

# **God's Love We Deliver, Inc.**

Independent Auditor's Report and Financial Statements

June 30, 2021



# God's Love We Deliver, Inc.

June 30, 2021

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## Independent Auditor's Report

Board of Directors  
God's Love We Deliver, Inc.  
New York, New York

We have audited the accompanying financial statements of God's Love We Deliver, Inc., which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses and cash flows for the year 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of God's Love We Deliver, Inc. as of June 30, 2021, 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.

***Emphasis of Matter***

As described in *Note 1* to the financial statements, for the year ended June 30, 2021, God's Love We Deliver, Inc. adopted Accounting Standards Codification (ASC) 606, *Revenue from Contracts with Customers* (Topic 606). Our opinion is not modified with respect to this matter.

**Report on Summarized Comparative Information**

We have previously audited God's Love We Deliver, Inc.'s 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 30, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

**BKD, LLP**

New York, New York  
January 19, 2022

**God's Love We Deliver, Inc.**  
**Statement of Financial Position**  
**June 30, 2021**  
**(With Summarized Financial Information for June 30, 2020)**

	<b>2021</b>	<b>2020</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 6,021,919	\$ 4,745,648
Investments	19,152,859	15,257,714
Receivables		
Contribution	1,035,371	294,433
Capital campaign	99,038	99,038
Government grants	1,991,190	1,795,416
Managed care receivables, net	565,755	705,547
Other	49,000	49,000
Prepaid expenses and other current assets	714,152	323,446
Property and equipment, net	26,565,740	27,702,221
Total assets	\$ 56,195,024	\$ 50,972,463
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 853,763	\$ 996,872
Accrued payroll and related liabilities	727,244	579,126
Deferred revenue	277,248	129,442
Loan payable	-	1,317,900
Total liabilities	1,858,255	3,023,340
<b>Net Assets</b>		
Without donor restrictions	53,332,266	46,199,762
With donor restrictions	1,004,503	1,749,361
Total net assets	54,336,769	47,949,123
Total liabilities and net assets	\$ 56,195,024	\$ 50,972,463

# God's Love We Deliver, Inc.

## Statement of Activities

Year Ended June 30, 2021

(With Summarized Financial Information for the Year Ended June 30, 2020)

	2021		2020	
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>Revenues, Gains and Other Support</b>				
Contributions, grants and bequests (includes donated services of \$279,661 in 2021 and \$64,645 in 2020)	\$ 12,814,154	\$ 1,080,317	\$ 13,894,471	\$ 17,992,959
Special events revenues	5,581,230	150,000	5,731,230	6,271,158
Less direct costs of special events	(1,072,097)	-	(1,072,097)	(1,621,692)
Government grants	6,172,950	-	6,172,950	4,052,110
Managed care program	5,220,717	-	5,220,717	4,279,052
Miscellaneous	134,906	-	134,906	235,290
Net investment return	1,642,062	-	1,642,062	192,559
Net assets released from restrictions	1,975,175	(1,975,175)	-	-
	<u>32,469,097</u>	<u>(744,858)</u>	<u>31,724,239</u>	<u>31,401,436</u>
<b>Expenses</b>				
Program services				
Meal preparation and delivery	14,837,592	-	14,837,592	12,634,511
Program, Nutrition and Client Services	4,867,442	-	4,867,442	4,211,757
New York City Wine and Food Festival	678,618	-	678,618	-
Policy and planning	757,168	-	757,168	677,372
	<u>21,140,820</u>	<u>-</u>	<u>21,140,820</u>	<u>17,523,640</u>
Total program services (includes depreciation of \$1,459,133 in 2021 and \$1,649,233 in 2020)				
Supporting services				
Management and general	1,582,074	-	1,582,074	1,311,693
Fundraising	3,931,599	-	3,931,599	2,993,664
	<u>5,513,673</u>	<u>-</u>	<u>5,513,673</u>	<u>4,305,357</u>
Total supporting services (includes depreciation of \$118,308 in 2021 and \$133,721 in 2020)				
Total expenses (includes depreciation of \$1,577,441 in 2021 and \$1,782,854 in 2020)	<u>26,654,493</u>	<u>-</u>	<u>26,654,493</u>	<u>21,828,997</u>
<b>Change in Net Assets from Operating Activities</b>	5,814,604	(744,858)	5,069,746	9,572,439
<b>Nonoperating Activities</b>				
Gain on forgiveness of PPP loan	1,317,900	-	1,317,900	-
<b>Change in Net Assets</b>	7,132,504	(744,858)	6,387,646	9,572,439
<b>Net Assets, Beginning of Year</b>	<u>46,199,762</u>	<u>1,749,361</u>	<u>47,949,123</u>	<u>38,376,684</u>
<b>Net Assets, End of Year</b>	<u>\$ 53,332,266</u>	<u>\$ 1,004,503</u>	<u>\$ 54,336,769</u>	<u>\$ 47,949,123</u>

