

**PARTNERS FOR A HUNGER-
FREE OREGON**

**REVIEW FINANCIAL STATEMENTS
For The Years Ended
June 30, 2022 and 2021**

TABLE OF CONTENTS

| | <u>Page No.</u> |
|--|-----------------|
| ACCOUNTANT'S REPORT | 1 |
| FINANCIAL STATEMENTS | |
| Statement of Financial Position | 2 |
| Statement of Activities | 3 |
| Statement of Functional Expenses | 4 - 5 |
| Statement of Cash Flows | 6 |
| Notes to Financial Statements | 7 - 16 |

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Independent Accountant's Report

**To The Board of Directors of
Partners For a Hunger Free Oregon**

I have reviewed for the accompanying financial statements of Partners For A Hunger Free Oregon (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022 and the related statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express an opinion.

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.

Accountant's Responsibility

My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants (AICPA). Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my conclusion.

Accountant's Conclusion

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Fred L. Carter, C.P.A.
March 25, 2023

PARTNERS FOR A HUNGER-FREE OREGON
STATEMENT OF FINANCIAL POSITION
June 30, 2022 and 2021

| <u>ASSETS</u> | <u>2022</u> | <u>2021</u> |
|---|--------------------------|---------------------------|
| Cash and Cash Equivalents | \$ 690,218 | \$ 746,930 |
| Accounts Receivable | 9,513 | 452 |
| Grants/Contracts Receivable | 252,055 | 301,700 |
| Gift Cards | 275 | 275 |
| Employee Advances | 60 | - |
| Prepaid Expenses | 15,407 | 9,133 |
| Rent Deposit | 4,767 | 4,767 |
| Property & Equipment, Net | <u>1,333</u> | <u>3,998</u> |
| | | |
| TOTAL ASSETS | <u>\$ 973,628</u> | <u>\$1,067,255</u> |
| | | |
| LIABILITIES & NET ASSETS | | |
| | | |
| Accounts Payable | \$ 6,131 | \$ 6,829 |
| Accrued Payroll & Related Liabilities | 25,817 | 31,237 |
| Liability for Compensated Absences | 22,294 | 24,909 |
| Credit Card Payable | 5,723 | 6,294 |
| Retirement Payable | 2,296 | - |
| Deferred Event Revenue | 8,573 | - |
| Pass Thru Funds | <u>50,000</u> | <u>20,000</u> |
| | | |
| Total Liabilities | <u>120,834</u> | <u>89,269</u> |
| | | |
| NET ASSETS | | |
| | | |
| Without Donor Restriction: | | |
| Undesignated | 231,133 | 302,971 |
| Board Designated | 159,088 | 72,000 |
| With Donor Restriction | <u>462,573</u> | <u>603,015</u> |
| | | |
| Total Net Assets | <u>852,794</u> | <u>977,986</u> |
| | | |
| TOTAL LIABILITIES & NET ASSETS | <u>\$ 973,628</u> | <u>\$1,067,255</u> |

See Accountant's Review Report and Accompanying Notes

PARTNERS FOR A HUNGER-FREE OREGON
STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2022 and 2021

