BEYOND HUNGER

Financial Statements
Years Ended
June 30, 2020 and 2019

Sassetti
CERTIFIED PUBLIC ACCOUNTANTS

BEYOND HUNGER
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020 AND 2019

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To the Board of Directors
Beyond Hunger
Oak Park, Illinois

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of Beyond Hunger (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, 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.

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CERTIFIED PUBLIC ACCOUNTANTS

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Beyond Hunger as of June 30, 2020 and 2019, 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.

Sassetti LLC

Oak Park, Illinois
September 4, 2020

BEYOND HUNGER
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019

ASSETS	2020	2019
Cash and cash equivalents	$ 1,568,999	$ 791,063
Grants receivable	-	10,000
Prepaid expenses	11,257	9,460
Property and equipment	30,715	39,606
Total Assets	$ 1,610,971	$ 850,129
LIABILITIES		
Accounts payable	$ 21,612	$ 21,159
Accrued payroll	32,242	20,987
Total Liabilities	53,854	42,146
NET ASSETS		
Net assets without donor restrictions		
Board designated	401,647	413,253
Undesignated	1,045,770	347,430
Total net assets without donor restrictions	1,447,417	760,683
Net assets with donor restrictions	109,700	47,300
Total Net Assets	1,557,117	807,983
Total Liabilities and Net Assets	$ 1,610,971	$ 850,129

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

BEYOND HUNGER
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2020 AND 2019

	2020			2019		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
REVENUES AND OTHER SUPPORT						
Contributions - individuals	$ 1,060,083	$ -	$ 1,060,083	$ 580,409	$ -	$ 580,409
Contributions - congregations	36,505	-	36,505	51,356	-	51,356
Contributions - businesses	104,988	-	104,988	85,545	-	85,545
Grants - governmental	12,526	-	12,526	17,762	-	17,762
Grants - foundations and organizations	404,987	192,848	597,835	38,631	98,800	137,431
GCFD credits	10,981	-	10,981	11,740	-	11,740
In-kind support	1,071,978	-	1,071,978	925,424	-	925,424
Special events	192,610	-	192,610	243,248	-	243,248
Interest income	2,071	-	2,071	4,108	-	4,108
Other revenue	271	-	271	39,449	-	39,449
Net assets released from restrictions	130,448	(130,448)	-	136,314	(136,314)	-
Total Revenues and Support	3,027,448	62,400	3,089,848	2,133,986	(37,514)	2,096,472
EXPENSES						
Program services	2,005,388	-	2,005,388	1,863,950	-	1,863,950
Support services:						
Management and general	115,727	-	115,727	110,123	-	110,123
Fundraising	219,599	-	219,599	208,408	-	208,408
Total Expenses	2,340,714	-	2,340,714	2,182,481	-	2,182,481
CHANGE IN NET ASSETS	686,734	62,400	749,134	(48,495)	(37,514)	(86,009)
NET ASSETS						
Beginning of year	760,683	47,300	807,983	809,178	84,814	893,992
End of year	$ 1,447,417	$ 109,700	$ 1,557,117	$ 760,683	$ 47,300	$ 807,983

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

BEYOND HUNGER
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED JUNE 30 , 2020 AND 2019

	2020				2019			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Salaries and taxes	$ 461,465	$ 87,896	$ 85,355	$ 634,716	$ 437,545	$ 83,340	$ 80,931	$ 601,816
Client services	2,124	-	-	2,124	4,471	-	-	4,471
Contracted services	48,863	4,489	4,156	57,508	54,465	5,004	4,632	64,101
Depreciation	6,464	1,231	1,196	8,891	7,873	1,499	1,456	10,828
Donated food	1,061,678	-	-	1,061,678	900,904	-	-	900,904
Donated goods and services	10,300	-	-	10,300	24,320	-	-	24,320
Dues	25,671	4,017	9,368	39,056	5,800	908	2,117	8,825
Facilities and equipment	65,742	9,499	6,816	82,057	88,661	12,810	9,192	110,663
Food and hygiene products	221,158	-	-	221,158	263,295	-	-	263,295
Fundraising events and development	3,569	1,492	83,505	88,566	4,242	1,773	99,238	105,253
Insurance	8,822	1,815	1,436	12,073	8,462	1,741	1,377	11,580
Miscellaneous	16,240	1,650	15,018	32,908	525	53	486	1,064
Postage	5,471	511	4,563	10,545	1,683	157	1,403	3,243
Printing	16,045	1,583	4,830	22,458	16,731	1,651	5,036	23,418
Supplies	26,365	1,541	3,185	31,091	20,186	1,180	2,439	23,805
Service learners	20,333	-	169	20,502	11,681	-	97	11,778
Transportation	2,910	3	2	2,915	6,467	7	4	6,478
Volunteer costs	2,168	-	-	2,168	6,639	-	-	6,639
	$ 2,005,388	$ 115,727	$ 219,599	$ 2,340,714	$ 1,863,950	$ 110,123	$ 208,408	$ 2,182,481

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

BEYOND HUNGER
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2020 AND 2019

CASH FLOWS FROM OPERATING ACTIVITIES	2020	2019
Change in net assets	$ 749,134	$ (86,009)
Adjustments to reconcile to net cash provided by (used in) operating activities -		
Depreciation	8,891	10,828
(Increase) decrease in operating assets		
Grants receivable	10,000	2,999
Prepaid expenses	(1,797)	1,786
Increase (decrease) in operating liabilities		
Accounts payable	453	10,208
Accrued liabilites	11,255	10,208
Net Cash Provided by (Used in) Operating Activities	777,936	(49,980)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	777,936	(49,980)
CASH AND CASH EQUIVALENTS -		
Beginning of year	791,063	851,251
End of year	$ 1,568,999	$ 801,271

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization – Beyond Hunger (the "Organization") was founded in 1978 to work to reduce hunger locally through direct hunger relief services, hunger education and awareness, and advocacy to influence anti-hunger policy. The Organization serves the Oak Park area and neighboring communities.