**God's Love We Deliver, Inc.**  
**Statement of Functional Expenses**  
**Year Ended June 30, 2021**  
**(With Summarized Financial Information for the Year Ended June 30, 2020)**

	2021										
	Program Services				Total	Supporting Services			Total	Total	2020
	Meal Preparation and Delivery	Program, Nutrition and Client Services	New York City Wine and Food Festival	Policy and Planning		Management and General	Fundraising				
Salaries	\$ 3,627,972	\$ 2,558,436	\$ 259,248	\$ 322,972	\$ 6,768,628	\$ 711,460	\$ 1,431,219	\$ 2,142,679	\$ 8,911,307	\$ 7,547,284	
Employee benefits and payroll taxes	1,379,240	823,288	66,343	88,868	2,357,739	182,078	431,440	613,518	2,971,257	2,415,155	
Temporary services	665,049	193,454	-	663	859,166	3,479	2,734	6,213	865,379	787,753	
Professional fees	147,805	383,349	211,933	227,806	970,893	137,354	428,149	565,503	1,536,396	1,136,262	
Donated services	-	-	-	49,736	49,736	177,628	127,893	305,521	355,257	64,645	
Food costs	4,664,793	-	-	-	4,664,793	-	-	-	4,664,793	3,544,411	
Meal containers	654,557	-	-	-	654,557	-	-	-	654,557	559,884	
Kitchen supplies and maintenance	149,949	2,106	-	86	152,141	453	356	809	152,950	181,663	
Vehicle expenses	816,149	-	-	-	816,149	-	-	-	816,149	616,072	
Occupancy	1,046,794	108,904	8,370	9,898	1,173,966	46,588	40,816	87,404	1,261,370	923,135	
Telephone and internet	118,909	253,329	28,440	14,383	415,061	88,935	84,761	173,696	588,757	437,430	
Office expenses and supplies	122,102	49,817	14,862	3,216	189,997	18,019	4,343	22,362	212,359	248,578	
Insurance	52,304	18,674	-	2,723	73,701	93,872	20,168	114,040	187,741	353,995	
Staff training, conferences and related costs	35,611	26,022	213	11,797	73,643	17,413	48,888	66,301	139,944	148,080	
Printing	8,273	245,210	200	2,444	256,127	2,480	437,362	439,842	695,969	401,384	
Venue, catering and other direct event expenses	10,531	8,998	87,350	7,186	114,065	5,103	1,513,252	1,518,355	1,632,420	1,908,826	
Postage	6,952	29,677	-	345	36,974	4,509	160,476	164,985	201,959	141,299	
Depreciation	1,309,276	137,237	-	12,620	1,459,133	66,252	52,056	118,308	1,577,441	1,782,954	
Other expenses	21,326	28,941	1,659	2,425	54,351	26,451	219,783	246,234	300,585	251,879	
<b>Total expenses</b>	<b>14,837,592</b>	<b>4,867,442</b>	<b>678,618</b>	<b>757,168</b>	<b>21,140,820</b>	<b>1,582,074</b>	<b>5,003,696</b>	<b>6,585,770</b>	<b>27,726,590</b>	<b>23,450,689</b>	
Less expenses deducted directly from revenues											
Direct cost of special events	-	-	-	-	-	-	(1,072,097)	(1,072,097)	(1,072,097)	(1,621,692)	
<b>Total expenses reported by function on the statement of activities</b>	<b>\$ 14,837,592</b>	<b>\$ 4,867,442</b>	<b>\$ 678,618</b>	<b>\$ 757,168</b>	<b>\$ 21,140,820</b>	<b>\$ 1,582,074</b>	<b>\$ 3,931,599</b>	<b>\$ 5,513,673</b>	<b>\$ 26,654,493</b>	<b>\$ 21,828,997</b>	