| | June 30, 2022 | | | Totals 2021 |
|---|---------------------------------|------------------------------|--------------------------|--------------------------|
| | Without Donor Restriction | With Donor Restriction | Totals | |
| SUPPORT AND REVENUE | | | | |
| Government Grants | \$ 207,902 | \$ - | \$ 207,902 | \$ 202,761 |
| Foundation Grants | 53,620 | 302,700 | 356,320 | 285,400 |
| Contributions | 140,492 | 216,267 | 356,759 | 786,770 |
| Earned Revenue | 75,365 | - | 75,365 | 101,847 |
| Events Revenue | 19,400 | - | 19,400 | 13,370 |
| Miscellaneous Income | 1,112 | - | 1,112 | 4,389 |
| Interest/Dividend Income | 193 | - | 193 | 145 |
| Net Assets Released From Restriction | 659,409 | (659,409) | - | - |
| Total Support & Revenue | <u>1,157,493</u> | <u>(140,442)</u> | <u>1,017,051</u> | <u>1,394,682</u> |
| EXPENSES | | | | |
| Program Services: | | | | |
| Advocacy & Community Engagement | 444,648 | - | 444,648 | 283,672 |
| Child Hunger Prevention | 287,486 | - | 287,486 | 304,573 |
| SNAP | 128,444 | - | 128,444 | 197,146 |
| Lobbying | 651 | - | 651 | 13,838 |
| | <u>861,229</u> | - | <u>861,229</u> | <u>799,229</u> |
| Supporting Services: | | | | |
| Management & General | 143,109 | - | 143,109 | 103,290 |
| Fundraising | 137,905 | - | 137,905 | 113,130 |
| Total Expenses | <u>1,142,243</u> | <u>-</u> | <u>1,142,243</u> | <u>1,015,649</u> |
| Change In Net Assets Before Gain on Debt Forgiveness | 15,250 | (140,442) | (125,192) | 379,033 |
| GAIN ON DEBT FORGIVENESS | | | | |
| PPP Loan Forgiveness | - | - | - | 124,762 |
| Change In Net Assets | 15,250 | (140,442) | (125,192) | 503,795 |
| Net Assets, Beginning of Year | <u>374,971</u> | <u>603,015</u> | <u>977,986</u> | <u>474,191</u> |
| Net Assets, End of Year | <u>\$ 390,221</u> | <u>\$ 462,573</u> | <u>\$ 852,794</u> | <u>\$ 977,986</u> |

See Accountant's Review Report and Accompanying Notes

**PARTNERS FOR A HUNGER FREE OREGON
STATEMENT OF FUNCTIONAL EXPENSES
JUNE 30, 2022**

PROGRAM SERVICES

| | Advocacy & Community Engagement | Child Hunger Prevention | SNAP | Lobbying | Total Program Expenses | General & Admin. | Fundraising | Total Expenses |
|----------------------------------|--|------------------------------------|------------------|-----------------|---------------------------------------|-----------------------------|--------------------|---------------------------|
| Wages | \$254,072 | \$173,174 | \$96,382 | \$450 | \$524,078 | \$62,579 | \$84,635 | \$671,292 |
| Payroll Taxes | 21,351 | 14,388 | 7,673 | 41 | 43,453 | 5,197 | 6,498 | 55,148 |
| Fringe Benefits/Vacation | 19,054 | 10,339 | 6,719 | 44 | 36,156 | 889 | 5,942 | 42,987 |
| Retirement Expense | 5,659 | 4,299 | 1,177 | 15 | 11,150 | 1,561 | 915 | 13,626 |
| Worker's Compensation | 373 | 256 | 140 | 1 | 770 | 92 | 122 | 984 |
| Professional Services/Consulting | 36,786 | 18,859 | 1,090 | 6 | 56,741 | 62,622 | 12,693 | 132,056 |
| Travel | 402 | 91 | 1,321 | - | 1,814 | - | 223 | 2,037 |
| Hunger Fellows | - | - | - | - | 0 | - | - | 0 |
| IT Services/Graphic Design | 729 | 312 | 164 | 1 | 1,206 | 110 | 139 | 1,455 |
| Repairs & Maintenance | 757 | 532 | 279 | 1 | 1,569 | 187 | 237 | 1,993 |
| Events Expense | 87 | 689 | 32 | - | 808 | 21 | 2,540 | 3,369 |
| Rent/Utilities | 17,893 | 12,573 | 6,599 | 36 | 37,101 | 4,424 | 5,591 | 47,116 |
| Dues & Subscriptions | 1,358 | 12,411 | 111 | 41 | 13,921 | 883 | 994 | 15,798 |
| Printing & Copying | 15 | 11 | 186 | - | 212 | 70 | 5 | 287 |
| Telephone/Media & Comm. | 3,283 | 3,011 | 1,220 | 5 | 7,519 | 548 | 1,375 | 9,442 |
| Postage/Delivery | 5 | 23 | 53 | - | 81 | 6 | 895 | 982 |
| Supplies | 471 | 970 | 137 | 1 | 1,579 | 52 | 532 | 2,163 |
| Website Services | 6,792 | 919 | 183 | 1 | 7,895 | 123 | 155 | 8,173 |
| Publications | 722 | 1,072 | 103 | - | 1,897 | 300 | 1,857 | 4,054 |
| Conferences/Training | 664 | 1,995 | 42 | - | 2,701 | 256 | 35 | 2,992 |
| Meeting Expense | 63 | 25 | 3,205 | - | 3,293 | 41 | 354 | 3,688 |
| Innsurance Expenses | 1,569 | 1,102 | 578 | 3 | 3,252 | 2,331 | 490 | 6,073 |
| Support Grants | 68,801 | 25,000 | - | - | 93,801 | - | 1,500 | 95,301 |
| Small Tools & Equipment | 3,337 | 5,151 | 784 | 4 | 9,276 | 646 | 5,483 | 15,405 |
| Interest Expense | - | - | - | - | - | - | - | 0 |
| Depreciation | 405 | 284 | 149 | 1 | 839 | 100 | 1,726 | 2,665 |
| Bank & Merchant Fees | - | - | - | - | - | 71 | 2,089 | 2,160 |
| Miscellaneous Expense | - | - | 117 | - | 117 | - | 880 | 997 |
| Total Expenses | \$444,648 | \$287,486 | \$128,444 | \$651 | \$861,229 | \$143,109 | \$137,905 | \$1,142,243 |

