

Financial Statements

2022

Blessings in a Backpack, Inc.

June 30, 2022 and 2021



Financial Statements

Blessings in a Backpack, Inc.

June 30, 2022 and 2021

Independent Auditors' Report 1

Financial Statements

 Statements of Financial Position 3

 Statements of Activities 4

 Statements of Functional Expenses 5

 Statements of Cash Flows 6

 Notes to Financial Statements 7



Independent Auditors' Report

Members of the Board of Directors
Blessings in a Backpack, Inc.
Louisville, Kentucky

Opinion

We have audited the accompanying financial statements of Blessings in a Backpack, Inc. (the "Organization"), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Change in Accounting Principles

As discussed in Note C, the Organization adopted the requirements of Financial Accounting Standards Board, *Accounting Standards Update* ("ASU") No. 2020-07, *Not-for-Profit Entities* (Topic 958) and ASU No. 2016-02, *Leases* (Topic 842). ASU No. 2020-07 was retroactively adopted. Our opinion is not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Strothman and Company

Louisville, Kentucky
November 15, 2022

Statements of Financial Position

Blessings in a Backpack, Inc.

	June 30, 2022			June 30, 2021		
	Local Food Programs	National Operations	Total	Local Food Programs	National Operations	Total
Assets						
Cash and cash equivalents	\$ 11,524,792	\$ 2,336,476	\$ 13,861,268	\$ 12,781,497	\$ 2,337,211	\$ 15,118,708
Investments	17,762		17,762	20,348		20,348
Contributions receivable, net	161,069	104,861	265,930	167,148	101,794	268,942
Prepaid expenses and other assets	6,516	118,722	125,238	3,721	45,223	48,944
Right-of-use asset, net		226,181	226,181			
Furniture and equipment, net		51,782	51,782		20,930	20,930
Total Assets	\$ 11,710,139	\$ 2,838,022	\$ 14,548,161	\$ 12,972,714	\$ 2,505,158	\$ 15,477,872
Liabilities and Net Assets						
Liabilities						
Accounts payable	\$ 133,422	\$ 178,740	\$ 312,162	\$ 174,849	\$ 68,023	\$ 242,872
Other accrued expenses	6,822	291,050	297,872	13,696	278,536	292,232
Lease liability		247,393	247,393			
Deferred event income	19,472	18,465	37,937	19,472	88,353	107,825
Total Liabilities	159,716	735,648	895,364	208,017	434,912	642,929
Net Assets						
Without donor restrictions	9,614,942	2,102,374	11,717,316	10,976,576	1,359,908	12,336,484
With donor restrictions	1,935,481		1,935,481	1,788,121	710,338	2,498,459
Total Net Assets	11,550,423	2,102,374	13,652,797	12,764,697	2,070,246	14,834,943
Total Liabilities and Net Assets	\$ 11,710,139	\$ 2,838,022	\$ 14,548,161	\$ 12,972,714	\$ 2,505,158	\$ 15,477,872

See Accompanying Notes to Financial Statements

Statements of Activities

Blessings in a Backpack, Inc.

	Year Ended June 30, 2022			Year Ended June 30, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support						
Contributions	\$ 8,887,856	\$ 696,126	\$ 9,583,982	\$ 8,743,337	\$ 1,776,857	\$ 10,520,194
Grants	562,671		562,671	1,301,398	143,362	1,444,760
Fundraising events	1,088,978		1,088,978	397,057		397,057
Less direct benefits to donors	<u>379,576</u>		<u>379,576</u>	<u>105,327</u>		<u>105,327</u>
	709,402		709,402	291,730		291,730
In-kind contributions	336,670		336,670	550,488		550,488
Investment income	9,451		9,451	15,524		15,524
Other income	<u>314,028</u>		<u>314,028</u>	<u>103,194</u>		<u>103,194</u>
	10,820,078	696,126	11,516,204	11,005,671	1,920,219	12,925,890
Net Assets Released From Donor Imposed Restrictions	<u>1,259,104</u>	<u>(1,259,104)</u>		<u>1,257,290</u>	<u>(1,257,290)</u>	
Total Support	12,079,182	(562,978)	11,516,204	12,262,961	662,929	12,925,890
Expenses						
Program services	10,001,355		10,001,355	7,540,150		7,540,150
General and administrative	1,176,964		1,176,964	1,319,727		1,319,727
Fundraising	<u>1,520,031</u>		<u>1,520,031</u>	<u>1,193,205</u>		<u>1,193,205</u>
Total Expenses	<u>12,698,350</u>		<u>12,698,350</u>	<u>10,053,082</u>		<u>10,053,082</u>
Change in Net Assets from Operations	(619,168)	(562,978)	(1,182,146)	2,209,879	662,929	2,872,808
Non-Operating Income						
Paycheck Protection Program loan forgiveness income				391,700		391,700
Change in Net Assets	(619,168)	(562,978)	(1,182,146)	2,601,579	662,929	3,264,508
Net Assets Beginning of Year	<u>12,336,484</u>	<u>2,498,459</u>	<u>14,834,943</u>	<u>9,734,905</u>	<u>1,835,530</u>	<u>11,570,435</u>
Net Assets End of Year	<u>\$ 11,717,316</u>	<u>\$ 1,935,481</u>	<u>\$ 13,652,797</u>	<u>\$ 12,336,484</u>	<u>\$ 2,498,459</u>	<u>\$ 14,834,943</u>