# God's Love We Deliver, Inc.

## Statement of Cash Flows

Year Ended June 30, 2021

(With Summarized Financial Information for the Year Ended June 30, 2020)

	<u>2021</u>	<u>2020</u>
<b>Operating Activities</b>		
Change in net assets	\$ 6,387,646	\$ 9,572,439
Items not requiring (providing) operating cash flows		
Depreciation	1,577,441	1,782,954
Loss on disposal of property and equipment	-	16,798
Provision of bad debt	14,562	-
Net realized and unrealized gain on investments	(1,267,803)	(26,485)
Forgiveness of PPP loan	(1,317,900)	-
Changes in		
Receivables		
Contribution	(740,938)	(186,423)
Government grants	(195,774)	(99,357)
Managed care receivables	125,230	(199,959)
Other	-	(26,435)
Prepaid expenses and other current assets	(390,706)	(15,785)
Accounts payable and accrued expenses	(143,109)	301,101
Accrued payroll and related liabilities	148,118	164,257
Deferred revenue	147,806	(88,216)
	<u>4,344,573</u>	<u>11,194,889</u>
Net cash provided by operating activities		
<b>Investing Activities</b>		
Purchase of investments	(15,907,707)	(25,416,136)
Proceeds from sale of investments	13,280,365	16,402,695
Proceeds from sale of property and equipment	-	2,500
Property and equipment acquisitions	(440,960)	(340,029)
	<u>(3,068,302)</u>	<u>(9,350,970)</u>
Net cash used in investing activities		
<b>Financing Activities</b>		
Proceeds from loan payable	-	1,317,900
Proceeds from contributions restricted for long-term use	-	108,407
	<u>-</u>	<u>1,426,307</u>
Net cash provided by financing activities		
<b>Increase in Cash and Cash Equivalents</b>	1,276,271	3,270,226
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>4,745,648</u>	<u>1,475,422</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 6,021,919</u>	<u>\$ 4,745,648</u>

# God's Love We Deliver, Inc.

## Notes to Financial Statements

June 30, 2021

(With Summarized Financial Information as of and for the Year Ended June 30, 2020)

### Note 1: Nature of Operations and Summary of Significant Accounting Policies

#### *Nature of Operations*

God's Love We Deliver, Inc. (the Organization or God's Love) is a not-for-profit entity located in New York City whose mission is to improve the health and well-being of men, women and children living with HIV/AIDS, cancer and other life-altering illnesses by alleviating hunger and malnutrition. God's Love prepares and delivers nutritious, high-quality meals to people who, because of their illness, are unable to provide or prepare meals for themselves. The meals are medically tailored to meet each client's specific medical needs. God's Love also provides illness-specific nutrition education and counseling to its clients, their families and care providers and to other service organizations. All of the services of God's Love are provided free of charge to clients in all five boroughs of New York City, in Hudson County, New Jersey and in Westchester and Nassau Counties in New York State.

The Organization is supported primarily by contributions, special events, government grants and revenue from managed care programs.

#### *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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

#### *Cash Equivalents*

The Organization considers all liquid investments with original maturities of three months or less to be cash equivalents. Uninvested cash and cash equivalents included in investment accounts are not considered to be cash and cash equivalents. At June 30, 2021 and 2020, cash equivalents consisted primarily of money market funds.

At June 30, 2021, the Organization's cash accounts exceeded federally insured limits by approximately \$7,172,000.

#### *Investments and Investment Return*

Investments in mutual funds having a readily determinable fair value are carried at fair value.

Investment return includes dividend, interest and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments, less external and direct internal investment expenses. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method.

# God's Love We Deliver, Inc.

## Notes to Financial Statements

June 30, 2021

(With Summarized Financial Information as of and for the Year Ended June 30, 2020)

### ***Accounts Receivable***

Accounts receivable reflects the outstanding amount of consideration to which the Organization expects to be entitled in exchange for providing services to customers and meals to managed care clients. The Organization provides an allowance for doubtful accounts, which is based upon a review of outstanding receivables, historical collection information and existing economic conditions. Delinquent receivables are written off based on individual credit evaluation and specific circumstances of the claim. Interest is not recorded on outstanding accounts receivable. There was an allowance for doubtful accounts for managed care receivables in the amount of \$15,000 as of June 30, 2021 and 2020.

