revenue Recognition

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Contributed goods are recorded at fair value at the date of donation. The Organization records donated professional services at the respective fair values of the services received

A portion of our revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when we have incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. No amounts have been received in advance under our federal and state contracts and grants.

Promises-To-Give (Pledges Receivable)

Unconditional promises-to-give are recognized in the period the promises are made. Conditional promises-to-give are recognized when the conditions on which they depend are substantially met, that is, when the conditional promise becomes unconditional.

THEST. LOUIS PARK EMERGENCY PROGRAM, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

1. Summary of Significant Accounting Policies (continued)

Functional Allocation of Expense

Expenses are recorded in functional categories when incurred. In certain cases, allocations between categories must be made. When allocations are required, they are based on the best estimates of management.

Income Tax

The Organization has a tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and has adopted *Accounting for Uncertainty in Income Taxes*, ASC 740-10. The Organization's policy is to evaluate uncertain tax positions, at least annually, for the potential for income tax exposure from unrelated business income or from loss of nonprofit status. The Organization continues to operate consistent with its original exemption application and each year takes the necessary actions to maintain its exempt status. It has been classified as an organization that is not a private foundation under the Internal Revenue Code and charitable contributions by donors are tax deductible. In compliance with its exempt status, the Organization annually files a Return of Organization Exempt From Income Tax (Form 990).

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain amounts in prior year financial statements have been reclassified to conform with the presentation in the current year financial statements.

Subsequent Events

The Organization has evaluated the effect that subsequent events would have on the financial statements through October 19, 2021, which is the date financial statements were available to be issued.

2. Financial Instruments

Significant Concentrations of Credit Risk

The Organization provides services within the St. Louis Park area. The amounts due for accounts and grants receivable are from local governments or agencies.

Concentrations of Credit Risk Arising from Cash Deposits in Excess of Insured Limits

At June 30, 2021 and 2020, the Organization held funds at a local financial institutions in excess of federally insured limits.

THE ST. LOUIS PARK EMERGENCY PROGRAM, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

3. Contingencies and Uncertainties

The COVID-19 outbreak in the United States has caused business disruption through both mandated and voluntary suspension of operations. While the disruption is currently expected to be temporary, there is considerable uncertainty around its duration. Therefore, the Organization expects this matter may impact its future operating results, but reasonable estimates cannot be made at this time.

4. Inventory

Inventory consisted of the following as of June 30:

	<u>2021</u>	<u>2020</u>
Food	\$ 84,793	\$ 67,858
School Supplies and Toys	17,962	19,848
Clothing	<u>14,534</u>	<u>12,114</u>
Total	<u>\$ 117,289</u>	<u>\$ 99,820</u>

5. Property and Equipment

The Organization owned the following assets as of June 30:

	<u>2021</u>	<u>2020</u>	<u>Estimated Useful Lives</u>
Land	\$ 338,759	\$ 160,000	
Buildings and Improvements	1,544,637	879,502	20 years
Equipment	<u>210,612</u>	<u>200,412</u>	3-10 years
	2,094,008	1,239,914	
Less: Accumulated Depreciation	<u>598,019</u>	<u>534,612</u>	
Total	<u>\$ 1,495,989</u>	<u>\$ 705,302</u>	

Depreciation expense of \$63,407 and \$61,597 was recorded for the years ended June 30, 2021 and 2020, respectively.

6. Defined Contribution Plan

The Organization maintains a SIMPLE IRA defined contribution plan covering all eligible employees. Participants may contribute up to the maximum allowable by law and are fully vested immediately. The Organization provides a matching contribution of 100 percent of the first 3 percent of salary contributions by employees. The Organization contributed \$18,203 and \$15,299 for the years ended June 30, 2021 and 2020, respectively.

THE ST. LOUIS PARK EMERGENCY PROGRAM, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

7. Endowment

In January 2015, the Board of Directors approved the designation of a fund at the Foundation to function as an endowment. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions. The intent of the Organization is for the annual distribution income from the funds will be used for the core missions and operations of the Organization. The Board of Directors retain the power to modify any endowment designation through a two-thirds majority vote.

Endowment net asset composition by type of fund as of June 30, 2021:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Board-Designated Endowment Fund	<u>\$ 461,573</u>	<u>\$ -</u>	<u>\$ 461,573</u>

Endowment net asset composition by type of fund as of June 30, 2020:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Board-Designated Endowment Fund	<u>\$ 370,041</u>	<u>\$ -</u>	<u>\$ 370,041</u>

The board-designated endowment fund is intended to support the Organization as an operating reserve.

The following is a summary of the changes in endowment net assets:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
June 30, 2019	\$ 397,465	\$ -	\$ 397,465
Investment Income	7,120	-	7,120
Net Decline	(13,573)	-	(13,573)
Appropriations	(15,429)	-	(15,429)
Expenses	<u>(5,542)</u>	<u>-</u>	<u>(5,542)</u>
June 30, 2020	\$ 370,041	\$ -	\$ 370,041
Investment Income	6,659	-	6,659
Net Increase	105,729	-	105,729
Appropriations	(15,472)	-	(15,472)
Expenses	<u>(5,384)</u>	<u>-</u>	<u>(5,384)</u>
June 30, 2021	<u>\$ 461,573</u>	<u>\$ -</u>	<u>\$ 461,573</u>

ST. LOUIS PARK EMERGENCY PROGRAM, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

8. Net Assets with Donor Restrictions

Net assets with donor restrictions consisted of the following as of June 30:

	<u>2021</u>	<u>2020</u>
Family Stabilization Program	\$ 36,785	\$ 37,808
Other Supplies	17,687	9,627
Senior Transportation for Medical and Food Access	9,564	-
Funds for Food Assistance	9,433	27,690
COVID-19 Emergency Assistance	-	<u>22,247</u>
Total	<u>\$ 73,469</u>	<u>\$ 97,372</u>

9. In-kind Contributions

The Organization receives donations from public and private sources. Donated goods and services are recorded at estimated values based on various studies and are included in the contributions and expenses in the statement of activities. The statistics noted below do not include purchased food, school supplies and toys.