See Accompanying Notes to Financial Statements

Statements of Functional Expenses

Blessings in a Backpack, Inc.

	Year Ended June 30, 2022				Year Ended June 30, 2021			
	Program Services	General and Administrative	Fundraising	Total	Program Services	General and Administrative	Fundraising	Total
Food and backpack expenses	\$ 8,625,499	\$ 2,858	\$ 188	\$ 8,628,545	\$ 6,214,087		\$ 1,266	\$ 6,215,353
Payroll and employee benefits	1,041,636	855,855	1,051,714	2,949,205	997,190	\$ 1,005,948	872,515	2,875,653
Contract services	82,884	112,135	100,123	295,142	100,115	87,025	29,298	216,438
Rent expense	50,761	58,413	91,230	200,404	65,730	59,397	48,985	174,112
Administrative expenses	91,851	112,135	180,247	384,233	113,630	102,369	148,249	364,248
Depreciation expense		11,439		11,439		4,056		4,056
Marketing expenses	95,657	7,744	73,845	177,246	44,245	18,216	88,550	151,011
Travel	13,067	16,385	22,684	52,136	5,153	2,294	4,342	11,789
In-kind expenses						40,020		40,020
Other expenses						402		402
	<u>\$ 10,001,355</u>	<u>\$ 1,176,964</u>	<u>\$ 1,520,031</u>	<u>\$ 12,698,350</u>	<u>\$ 7,540,150</u>	<u>\$ 1,319,727</u>	<u>\$ 1,193,205</u>	<u>\$ 10,053,082</u>

See Accompanying Notes to Financial Statements

Statements of Cash Flows

Blessings in a Backpack, Inc.

	Year Ended June 30	
	2022	2021
Operating Activities		
Change in net assets	\$ (1,182,146)	\$ 3,264,508
Adjustments		
Non-cash forgiveness of Paycheck Protection Program loan		(391,700)
Depreciation	11,439	4,056
Amortization expense - right-of-use leased assets	33,480	
Decrease in allowance for uncollectable contributions		(114,999)
Lease liability interest expense, net	4,870	
Reinvested dividends and interest	251	(2,715)
Unrealized (gain) loss on investments	2,335	(3,559)
Payment of lease obligation	(17,138)	
Changes in operating assets and liabilities		
Contributions receivable	3,012	191,143
Prepaid expenses and other assets	(76,294)	(33,265)
Accounts payable	69,290	(41,030)
Other accrued expenses	5,640	(20,046)
Deferred event income	(69,888)	53,040
Net Cash (Used In) Provided By Operating Activities	(1,215,149)	2,905,433
Investing Activities		
Sales of investments		2,636,983
Donation of investments		(3,000)
Transfer from investments		(500)
Purchases of equipment	(42,291)	(21,612)
Net Cash (Used In) Provided By Investing Activities	(42,291)	2,611,871
Net (Decrease) Increase in Cash and Cash Equivalents	(1,257,440)	5,517,304
Cash and Cash Equivalents Beginning of Year	15,118,708	9,601,404
Cash and Cash Equivalents End of Year	\$ 13,861,268	\$ 15,118,708

See Accompanying Notes to Financial Statements

Notes to Financial Statements

Blessings in a Backpack, Inc.

June 30, 2022 and 2021

Note A--Description of Business

Blessings in a Backpack, Inc. (the "Organization") is a non-profit organization that provides backpacks of food each weekend during the school year to children whose families qualify for the federal free and reduced price meal program. The Organization's program is run in participating schools across the nation.