### ***Property and Equipment***

Property and equipment are stated at cost less accumulated depreciation. Property and equipment with an original cost in excess of \$2,500 with an estimated useful life of greater than one year are capitalized. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets.

### ***Long-Lived Asset Impairment***

The Organization evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

No asset impairment was recognized during the years ended June 30, 2021 and 2020.

### ***Contract Liability***

Amounts received related to services that have not yet been provided to customers are contract liabilities. Contract liabilities consist of payments for events that are deferred and recognized over the periods to which they relate.

### ***Net Assets***

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor restrictions.

Net assets without donor restrictions are available for use in general operations and not subject to donor or grantor restrictions.

Net assets with donor restrictions are subject to donor or grantor restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other restrictions are perpetual in nature, where the donor or grantor stipulates that resources be maintained in perpetuity.

# God's Love We Deliver, Inc.

## Notes to Financial Statements

June 30, 2021

(With Summarized Financial Information as of and for the Year Ended June 30, 2020)

### Government Grants

Revenues from government agencies are recognized when earned. Expense-based grants are recognized as allowable expenses are incurred. Performance-based grants are recognized as milestones are achieved. Laws and regulations related to government programs are subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates may change by a material amount in the near-term. Additionally, noncompliance with such laws and regulations could result in fines, penalties and exclusion from the government programs.

### Contributions

Contributions are provided to the Organization either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is recognized as follows:

<b>Nature of the Gift</b>	<b>Value Recognized</b>
Gifts that depend on the Organization overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, <i>i.e.</i> , the donor-imposed barrier is met
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method.

When a donor stipulated time restriction ends or purpose restriction is accomplished, 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. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service.

Gifts that are originally restricted by the donor and for which the restriction is met in the same time period the gift is received are recorded as revenue with donor restrictions and then released from restriction.

# God's Love We Deliver, Inc.

## Notes to Financial Statements

June 30, 2021

(With Summarized Financial Information as of and for the Year Ended June 30, 2020)

Conditional contributions having donor stipulations which are satisfied in the period the gift is received are recorded as revenue with donor restrictions and then released from restrictions. As of June 30, 2021 and 2020, the Organization received \$277,248 and \$129,442, respectively, of conditional contributions.

### ***Special Events***

The Organization conducts special events in which a portion of the gross proceeds paid by the participants represent payment for the direct cost of the benefits received by the participant at the event. All proceeds received are recorded as special events revenues in the accompanying statement of activities. Proceeds for events that have not taken place are recorded as part of deferred revenue. Income accrued related to special events have occurred is included in contributions receivable.

### ***Contributed Services***

Contributions of services are recognized as revenue at their estimated fair value only when the services received create or enhance nonfinancial assets or require specialized skills possessed by the individuals providing the service and the service would typically need to be purchased if not donated. Contribution revenue recognized from contributed services for the Organization totaled \$279,661 and \$64,645 for the years ended June 30, 2021 and 2020, respectively. The related expenses are included in donated services on the statement of functional expenses. Contributed services have been included in contributions, grants and bequests on the statement of activities.

### ***In-Kind Contributions***

In addition to receiving cash contributions, the Organization receives in-kind contributions of merchandise to be auctioned off during fundraising events and food ingredients from various donors. It is the policy of the Organization to record the estimated fair value of certain in-kind donations as an expense in its financial statements, and similarly increase contribution revenue by the same amount. For the years ended June 31, 2021 and 2020, \$75,596 and \$233,031, respectively, was received in in-kind contributions.

### ***Managed Care Program***

Revenue is reported at the amount of consideration to which the Organization expects to be entitled in exchange for providing meals to clients. The Organization determines the transaction price based on established rates for meals provided.

### ***Functional Expenses***

The costs of providing the Organization's services have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Certain costs have been allocated among the program, management and general and fundraising categories based on percent of time spent, square footage and other allocations.