See Accountant's Review Report and Accompanying Notes

PARTNERS FOR A HUNGER FREE OREGON
STATEMENT OF FUNCTIONAL EXPENSES
JUNE 30, 2021

PROGRAM SERVICES

| | Advocacy & Community Engagement | Child Hunger Prevention | SNAP | Lobbying | Total Program Expenses | General & Admin. | Fundraising | Total Expenses |
|----------------------------------|--|------------------------------------|------------------|-----------------|---------------------------------------|-----------------------------|--------------------|---------------------------|
| Wages | \$164,264 | \$210,694 | \$140,722 | \$1,090 | \$516,770 | \$63,030 | \$73,132 | \$652,932 |
| Payroll Taxes | 13,449 | 18,528 | 12,385 | 84 | 44,446 | 4,906 | 5,704 | 55,056 |
| Fringe Benefits/Vacation | 13,941 | 19,110 | 13,288 | 95 | 46,434 | 1,867 | 7,390 | 55,691 |
| Retirement Expense | 3,397 | 5,200 | 2,534 | 25 | 11,156 | 1,858 | 1,906 | 14,920 |
| Worker's Compensation | 235 | 300 | 202 | 1 | 738 | 91 | 105 | 934 |
| Professional Services/Consulting | 58,117 | 5,414 | 7,534 | 12,000 | 83,065 | 19,923 | 4,415 | 107,403 |
| Travel | - | 47 | 22 | - | 69 | - | - | 69 |
| Hunger Fellows | - | 4,150 | - | - | 4,150 | - | - | 4,150 |
| IT Services/Graphic Design | 254 | 333 | 232 | 1 | 820 | 91 | 103 | 1,014 |
| Repairs & Maintenance | 75 | 98 | 68 | - | 241 | 27 | 30 | 298 |
| Events Expense | 560 | - | 243 | - | 803 | - | 362 | 1,165 |
| Rent/Utilities | 11,541 | 15,102 | 10,513 | 59 | 37,215 | 4,135 | 4,676 | 46,026 |
| Dues & Subscriptions | 2,490 | 282 | 196 | 401 | 3,369 | 918 | 887 | 5,174 |
| Printing & Copying | - | - | - | - | - | 33 | - | 33 |
| Telephone/Media & Comm. | 2,730 | 4,879 | 2,496 | 9 | 10,114 | 655 | 741 | 11,510 |
| Postage/Delivery | 12 | 27 | 50 | - | 89 | 74 | 436 | 599 |
| Supplies | 1,481 | 1,213 | 611 | 2 | 3,307 | 112 | 1,856 | 5,275 |
| Website Services | 501 | 440 | 307 | 1 | 1,249 | 121 | 136 | 1,506 |
| Publications | 1,041 | 1,236 | 240 | 1 | 2,518 | 445 | 1,592 | 4,555 |
| Conferences/Training | 1,810 | 4,020 | 298 | - | 6,128 | 1,782 | 375 | 8,285 |
| Meeting Expense | 514 | 428 | 991 | - | 1,933 | 74 | 49 | 2,056 |
| Innsurance Expenses | 963 | 1,260 | 877 | 8 | 3,108 | 1,892 | 390 | 5,390 |
| Support Grants | 669 | 250 | 774 | - | 1,693 | - | - | 1,693 |
| Small Tools & Equipment | 4,557 | 11,186 | 1,810 | 60 | 17,613 | 832 | 4,144 | 22,589 |
| Interest Expense | - | - | - | - | - | 163 | - | 163 |
| Depreciation | 267 | 350 | 244 | 1 | 862 | 96 | 1,708 | 2,666 |
| Bank & Merchant Fees | - | - | - | - | - | 76 | 2,924 | 3,000 |
| Miscellaneous Expense | 804 | 26 | 509 | - | 1,339 | 89 | 69 | 1,497 |
| Total Expenses | \$283,672 | \$304,573 | \$197,146 | \$13,838 | \$799,229 | \$103,290 | \$113,130 | \$1,015,649 |