The Organization manages the operations of numerous local school food distribution programs. The statements of financial position are segregated between those local food programs and the national office operations, and reflects the various assets and liabilities designated for local food program operations and general and administrative operations, respectively.

The Organization's primary source of support is contributions.

Note B--Summary of Significant Accounting Policies

The Organization follows generally accepted accounting principles, as outlined in the Financial Accounting Standards Board's ("FASB") *Accounting Standards Codification* ("ASC"). Significant accounting policies are as follows:

Financial Statement Presentation--The Organization is required 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) based upon the existence or absence of donor-imposed restrictions.

Cash and Cash Equivalents--The Organization considers all highly-liquid investments with maturities when purchased of three months or less, that are not designated for a specific purpose, to be cash equivalents.

Investments--Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the statements of financial position. Investment income or loss (including realized and unrealized gains and losses on investments, interest income, and dividends) is included in the statements of activities. Interest income is recorded on accrual basis. Dividend income is recorded on the ex-dividend date.

Contributions Receivable--Contributions receivable are expected to be collected within one year and are stated net of an allowance for uncollectible contributions. Management of the Organization estimates an allowance for uncollectible contributions based on its specifically identifying questionable accounts, and on the historical collection experience of the Organization. Uncollectible contributions receivable are charged against the allowance account when deemed uncollectible by management. There were no amounts determined uncollectible as of June 30, 2022 or 2021.

Furniture and Equipment--The Organization capitalizes all expenditures for furniture and equipment in excess of \$500, which are recorded at cost, if purchased, or fair market value at date of gift, if donated. Depreciation is computed using the accelerated methods over the estimated useful lives of the related assets.

Continued

Notes to Financial Statements--Continued

Blessings in a Backpack, Inc.

June 30, 2022 and 2021

Note B--Summary of Significant Accounting Policies--Continued

Contributions--Contributions received are recorded as being either without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to support without donor restrictions and reported in the statements of activities as net assets released from donor restrictions. Contributions whose restrictions are met in the same fiscal year are reported as contributions without donor restrictions.

In-Kind Contributions--These contributions of food, supplies and office space are recorded at fair value and recognized as support and program service expenses in the fiscal year when they are received. Contributions of event support costs are likewise recorded at fair value and recognized as administrative and fundraising expenses, respectively. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills and would typically need to be purchased if not donated, are recorded at fair value in the period received. No in-kind contributions were restricted. The Organization does sell donated in-kind gifts.

The Organization also receives free services from a variety of unpaid volunteers. No amounts have been recognized in the accompanying statements of activities because these services do not meet the criteria for recording as support and expenses.

Allocation of Functional Expenses--The costs of providing program services and supporting activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited, based on personnel time utilized for the related activities.

Advertising Costs--Advertising costs are expensed as incurred. Total advertising and promotion expense was \$177,246 and \$143,952 for the years ended June 30, 2022 and 2021, respectively.

Fair Value of Financial Instruments--The carrying amounts for current assets and liabilities approximate their fair values due to their short maturity.

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

Continued

Blessings in a Backpack, Inc.

June 30, 2022 and 2021

Note B--Summary of Significant Accounting Policies--Continued

Lease--The Organization determines if an arrangement is a lease at inception. Operating leases are included in right-of-use ("ROU") lease assets, current portion of lease obligations, and long term lease obligations on the Organization's statement of financial position. ROU lease assets represent the Organization's right to use an underlying asset for the lease term, and lease obligations represent the Organization's obligation to make lease payments arising from the lease. Operating ROU lease assets and obligations are recognized at the commencement date based on the present value of lease payments over the lease term. Since the Organization's lease did not provide an implicit interest rate, the Organization used its incremental borrowing rate based on information available at the lease commencement date to determine the present value of lease payments.

The Organization's lease term may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option.

Note C--New Accounting Standards

The Organization adopted the requirements of the FASB issued Accounting Standards Update ("ASU") No. 2020-07, *Not-for-Profit Entities* (Topic 958). This new standard is intended to increase transparency for contributed nonfinancial assets through enhancements to presentation and disclosure. Nonfinancial assets include property and equipment, use of property and equipment or utilities, materials and supplies, services and unconditional promises of those assets. We have adopted the guidance in the ASU as of July 1, 2020, however, adoption did not materially impact the financial statements.