# God's Love We Deliver, Inc.

## Notes to Financial Statements

June 30, 2021

(With Summarized Financial Information as of and for the Year Ended June 30, 2020)

### ***Summarized Financial Information***

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2020, from which the summarized information was derived.

### ***Changes in Accounting Principle***

On July 1, 2020, the Organization adopted the Financial Accounting Standards Board Accounting Standards Update 2014-09, *Revenue from Contracts with Customers* (Topic 606), (ASU 2014-09) using a modified retrospective method of adoption to all contracts with customers not completed at July 1, 2020.

The core guidance in ASU 2014-09 is to recognize revenue to depict the transfer of promised goods or services to customers in amounts that reflect the consideration to which the Organization expects to be entitled in exchange for those goods or services.

The amount to which the Organization expects to be entitled is calculated as the transaction price and recorded as revenue in exchange for providing goods or services.

Adoption of ASU 2014-09 did not result in changes in presentation of the financial statements. Additional related disclosures were added.

### ***Income Taxes***

The Organization is exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of state law. However, the Organization is subject to federal income tax on any unrelated business taxable income.

The Organization files tax returns in the U.S. federal jurisdiction.

### ***Reclassification***

Certain reclassifications have been made to the June 30, 2020 statement of activities and statement of functional expenses to combine certain program service expense lines. These reclassifications had no effect on changes in net assets.

# God's Love We Deliver, Inc.

## Notes to Financial Statements

June 30, 2021

(With Summarized Financial Information as of and for the Year Ended June 30, 2020)

### Note 2: Grant Reimbursements Receivable and Future Commitments

The Organization receives its grant support through periodic claims filed with the respective funding sources, not to exceed a limit specified in the funding agreement. Since the financial statements of the Organization are prepared on the accrual basis, all earned portions of the grants not yet received as of June 30, 2021, have been recorded as receivables. Following are the grant commitments that extend beyond June 30, 2021:

Grant	Term	Grant Amount	Earned Through 2021	Funding Available
Public Health Solutions	03/01/2020-02/28/2023	\$ 7,982,120	\$ 3,615,472	\$ 4,366,648
New York State Department of Health	11/01/2017-10/31/2022	875,000	641,666	233,334
County of Hudson Department of Health & Human Services	03/01/2021-02/28/2022	99,875	71,866	28,009
Food Bank for New York City	05/01/2020-07/31/2021	298,258	267,977	30,281
		<u>\$ 9,255,253</u>	<u>\$ 4,596,981</u>	<u>\$ 4,658,272</u>

### Note 3: Disclosures About Fair Value of Assets

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. The hierarchy comprises three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets 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 for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs supported by little or no market activity and that are significant to the fair value of the assets or liabilities

# God's Love We Deliver, Inc.

## Notes to Financial Statements

June 30, 2021

(With Summarized Financial Information as of and for the Year Ended June 30, 2020)

### ***Recurring Measurements***

The following tables present the fair value measurements of assets and liabilities recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2021 and 2020:

	<u>2021</u>	
	<u>Total</u>	<u>Fair Value Measurements Using Quoted Prices in Active Markets for Identical Assets (Level 1)</u>
Mutual funds		
Bond funds	\$ 9,481,672	\$ 9,481,672
Equity funds	5,224,515	5,224,515
Exchange traded funds	<u>1,373,082</u>	<u>1,373,082</u>
Total investments reported on the fair value hierarchy	16,079,269	<u>\$ 16,079,269</u>
Cash and cash equivalents	<u>3,073,590</u>	
	<u>\$ 19,152,859</u>	

# God's Love We Deliver, Inc.

## Notes to Financial Statements

June 30, 2021

(With Summarized Financial Information as of and for the Year Ended June 30, 2020)

	2020	
	Total	Fair Value Measurements Using Quoted Prices in Active Markets for Identical Assets (Level 1)
Money market funds	\$ 610,416	\$ 610,416
Equities - domestic	946,733	946,733
Mutual funds		
Bond funds	5,497,571	5,497,571
Equity funds	1,897,907	1,897,907
Exchange traded funds	673,975	673,975
Total investments reported on the fair value hierarchy	9,626,602	<u>\$ 9,626,602</u>
Cash and cash equivalents	<u>5,631,112</u>	
	<u>\$ 15,257,714</u>	

The following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the years ended June 30, 2021 and 2020.