See Accountant's Review Report and Accompanying Notes

PARTNERS FOR A HUNGER-FREE OREGON
STATEMENT OF CASH FLOWS
For The Year Ended June 30, 2022 and 2021

| CASH FLOWS FROM OPERATING ACTIVITIES | <u>2022</u> | <u>2021</u> |
|--|--------------------------|--------------------------|
| Change In Net Assets | \$(125,192) | \$ 503,795 |
| Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities: | | |
| Depreciation Expense | 2,665 | 2,665 |
| Decrease (Increase) in Assets: | | |
| Accounts Receivables | (9,061) | 3,990 |
| Grants/Contracts Receivable | 49,645 | (179,972) |
| Employee Advances | (60) | - |
| Prepaid Expenses | (6,274) | (6,254) |
| Rent Deposit | - | 2,756 |
| Increase (Decrease) in Liabilities: | | |
| Accounts Payable | (698) | 4,273 |
| Accrued Payroll & Related Liabilities | (5,420) | 12,616 |
| Liability For Compensated Absences | (2,615) | 6,653 |
| Credit Card Payable | (571) | (1,921) |
| Pass Thru Funds | 30,000 | 20,000 |
| Deferred Revenue | 8,573 | - |
| Retirement Payable | <u>2,296</u> | <u>(1,365)</u> |
| Net Cash Provided By Operating Activities | <u>(56,712)</u> | <u>367,236</u> |
| Net Cash Provided (Used) By Investing Activities | <u>-</u> | <u>-</u> |
| Net Cash Provided (Used) By Financing Activities | <u>-</u> | <u>-</u> |
| SUPPLEMENTAL NONCASH ACTIVITIES | | |
| PPP Loan Forgiveness | <u>-</u> | <u>(124,762)</u> |
| Net Supplemental Noncash Activities | <u>-</u> | <u>(124,762)</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | (56,712) | 242,474 |
| Cash and Cash Equivalents, Beginning of Year | <u>746,930</u> | <u>504,456</u> |
| Cash and Cash Equivalents, End of Year | <u>\$ 690,218</u> | <u>\$ 746,930</u> |

See Accountant's Review Report and Accompanying Notes

PARTNERS FOR A HUNGER-FREE OREGON
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 1 - NATURE OF THE ORGANIZATION

Organization

Partners For A Hunger-Free Oregon (PHFO) was incorporated in the State of Oregon in 2006. PHFO is a non-profit organization whose mission is to raise awareness about hunger, connect people to nutrition programs, and to advocate for systemic changes that end hunger before it begins.

Programs

1. Advocacy & Community Engagement

Under this program, PHFO identifies and raises awareness about public policy that will increase economic stability, strengthen our food system and increase access to the food assistance safety net on the local, state and federal levels. PHFO also raises awareness of hunger and inspires the community to get involved through communications, training, and presentations. PHFO coordinates and manages the work of the Oregon Hunger Task Force, and helps the Task Force carry out their plan to end hunger.

2. Child Hunger Prevention

Under this program, PHFO provides training and technical assistance to strengthen and expand Oregon's network of federally-funded child nutrition programs including the Summer Food Services Program, the School Breakfast Program and School Lunch. PHFO conducts outreach to families with children to raise awareness and reduce barriers to participation.

3. SNAP Outreach

Under this program, PHFO works to raise awareness of the Supplemental Nutrition Assistance Program (SNAP), reduce barriers to participation and improve the program, under a contract with the Oregon Department of Human Services. PHFO's outreach manager travels across the state helping local partners disseminate information to eligible Oregonians.