The Organization was formerly incorporated as the "Oak Park River Forest Food Pantry" and officially changed its name to Beyond Hunger effective January 2019.

Basis of Presentation - The Organization follows generally accepted accounting principles for not-for-profits. These principles require the Organization to 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.

Basis of Accounting - The Organization prepares the financial statements using the accrual method of accounting.

Statement of Cash Flows - The Organization considers all highly liquid investments with a maturity of three months or less to be cash equivalents. No cash was paid for income taxes or interest during the years ended June 30, 2020 and 2019.

Property and Equipment - All acquisitions of property and equipment in excess of $500 are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of the donation. Depreciation is computed using primarily the straight-line method. Estimated useful lives used are five years for furniture and equipment and ten years for leasehold improvements.

Property and equipment consisted of the following at June 30:

	2020	2019
Furniture and fixtures	$ 5,879	$ 5,879
Machinery and equipment	18,437	18,437
Leasehold improvements	82,728	82,728
Web site	11,626	11,626
Less accumulated depreciation	(87,955)	(79,064)
	$ 30,715	$ 39,606

Depreciation expense was $8,891 and $10,828, for the years ended June 30, 2020 and 2019, respectively.

Donated Services and Rent - The Organization received donated services of professional, technical and counselor services estimated at $10,300 and $14,840, during the years ended June 30, 2020 and 2019, respectively. The Organization received donated supplies valued at $9,480 for the year ended June 30, 2019.

Donated Food - The Organization received donated food from the Greater Chicago Food Depository, local groceries, and individuals estimated at $1,061,678 and $900,904, during the years ended June 30, 2020 and 2019, respectively. The estimate is based on industry standard rates for donated food.

Expense Allocation - The costs of providing 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.

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

Income Taxes - The Organization is exempt from federal income taxes under the provision of Section 501(c)(3) of the Internal Revenue Code. The letter of determination was issued in 2010. The Organization's Forms 990, Return of Organization Exempt from Income Tax, are subject to examination by the IRS and the corresponding State, generally for three years after they were filed.

Grants Receivable - Grants receivable are stated at amounts due from donors, net of allowances for uncollectible amounts. The Organization determines its allowance by considering a number of factors, including the length of time accounts receivable are past due, the Organization's previous collection history, the donor's current ability to pay its obligation to the Organization, and the condition of the general economy as a whole. The Organization writes off accounts receivable when they become uncollectible. No allowance for doubtful accounts was deemed necessary by management at June 30, 2020 and 2019.

Change In Accounting Principle - In June 2018, the FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. The new guidance provides a more robust framework for determining whether a transaction should be accounted for as a contribution or as an exchange transaction. It also provides additional guidance on how to determine if a contribution is conditional. The new standard was adopted for the Organization's June 30, 2020 financial statements and did not result in an adjustment to the financial statements.

Cloud Implementation Costs – The Organization's policy is to expense costs related to the implementation of their cloud sales system as they are incurred. These costs totaled $1,929 and $39,015 for the years ended June 30, 2020 and 2019, respectively.

Subsequent Events - The Organization has evaluated subsequent events through September 4, 2020, the date the financial statements were available to be issued.

2. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were restricted for the following purposes at June 30:

	2020	2019
Event	$ 25,000	$ 25,000
Summer meals	2,200	3,600
Food Procurement	-	1,200
Home delivered meals	10,000	7,500
Time restricted grants	72,500	10,000
	$ 109,700	$ 47,300

3. BOARD DESIGNATED NET ASSETS WITHOUT DONOR RESTRICTION

Board designated unrestricted net assets consist of $401,647 and $413,253, as of June 30, 2020 and 2019, respectively. These funds have been selected by the Organization's board of directors to be used for future occupancy costs and strategic projects.

4. CONCENTRATION OF CREDIT RISK

The Organization maintains deposits in a financial institution that at times exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation (FDIC). The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

5. OPERATING LEASE

Beginning July 1, 2017, the First United Church of Oak Park agreed to a space sharing agreement that allows the Organization to occupy additional space within the church at a rate of $630 per month. The lease agreement is month to month and the lease payments have been included in rent expense. Rent expense on this location totaled $7,560 for the years ended June 30, 2020 and 2019, respectively.

6. LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The organization has various sources of liquidity at its disposal, including cash and cash equivalents. The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and obligations become due.

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

	2020	2019
Cash and cash equivalents	$1,568,999	$ 791,063
Grants Receivable	-	10,000
Total financial assets available within one year	1,568,999	801,063
Amounts unavailable to management without Board approval		
Board designated funds	(401,647)	(413,253)
Total financial assets available to management for general expenditure within one year	$1,167,352	$ 387,810

7. NEW ACCOUNTING PRONOUNCEMENTS

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, Revenue from Contracts with Customers (Topic 606), which provides a single revenue recognition model intended to improve comparability over a range of industries, companies and geographical boundaries, and is intended to enhance disclosures. The new standard is effective for the Organization's year ending June 30, 2021 and is to be applied retrospectively to all periods presented.

The Organization is assessing the potential impact of the new pronouncements on the financial statements.