### **Investments**

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. There were no Level 3 investments as of June 30, 2021 and 2020.

# God's Love We Deliver, Inc.

## Notes to Financial Statements

June 30, 2021

(With Summarized Financial Information as of and for the Year Ended June 30, 2020)

### Note 4: Contributions Receivable

Unconditional contributions receivable for ongoing operations and the building expansion campaign have been recorded at fair value. (The building expansion was completed in 2015 and certain contributions are being paid over a multi-year period.) Those receivables that are due in more than one year have been discounted to their present value using a discount rate between 0.51 and 4 percent as of June 30, 2021 and 2020, as follows:

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Due within one year	\$ 833,771	\$ 177,200	\$ 1,010,971
Due within one to two years	-	124,400	124,400
	833,771	301,600	1,135,371
Less discount to present value	-	(962)	(962)
Present value of contributions receivable	<u>\$ 833,771</u>	<u>\$ 300,638</u>	<u>\$ 1,134,409</u>

  

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Due within one year	\$ 88,708	\$ 179,440	\$ 268,148
Due within one to two years	-	129,440	129,440
	88,708	308,880	397,588
Less discount to present value	-	(4,117)	(4,117)
Present value of contributions receivable	<u>\$ 88,708</u>	<u>\$ 304,763</u>	<u>\$ 393,471</u>

# God's Love We Deliver, Inc.

## Notes to Financial Statements

June 30, 2021

(With Summarized Financial Information as of and for the Year Ended June 30, 2020)

### Note 5: Property and Equipment

	2021	2020	Estimated Useful Lives
Land	\$ 32,500	\$ 32,500	
Building and building improvements	30,772,161	30,726,836	5-31.5 years
Office furniture and fixtures	642,272	624,182	5 years
Delivery vehicles	1,483,518	1,272,648	5 years
Kitchen equipment	2,214,669	2,192,501	5-10 years
Computers and peripherals	1,645,692	1,638,285	5 years
	36,790,812	36,486,952	
Less accumulated depreciation	<u>(10,225,072)</u>	<u>(8,784,731)</u>	
	<u>\$ 26,565,740</u>	<u>\$ 27,702,221</u>	

The Organization owns its building at 166 Avenue of the Americas. The property is encumbered with restricted use covenants particular to the mission of the Organization.

### Note 6: Donated Services and Materials

The Organization depended on approximately 5,000 and 14,000 volunteers for the years ended June 30, 2021 and 2020, respectively, to carry out its mission, especially with regard to meal preparation and delivery. During the years ended June 30, 2021 and 2020, individuals and corporate groups contributed over 88,200 and 128,000 hours, respectively, of volunteer service valued at approximately \$1,322,000 and \$2,000,000, respectively. Without these volunteers, God's Love would have to hire paid staff to fulfill its mission, that would have increased salary, payroll tax and fringe benefit expenses.

In addition, throughout the year, the Board of Directors, Board of Trustees and others act in an advisory capacity on program, financial and fundraising matters. These individuals also assume additional duties with regard to events, building expansion and special projects. The Organization estimates that the value of this service was \$180,950 and \$128,167 for the years ended June 30, 2021 and 2020, respectively.

The reduction in volunteers during the year ending June 30, 2021 reflects social distancing and other measures taken by the Organization in response to the Covid 19 pandemic.

The value of service contributed by volunteers and advisors is not reflected in these financial statements because the service provided does not meet the criteria for recognition under accounting principles generally accepted in the United States of America.

# God's Love We Deliver, Inc.

## Notes to Financial Statements

June 30, 2021

(With Summarized Financial Information as of and for the Year Ended June 30, 2020)

Contributions of services are recognized when they are received if the services (a) create or enhance nonfinancial assets, or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not donated. The Organization received contributed legal services related to its public policy work, management matters and fundraising. For the years ended June 30, 2021 and 2020, the value of contributed legal and other professional services recognized as revenues and expenses in the accompanying financial statements was \$279,661 and \$64,645, respectively.

The fair value of donated materials was as follows:

	<u>2021</u>	<u>2020</u>
Donated materials	<u>\$ 75,596</u>	<u>\$ 233,031</u>

Donated materials include supplies, books, food, and items for sale and auction at special events.