4. Lobbying

Under this program, PHFO supports and advocates for legislation that addresses hunger and poverty. PHFO publishes an annual policy agenda. During state legislative sessions, staff may testify at hearings, make legislative visits and assist policy makers in developing and promoting policy-based solutions to hunger and poverty in Oregon.

PARTNERS FOR A HUNGER-FREE OREGON
NOTES TO FINANCIAL STATEMENTS (CONT.)
June 30, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements have been prepared on the accrual basis method of accounting in accordance with accounting principles generally accepted in the United States of America.

Financial Statement Presentation

The classification of a not-for-profit organization's net assets and its support, revenue, and expenses is based on the existence, or absence, of donor-imposed restrictions. It requires that the amounts for each of classes of net assets be displayed in the Statement of Financial Position and that the amount of change in each of those classes of net assets be displayed in a Statement of Activities.

In accordance with U.S. generally accepted accounting principles (U.S. GAAP), PHFO reports information regarding its financial position and activities according to two classes of net assets: Net Assets Without Donor Restriction and Net Assets With Donor Restriction.

Net Assets

Net assets, revenue, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

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

Net Assets With Donor Restrictions: 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 programmatic purposes specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. PHFO had no donor-imposed restricted net assets that are perpetual in nature, for the years ended June 30, 2022 and 2021.

Donor imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

PARTNERS FOR A HUNGER-FREE OREGON
NOTES TO FINANCIAL STATEMENTS (CONT.)
June 30, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Cash & Cash Equivalents

PHFO consider all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash.

Contributions

Contributions received, including unconditional promises to give, if any, are reported at their net realizable values. Gifts of cash and other assets are reported as with donor restriction if they are received with donor stipulations that limit their use and if they are intended to support activities in future periods.

Contributions restricted by donors are reported 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 same 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 Statement of Activities as net assets released from restrictions.

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

Provisions For Doubtful Accounts

All receivables, as stated in the financial statements, are deemed by PHFO's management to be fully collectible. Accordingly no allowance for doubtful accounts has been established at June 30, 2022 and 2021.

Revenue Recognition

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as Net Assets With Donor Restriction. When the passage of time or programmatic purposes specified by the donor has been met those restricted net assets are reclassified to Net Assets Without Restriction in the statement of activities as "net assets released from restrictions".

PARTNERS FOR A HUNGER-FREE OREGON
NOTES TO FINANCIAL STATEMENTS (CONT.)
June 30, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Donated Services

Donated services are recognized as contributions if the services either (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people possessing those skills, and would otherwise be purchased if not donated. Volunteers provided various services throughout the year to PHFO that are not recognized as contributions in the financial statements since recognition criteria were not met.

Functional Allocation of Expenses

The Statement of Activities reports expenses by both natural and functional classification. Certain categories of expenses are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Costs are directly applied to the related program or supporting service category when identifiable and possible. General operating costs across nearly all natural categories are allocated on the basis of estimates of time and effort.

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 certain reported amounts and disclosures. Actual results could differ from those estimates.

Property and Equipment

Property & equipment are stated at cost. Donated property & equipment is stated at fair market value at the date of donation. Property & equipment is depreciated on the straight line method over five years. Buildings and building improvements are depreciated over thirty (30) years. It is PHFO's policy to capitalize expenditures for these items in excess of \$5,000. Lesser amounts are expensed.

During the years ended June 30, 2022 and 2021, PHFO did not purchase any property and equipment that exceeded its capitalization policy limit of \$5,000.

PARTNERS FOR A HUNGER-FREE OREGON
NOTES TO FINANCIAL STATEMENTS (CONT.)
June 30, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Income Taxes

PHFO is organized as a State of Oregon nonprofit corporation and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as an organization described in IRC Section 501(c)(3), qualifies for the charitable contribution deduction and has been determined not to be a private foundation within the meaning of Section 509(a) of the code. Annually PHFO is required to file Form 990, Return of Organizations Exempt from Income Tax with the IRS. It has been determined that PHFO is not subject to unrelated business income tax.

Since PHFO is exempt from federal, state, and local income tax, no provision for income taxes is reflected in the accompanying financial statements. ASC 740 requires that organizations must recognize the tax impact of a tax position taken on a return when it is more likely than not that the position will not be sustained on audit, based on the technical merits of the position. PHFO does not believe there are any material uncertain tax positions and, accordingly, has not recognized any liability for unrecognized tax benefits.