In addition, the Organization also adopted the requirements of the FASB issued ASU No. 2016-02, *Leases* (Topic 842). This new standard is intended to improve financial reporting about leasing transactions by requiring entities that lease assets to recognize on their statements of financial position the assets and liabilities for the rights and obligations created by those leases, and to provide additional disclosures regarding the leases. Leases with terms (as defined in the ASU) of twelve months or less are not required to be reflected on an entity's statement of financial position.

The Organization elected to early adopt ASU 2016-02 as of July 1, 2021. The most significant impact was the recognition of right of use asset and lease obligation for operating leases in the statement of financial position and statement of cash flows from operations, and had no material impact on the Organization's operating results.

Note D--Cash and Cash Equivalents

The Organization maintains its cash and cash equivalents at two financial institutions. The Federal Deposit Insurance Corporation ("FDIC") insures these balances up to \$250,000 at each institution. At June 30, 2022 and 2021, the Organization's cash accounts and cash equivalents at both banks exceeded the FDIC insured amount by approximately \$6,876,000 and \$8,113,000, respectively.

Blessings in a Backpack, Inc.

June 30, 2022 and 2021

Note E--Investments and Fair Value Measurements

Generally accepted accounting principles provide a framework for measuring fair value, and expand disclosures required for fair value measurements. They also establish a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three board levels. These levels, in order of highest to lowest priority are described below:

Level 1 – Quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2 – Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Inputs to the valuation methodology are based on significant unobservable inputs.

The Organization uses published prices from actively traded markets (Level I inputs) in determining the fair value of its investments, which include money market funds. The amount classified as investments as of June 30, 2022 and 2021 is designated for local food programs.

The following table presents the fair value of investments:

	Asset as Fair Value as of	
	June 30, 2022	June 30, 2021
	Quoted Prices in Active Markets (Level I)	Quoted Prices in Active Markets (Level I)
Money market funds	<u>\$ 17,762</u>	<u>\$ 20,348</u>

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Investments securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would result in material changes in the fair value of investments and net assets of the Organization.

Continued

Notes to Financial Statements--Continued

Blessings in a Backpack, Inc.

June 30, 2022 and 2021

Note E--Investments and Fair Value Measurements--Continued

Investment income is comprised of the following components in the statements of activities:

	June 30	
	2022	2021
Interest and dividend income	\$ 11,786	\$ 11,965
Net unrealized gain on investments	(2,335)	3,559
Total Investment Income	\$ 9,451	\$ 15,524

Note F--Furniture and Equipment

Furniture and equipment consists of the following:

	June 30	
	2022	2021
Computers	\$ 64,283	\$ 61,372
Telephone system	8,783	8,783
Software		40,075
Leasehold improvements	17,079	
Furniture	29,347	16,926
	119,492	127,156
Less accumulated depreciation	67,710	106,226
Furniture and Equipment, net	\$ 51,782	\$ 20,930

Note G--Leases

Operating lease right-of-use asset is comprised of the following:

	Office Space
As of July 1, 2021	\$ -
Additions	259,661
Amortization	(33,480)
As of June 30, 2022	\$ 226,181

Continued

Notes to Financial Statements--Continued

Blessings in a Backpack, Inc.

June 30, 2022 and 2021

Note G--Leases--Continued

During 2022, the Organization has entered into a operating lease for its office space. This lease expires in February 27, 2026. The Organization is using the borrowing rate of 3.25%, which represents the Organization's borrowing rate at the time of lease inception, to calculate the present value of the future lease payments.

At June 30, 2022, the maturity of the operating lease payments is as follows:

<u>Year Ending June 30</u>	
2023	\$ 69,461
2024	71,019
2025	72,577
2026	<u>49,207</u>
	262,264
Less amount representing interest	<u>14,871</u>
Operating lease liability	<u>\$ 247,393</u>
Short term	\$ 69,461
Long term	<u>177,932</u>
	<u>\$ 247,393</u>

The Organization recorded lease expense of \$38,350 during 2022.

In addition, the Organization recorded other low-value and short-term lease expenses in the statements of activities of \$60,340 and \$174,112, for the years ended June 30, 2022 and 2021, respectively.

Note H--Deferred Event Income

As of June 30, 2022 and 2021, the Organization had received payments totaling \$37,937 and \$107,825, respectively, for tickets, sponsorships and donations for various events supporting local food programs. Since these events did not take place until after the respective year-ends in which the funds were raised, this support has been recorded as deferred event income.