### Note 7: Retirement Plan

Effective July 1, 1998, the Organization implemented a tax-sheltered annuity retirement plan in accordance with Section 403(b) of the Internal Revenue Code (the Plan). The Plan covers all full-time employees. Part-time employees who work a minimum of twenty hours per week are eligible to participate for the sole purpose of making contributions to the Plan. Employee contributions are voluntary and are determined on an individual basis, limited to the maximum amount allowable under federal tax regulations. All investment options are employee-directed. Both employee and employer contributions (and the related earnings) are fully and immediately vested. In addition, all employee contributions made to the Plan were matched in each pay period by the Organization in amounts up to 2 percent of total compensation. Furthermore, the Organization may make a year-end discretionary contribution to the Plan for all full-time employees who have completed a minimum of one thousand hours of service during the year in question and are still employed at the Organization at fiscal year-end. Employees are not required to make voluntary contributions to the Plan in order to receive the employer's annual contribution. The annual contribution to the Plan is determined by the Board of Directors.

For the years ended June 30, 2021 and 2020, eligible employees received a discretionary contribution of 2 percent of their total earnings. Pension expense for the years ended June 30, 2021 and 2020 was \$279,695 and \$232,743, respectively. The pension expense includes both the match in each pay period and the year-end discretionary contribution.

God's Love also sponsors a 457(b) Plan. As of June 30, 2021 and 2020, the liability was \$59,061 and \$44,700, respectively, which is included in accounts payable and accrued expenses on the statement of financial position. There were no contributions for the years ended June 30, 2021 and 2020.

# God's Love We Deliver, Inc.

## Notes to Financial Statements

June 30, 2021

(With Summarized Financial Information as of and for the Year Ended June 30, 2020)

### Note 8: Net Assets With Donor Restrictions

Net assets with donor restriction at June 30, 2021 and 2020 were available for the following activities:

	<u>2021</u>	<u>2020</u>
Meal preparation	\$ 182,502	\$ 870,085
Volunteer cultivation	-	75,334
Information technology enhancements	272,662	312,662
Delivery services	346,560	273,780
Public policy	102,779	117,500
Capital campaign	100,000	100,000
	<u>\$ 1,004,503</u>	<u>\$ 1,749,361</u>

Net assets released from restrictions during the year ended June 30, 2021 consist of the following:

Volunteer cultivation	\$ 75,334
Public policy	114,721
Meal preparation	1,317,900
Delivery services	327,220
Race to deliver	100,000
Information technology enhancements	40,000
	<u>\$ 1,975,175</u>

### Note 9: Joint Costs

The Organization has allocated joint costs (for informational materials and activities that include fundraising appeals) among program and supporting services as follows:

	<u>2021</u>	<u>2020</u>
Program	\$ 25,708	\$ 21,733
Fundraising	25,708	21,733
	<u>\$ 51,416</u>	<u>\$ 43,466</u>

The portion of cost allocated to program activities consists of that component of mailings that contain information about the Organization and the types of actions an individual may take with regard to a specific issue. Fundraising is that component of joint costs associated with asking for contributions. Additional fundraising activities that included program information were not eligible for allocation under generally accepted accounting principles and were treated exclusively as development expense.

# God's Love We Deliver, Inc.

## Notes to Financial Statements

June 30, 2021

(With Summarized Financial Information as of and for the Year Ended June 30, 2020)

### Note 10: Paycheck Protection Program Loan

On March 27, 2020, President Trump signed into law the *Coronavirus Aid, Relief, and Economic Security Act*. On May 3, 2020, the Organization received a loan in the amount of \$1,317,900 pursuant to the Paycheck Protection Program. The Organization has elected to account for the funding as a loan under ASC Topic 470, *Debt* as of June 30, 2020. On April 12, 2021, the Organization received notice from the lender that the PPP loan was forgiven in its entirety and was included in nonoperating activities in the accompanying statement of activities for the year ended June 30, 2021.

### Note 11: Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

#### **Contributions**

Six contributions receivable totaling \$1,492,039 represent a significant portion of the total contributions receivable as of June 30, 2021. Two contributions receivable totaling \$308,000 represent a significant portion of the total contributions receivable as of June 30, 2020.