PHFO is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any periods in progress. PHFO's Federal and state tax returns are generally open for examination for three years following the date filed. PHFO believes it is no longer subject to income tax examinations for years prior to 2019.

NOTE 3 - CONCENTRATION OF CREDIT RISK

For the years ended June 30, 2022 and 2021, PHFO had 608,314 and \$666,049, respectively, on deposit with one financial institution which exceeds the insurance coverage provided by Federal Deposit Insurance Corp. (FDIC). This can potentially subject PHFO to concentrations of credit risk.

Management realize that PHFO has in excess of \$250,000 on deposit with this financial institution but has not experienced, nor does it anticipate, any losses because this financial institution has been in existence for nearly 30 years.

NOTE 4 - AFFILIATED ORGANIZATION

PHFO is affiliated with the Oregon Hunger Task Force (OHTF) and helps implement its recommendations. OHTF selects, with consultation of the PHFO's board, at least two (2) members of the OHTF to serve on the PHFO board.

PARTNERS FOR A HUNGER-FREE OREGON
NOTES TO FINANCIAL STATEMENTS (CONT.)
June 30, 2022

NOTE 5 - OMB SINGLE AUDIT REQUIREMENTS

PHFO did not expend \$750,000 or more of Federal funds for the years ended June 30, 2022 and 2021; therefore it is not required to undergo a Single Audit.

NOTE 6 - GRANTS/CONTRACTS RECEIVABLE

| | <u>2022</u> | <u>2021</u> |
|--|-------------------|-------------------|
| Grants/contracts receivable consists of the following: | | |
| Portland Community College | \$ - | \$ 30,000 |
| Albertson's Nourishing Neighbors | - | 75,000 |
| Oregon Food Bank | 85,000 | - |
| Meyer Memorial Foundation - OIRFC | 45,000 | 50,000 |
| Department of Health & Human Services | 122,055 | 72,167 |
| Seeding Justice | - | 3,000 |
| Collins Foundation | - | 15,000 |
| Oregon Community Foundation | - | 10,000 |
| ODHS Hunger Relief Task Force | - | 46,533 |
| | <u>\$ 252,055</u> | <u>\$ 301,700</u> |

NOTE 7 - RETIREMENT PLAN

PHFO's retirement plan is a Simple IRA. The plan offers up to 3% employer match on employee contributions. PHFO's contribution to the plan, for the years ended June 30, 2022 and 2021 was \$13,626 and \$14,921, respectively.

NOTE 8 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through March 25, 2023, which is the date the financial statements were available to be issued.

PARTNERS FOR A HUNGER-FREE OREGON
NOTES TO FINANCIAL STATEMENTS (CONT.)
June 30, 2022

NOTE 9 - BOARD DESIGNATED FUNDS

The purpose of the Board designated funds is to ensure the ongoing financial stability of PHFO. These designated funds is intended to provide an internal source of funds sufficient to allow PHFO to achieve its mission, programs, employment and ongoing operations. Additionally, the funds should be maintained at a level appropriate to allow PHFO to weather short-term negative cash flow fluctuations caused by unanticipated changes in revenues or expenses. The funds are not intended to replace a permanent loss of funding or eliminate an ongoing budget gap.

NOTE 10 - VACATION POLICY

PHFO provides vacation for eligible employees. Regular full-time and regular part-time employees are eligible to earn and use vacation. Vacation accrual rates are calculated based on an employee's start date at regular status regardless of work done previously under temporary status.

| <u>Employee Classification</u> | <u>Vacation Time (Hours)</u> |
|-------------------------------------|---------------------------------------|
| Executive Director, 0 - 1 Years | 160 hours (6.15 hours per pay period) |
| Executive Director, 2 - 5 Years | 8 hours (.3077 hours per pay period) |
| Executive Director, 6+ Years | 200 hours (7.69 hours per pay period) |
| Regular, Full-Time, 0 - 1 years | 120 hours (4.62 hours per pay period) |
| Regular, Full-Time, 2 - 10 Years | 8 hours (.3077 hours per pay period) |
| Regular, Full-Time, 11+ years | 200 hours (6.15 hours per pay period) |
| Regular, Part-Time | Pro-Rated |

Employees may not carry forward vacation hours in excess of the equivalent of one year's accrual to the next year.