The Organization receives significant services from unpaid volunteers who support the Organization's primary programs and its management and fundraising activities. During the year ended June 30, 2021, approximately 85 volunteers and volunteer groups gave approximately 7,916 hours of service to the Organization. During the year ended June 30, 2020, approximately 373 individuals and volunteer groups gave approximately 14,933 hours of services to the Organization. No amounts have been recognized in the accompanying statements of activities because the criteria for recognition of such volunteer effort under ASC Subtopic 958-605 Not-for-Profit Entities Revenue Recognition have not been satisfied.

The following is a summary of in-kind contributions for the years ended June 30:

	<u>2021</u>	<u>2020</u>
Food	\$ 629,936	\$ 702,781
Holiday Program Toys	11,789	8,700
Clothes Closet	11,440	289,172
School Supplies	<u>8,358</u>	<u>20,244</u>
Total	<u>\$ 661,523</u>	<u>\$ 1,020,897</u>

10. Line of Credit

The Organization has a \$250,000 revolving credit line, which is available through February 1, 2022. The line is secured by the real property commonly known as 6812 Lake Street West, St. Louis Park, MN 55416. Interest is accrued and paid monthly at the Wall Street Journal Prime Rate plus 1.0 percent or a floor of 4.75 percent interest. The interest rate was 4.75 percent at both June 30, 2021 and 2020.

As of June 30, 2021 and 2020, the Organization's line of credit had no outstanding balance.

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11. Fair Value

The Organization adopted Financial Accounting Standards Board Accounting Standards Codification Topic 820 Fair Value Measurements and Disclosures (“ASC 820”). In accordance with ASC 820, “fair value” is defined as the price that an organization would receive upon selling an investment in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment. Various inputs are used in determining the value of investments. ASC 820 established a three-tier hierarchy of inputs to establish a classification of fair value measurements for disclosure purposes. The three-tier hierarchy of inputs is summarized in the three broad levels listed below:

- Level 1 – Quoted prices in active markets for identical investments.
- Level 2 – Other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 – Significant unobservable inputs.

The following table presents the fair value hierarchy for the balances of the assets of the Organization measured at fair value on a recurring basis as of June 30, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Foundation Holdings	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 461,573</u>	<u>\$ 461,573</u>

The following table presents the fair value hierarchy for the balances of the assets of the Organization measured at fair value on a recurring basis as of June 30, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Foundation Holdings	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 370,041</u>	<u>\$ 370,041</u>

The following table provides a summary of changes in fair value of the Organization’s Level 3 financial assets for the years ended June 30:

	<u>2021</u>	<u>2020</u>
Beginning Balance	\$ 370,041	\$ 397,465
Change in Value of Foundation Holdings	107,004	(11,995)
Distributions	<u>(15,472)</u>	<u>(15,429)</u>
Ending Balance	<u>\$ 461,573</u>	<u>\$ 370,041</u>

Community Foundation Holdings are valued by inputs that are determined by the Foundation.

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12. Cash Flow Operating Adjustments

Adjustments to reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities were as follows as of:

	June 30,	
	2021	2020
Depreciation	\$ 63,407	\$ 61,597
Change in Value of Foundation Holdings	(91,532)	27,424
Increases (Decreases) in Current Liabilities:		
Accounts Payable	(9,770)	2,572
Accrued Expenses	15,679	22,075
Decreases (Increases) in Current Assets:		
Accounts Receivable	78,325	(121,038)
Prepaid Expenses	(1,682)	(1,050)
Food, Gas and Other Client Certificates	(5,554)	(1,776)
Inventory	(17,469)	(12,490)
Total Adjustments	\$ 31,404	\$ (22,686)

13. Notes Payable

The breakdown of notes payable is as follows:

	June 30,	
	2021	2020
Note payable to Citizens Independent Bank at 3.99% Payable in monthly installments of \$2,738 including interest with a balloon payment due June 2031. The note is secured by the building.	\$ 450,00	\$ -
Less Portion Due Within One (1) Year	15,181	-
Long-term Portion	\$ 434,819	\$ -

Principal payments required at June 30, 2021 are as follows:

<u>Due in the Year Ending June 30,</u>	
2022	\$ 15,181
2023	15,798
2024	16,440
2025	17,108
2026	17,803
2027 and after	367,670
Total	\$ 450,000

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13. Liquidity and Availability

The following represents the Organization's financial assets as of:

	<u>June 30</u>	
	<u>2021</u>	<u>2020</u>
Financial Assets:		
Cash	\$ 680,881	\$ 704,298
Accounts Receivable	59,303	137,628
Investments and Foundation Holdings	<u>461,573</u>	<u>370,041</u>
Total Financial Assets	1,201,757	1,211,967
Less assets not available to be used for general expenditures within one year:		
Net Assets With Donor Restrictions	73,469	97,372
Board-Designated Endowment	461,573	370,041
Net Assets With Restrictions to be met within a year	<u>(73,469)</u>	<u>(97,372)</u>
Total assets not available for general expenditures within one year:	<u>461,573</u>	<u>370,041</u>
Financial assets available for general expenditures within one year	<u>\$ 740,184</u>	<u>\$ 841,926</u>

The Organization's Board Designated Endowment is not considered available for use within one year but could be available for use with a board resolution.

The Organization has access to a \$250,000 line of credit that it can use to help with liquidity needs.

As part of the Organization's liquidity plan, the Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.