Blessings in a Backpack, Inc.

June 30, 2022 and 2021

Note I--Line of Credit

The Organization has a \$250,000 revolving line of credit agreement with Republic Bank which bears interest at the prime rate (4.75% as of June 30, 2022). The line of credit is collateralized by substantially all the assets of the Organization. There were no outstanding borrowings as of June 30, 2022 or 2021. The line of credit expires on December 8, 2023.

Note J--Income Taxes

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal or state income taxes is reflected in the accompanying financial statements. The Organization had no unrelated business income during the periods covered by these audits.

Generally accepted accounting principles prescribe a comprehensive model for how an entity should measure, recognize, present and disclose in its financial statements uncertain tax positions that an entity has taken or expects to take on a tax return. There was no impact on the Organization's financial statements as a result of the implementation of these accounting principles.

Note K--Paycheck Protection Program Loan Payable

In April 2020, the Organization obtained a United States Small Business Administration ("SBA") Paycheck Protection Program ("PPP") loan of \$391,700. The PPP loan, when used for certain expenses (payroll, retirement contributions, health insurance costs, rent and utilities), can be forgiven.

In June 2020, the American Institute of Certified Public Accountants and the Financial Accounting Standards Board provided technical guidance which stated that the proceeds from SBA PPP loans could be accounted for as either debt or a government grant. For the year ended June 30, 2020, management elected to account for this unique lending vehicle as debt.

In February, 2021, the Organization was notified that the PPP loan was forgiven and the loan was recorded as non-operating income in the statements of activities for the year ended June 30, 2021.

Note L--Contingencies

In March 2020, the World Health Organization declared the spread of Coronavirus Disease ("COVID-19") a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Organization, COVID-19 may impact various parts of its operations and financial results. Management believes the Organization is taking appropriate actions to mitigate the potential negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.

Notes to Financial Statements--Continued

Blessings in a Backpack, Inc.

June 30, 2022 and 2021

Note M--In-Kind Contributions

In-kind contributions consisted of the following:

	<u>June 30</u>		<u>Usage</u>
	<u>2022</u>	<u>2021</u>	
Events	\$ 101,584	\$ 36,739	Program Services
Backpacks	14,500	50	Program Services
Rent	34,440	12,250	Program Services, general and administrative, fundraising
Supplies and food	<u>322,170</u>	<u>315,793</u>	Program Services
	<u>\$ 472,694</u>	<u>\$ 364,832</u>	

Note N--Liquidity and Availability of Financial Assets

The following table reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year.

	<u>June 30</u>	
	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 13,861,268	\$ 15,118,708
Investments	17,762	20,348
Contributions receivable, net	<u>265,930</u>	<u>268,942</u>
Total Financial Assets	14,144,960	15,407,998
Less net assets with donor-imposed restrictions	<u>1,935,481</u>	<u>2,498,459</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 12,209,479</u>	<u>\$ 12,909,539</u>

Notes to Financial Statements--Continued

Blessings in a Backpack, Inc.

June 30, 2022 and 2021

Note O--Net Assets with Donor Restrictions

Net assets with donor restrictions include contributions and grants for which donor imposed restrictions are to be met, and are restricted for the following purposes:

	June 30	
	2022	2021
Restricted for Specified Purpose:		
New upcoming schools	\$ 18,288	\$ 54,491
Corporate employee engagement	35,852	61,500
COVID relief and other	45,099	105,089
Chapter launch		33,528
	<u>99,239</u>	<u>254,608</u>
Restricted by Time:		
Program funding for specific future years	<u>1,836,242</u>	<u>2,243,851</u>
	<u>\$ 1,935,481</u>	<u>\$ 2,498,459</u>

Note P--Retirement Plan

The Organization maintains a 403(b) retirement plan that covers all employees age 21 and older who work more than twenty hours per week. Employees may contribute up to the maximum percentage of compensation and dollar amount permissible under the Internal Revenue Code. The plan contains a provision for a discretionary employer matching contribution. A matching contribution of 3% totaling \$64,783 was recorded in accrued liabilities as of June 30, 2021. No matching contribution was accrued for the year ended June 30, 2022.

Note Q--Subsequent Events

Events that occur after the statement of financial position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that exist at the statement of financial position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the statement of financial position date require disclosure in the accompanying financial statements. Management evaluated the activity of the Organization through November 15, 2022, the date the financial statements were available to be issued.