Upon separation from employment, employees will receive the cash equivalent of ten days of vacation, or the balance of their unused vacation benefits, whichever is less.

PARTNERS FOR A HUNGER-FREE OREGON
NOTES TO FINANCIAL STATEMENTS (CONT.)
June 30, 2022

NOTE 11 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restriction consists of:

| | <u>Balance July 1, 2021</u> | <u>Current Year Additions</u> | <u>Released From Restrictions</u> | <u>Balance June 30, 2022</u> |
|--|-------------------------------------|---------------------------------------|---|--------------------------------------|
| Subject to program expenditure for a specified purpose: | | | | |
| Advocacy & Community Engagement | \$ 281,412 | \$ 224,700 | \$(296,359) | \$ 209,753 |
| Child Nutrition | 318,603 | 219,267 | (336,320) | 201,550 |
| Subject to the passage of time or to be held in perpetuity | <u>3,000</u> | <u>75,000</u> | <u>(26,730)</u> | <u>51,270</u> |
| Total Net Assets With Donor Restriction | <u>\$ 603,015</u> | <u>\$ 518,967</u> | <u>\$(659,409)</u> | <u>\$ 462,573</u> |

NOTE 12 - OFFICE LEASE

PHFO signed a lease with Weston Investment Co, LLC dba American Property Management to lease approximately 2,543 square feet of office space in the Pacific Plaza Annex Building located at 2900 SE Stark St., Portland, OR 97214 commencing June 1, 2020. The lease expires on May 31, 2025 The initial base rent is \$4,238 per month.

Future minimum lease payments are as follows:

Year Ending June 30,

| | |
|------|--------------------------|
| 2022 | \$ 52,517 |
| 2023 | 54,092 |
| 2024 | 55,715 |
| 2025 | <u>52,473</u> |
| | <u>\$ 214,797</u> |

PARTNERS FOR A HUNGER-FREE OREGON
NOTES TO FINANCIAL STATEMENTS (CONT.)
June 30, 2022

NOTE 13 - PAYROLL PROTECTION PROGRAM LOAN

PHFO received a loan from the Beneficial State Bank in the amount of \$124,599 under the Payroll Protection Program established by the Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act. The loan is subject to a note dated April 30, 2020 and may be forgiven to the extent the proceeds of the loan are used for eligible expenditures such as payroll and other expenses described in the CARES Act. The loan bears interest at a rate of 1% per annum and is payable in monthly installments of \$7,021 to include principal and interest over 18 months beginning November 30, 2020. The final payment is due on April 30, 2022.

PHFO can pay, without penalty, all or a portion of the amount owed earlier than it is due.

On May 7, 2021, PHFO was notified that the loan amount forgiven was \$124,762 which included \$163 of interest. The forgiveness amount is reported on the Statement of Activities as Other Income and the interest is reported on the Statement of Functional Expenses..

PHFO must retain records relevant to the loan forgiveness application that prove compliance with the requirements of Section 7(a)(36) and Section 7A of the Small Business Act with respect to employment records, for the 4-year period following submission of the loan forgiveness application, and with respect to other records, for the 3-year period following submission of the loan forgiveness application.

PARTNERS FOR A HUNGER-FREE OREGON
NOTES TO FINANCIAL STATEMENTS (CONT.)
June 30, 2022

NOTE 14 - AVAILABILITY AND LIQUIDITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the statement of financial position, comprise the following:

| Financial Assets at June 30, 2022 and 2021: | <u>2022</u> | <u>2021</u> |
|---|------------------------------|------------------------------|
| Cash and Cash Equivalents | \$ 690,218 | \$ 746,930 |
| Accounts Receivable | 9,513 | 452 |
| Grants/Contracts Receivable | 252,055 | 301,700 |
| Gift Cards | <u>275</u> | <u>275</u> |
| Total Financial Assets | 952,061 | 1,049,357 |
| Less Amounts Unavailable For General Expenditures Within 1 Year: | | |
| Board Designated Funds | <u>159,088</u> | <u>72,000</u> |
| Financial Assets Available To Meet Cash Needs For General Expenditures Within One Year | <u>\$ 792,973</u> | <u>\$ 977,357</u> |

PHFO receives significant contributions restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet needs for general expenditures.

PHFO manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. PHFO operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.