There was no contribution revenue concentration for the year ended June 30, 2021. For the year ended June 30, 2020, approximately 17 percent of all contributions received was from one bequest.

For the years ended June 30, 2021 and 2020, approximately 16 percent and 20 percent, respectively, of total revenue is generated from special events. This represents concentration of risk to the Organization.

#### **Investments**

The Organization invests in various investment securities. Investment 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, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the accompanying statements of financial position.

# God's Love We Deliver, Inc.

## Notes to Financial Statements

June 30, 2021

(With Summarized Financial Information as of and for the Year Ended June 30, 2020)

### Note 12: Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2021 and 2020, comprise the following:

	<u>2021</u>	<u>2020</u>
Financial assets at year end		
Cash	\$ 6,021,919	\$ 4,745,648
Investments	19,152,859	15,257,714
Receivable	<u>3,740,354</u>	<u>2,943,434</u>
Total financial assets at year end	28,915,132	22,946,796
Less amounts not available to be used within one year		
With donor restrictions	<u>(1,004,503)</u>	<u>(1,749,361)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 27,910,629</u>	<u>\$ 21,197,435</u>

The Organization 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. The Organization monitors liquidity and cash flows on an ongoing basis to ensure an appropriate amount of cash and cash equivalents are available to meet current expenditure needs. Management reports its financial position regularly to different committees of the Board and to the whole Board.

### Note 13: Revenue from Contracts with Customers

#### *Managed Long-Term Care Revenue*

Revenue from contracts with long-term managed care providers is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for delivering meals to clients. These amounts are due from long-term managed care providers and other nonprofit organizations.

Revenue is recognized as performance obligations are satisfied, which is at a point in time when meals are delivered to the clients and the Organization does not believe it is required to provide additional goods or services related to that transaction.

#### *Special Events Revenue*

Revenue from special events is reported at the amount that reflects the consideration to which the Organization expect to be entitled in exchange for the direct cost of the benefits received by the participant at the event. These revenues are recognized over time.

# God's Love We Deliver, Inc.

## Notes to Financial Statements

June 30, 2021

(With Summarized Financial Information as of and for the Year Ended June 30, 2020)

### ***Transaction Price and Recognition***

The Organization determines the transaction price based on standard charges for economic value of special events admission tickets and contracted rates per meal delivered. Consideration amounts are not variable, and as the contracts are generally less than a year in duration, they do not have significant financing components.

Subsequent changes that are determined to be the result of denied claims are recorded as bad debt expense.

For the year ended June 30, 2021, the Organization recognized revenue of \$5,206,255 from meals delivered to the client at a point in time. The Organization recognized \$164,350 of revenue from the exchange for the direct cost of the benefits received by the participants of special events that occurred for the year ended June 30, 2021. The Organization recognized \$134,906 of revenue from miscellaneous income, merchandise sales, and shipping and handling fees for the year ended June 30, 2021.

### ***Contract Balances***

The following table provides information about the Organization's receivables from contracts with customers. There were no contract assets or liabilities as of June 30, 2021 or July 1, 2020.

	<u>2021</u>
Net managed care receivables, beginning of year	\$ 705,547
Net managed care receivables, end of year	565,755

### ***Financing Component***

The Organization has elected the practical expedient allowed under FASB ASC 606-10-32-18 and does not adjust the promised amount of consideration from clients for the effects of a significant financing component due to the Organization's expectation that the period between the time the service is provided to a client and the time the client pays for that service will be one year or less.

### **Note 14: Subsequent Events**

Subsequent events have been evaluated through January 19, 2022, which is the date the financial statements were available to be issued.

# **God's Love We Deliver, Inc.**

## **Notes to Financial Statements**

**June 30, 2021**

**(With Summarized Financial Information as of and for the Year Ended June 30, 2020)**

### **Note 15: Future Changes in Accounting Principles**

#### ***Accounting for Financial Instruments – Credit Losses***

FASB amended its standards related to the accounting for credit losses on financial instruments. This amendment introduces new guidance for accounting for credit losses on instruments including trade receivables and finance receivables. The new standard is effective for fiscal years beginning after December 15, 2022, including interim periods within those years. The Organization is in the process of evaluating the effect the amendment will have on the financial statements.