

**LOAVES & FISHES, INC.**

Financial Statements for the  
Years Ended September 30, 2019 and 2018  
and Independent Auditors' Report



GreerWalker



# GreerWalker

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Loaves & Fishes, Inc.:

We have audited the accompanying financial statements of Loaves & Fishes, Inc. (the "Organization") which comprise the statements of financial position as of September 30, 2019 and 2018, and the related statements of activities, the statement of functional expenses for the year ended September 30, 2019, and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with generally accepted auditing standards in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including 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 Organization'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 Organization'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 Loaves & Fishes, Inc. as of September 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with generally accepted accounting principles in the United States of America.

*Greer Walker LLP*

Certified Public Accountants  
February 6, 2020  
Charlotte, NC

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## **LOAVES & FISHES, INC.**

### STATEMENTS OF FINANCIAL POSITION SEPTEMBER 30, 2019 AND 2018

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<u>ASSETS</u>	<u>2019</u>	<u>2018</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 1,671,272	\$ 1,673,206
Unconditional promises to give	23,625	77,648
Food on hand	225,772	181,578
Prepaid expenses and other current assets	111,241	135,892
Total current assets	<u>2,031,910</u>	<u>2,068,324</u>
PROPERTY, NET	<u>259,356</u>	<u>113,714</u>
OTHER ASSETS:		
Investments	2,301,958	1,973,411
Intangible assets, net	78,188	1,340
Total other assets	<u>2,380,146</u>	<u>1,974,751</u>
TOTAL	<u>\$ 4,671,412</u>	<u>\$ 4,156,789</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable and other current liabilities	<u>\$ 54,892</u>	<u>\$ 36,645</u>
NET ASSETS:		
Without donor restrictions	1,273,591	1,087,902
Without donor restrictions - board designated for operating expenses	1,051,736	934,543
Without donor restrictions - board designated for endowment	2,120,375	1,819,075
With donor restrictions	170,818	278,624
Total net assets	<u>4,616,520</u>	<u>4,120,144</u>
TOTAL	<u>\$ 4,671,412</u>	<u>\$ 4,156,789</u>

See notes to financial statements.

**LOAVES & FISHES, INC.**STATEMENTS OF ACTIVITIES (CONTINUED ON PAGE 4)  
FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018

	Year ended September 30, 2019		
	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT:			
Contributed food	\$ 1,964,016	\$ -	\$ 1,964,016
Individual, church and other contributions	1,826,654	33,625	1,860,279
Other grants	407,596	20,000	427,596
Beverly Howard endowment fund	-	11,879	11,879
Special event revenue, net	53,826	-	53,826
Emergency Food & Shelter Program grant	-	6,000	6,000
Contributed advertising	56,409	-	56,409
Contributed office and warehouse space	32,700	-	32,700
Gain on investments, net	28,547	-	28,547
Interest	10,695	-	10,695
Net assets released from restrictions	179,310	(179,310)	-
Total support	<u>4,559,753</u>	<u>(107,806)</u>	<u>4,451,947</u>
EXPENSES:			
Program services	3,314,547	-	3,314,547
General and administrative	304,316	-	304,316
Fundraising	336,708	-	336,708
Total expenses	<u>3,955,571</u>	<u>-</u>	<u>3,955,571</u>
CHANGE IN NET ASSETS	604,182	(107,806)	496,376
NET ASSETS, BEGINNING OF YEAR	<u>3,841,520</u>	<u>278,624</u>	<u>4,120,144</u>
NET ASSETS, END OF YEAR	<u>\$ 4,445,702</u>	<u>\$ 170,818</u>	<u>\$ 4,616,520</u>

See notes to financial statements.

**LOAVES & FISHES, INC.**STATEMENTS OF ACTIVITIES (CONTINUED FROM PAGE 3)  
FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018

	Year ended September 30, 2018		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT:</b>			
Contributed food	\$ 1,714,674	\$ -	\$ 1,714,674
Individual, church and other contributions	3,106,339	19,650	3,125,989
Other grants	337,391	134,300	471,691
Beverly Howard endowment fund	6,450	-	6,450
Special event revenue, net	43,674	-	43,674
Emergency Food & Shelter Program grant	2,250	32,750	35,000
Contributed advertising	47,930	-	47,930
Contributed office and warehouse space	32,700	-	32,700
Gain on investments, net	48,484	-	48,484
Interest	6,996	-	6,996
Net assets released from restrictions	58,750	(58,750)	-
Total support	<u>5,405,638</u>	<u>127,950</u>	<u>5,533,588</u>
<b>EXPENSES:</b>			
<b>Program services:</b>			
Contributed food	1,775,229	-	1,775,229
Aid to pantries	387,918	-	387,918
Salaries	328,009	-	328,009
Rent and utilities	249,346	-	249,346
Insurance	59,485	-	59,485
Truck and delivery	34,493	-	34,493
Depreciation	24,402	-	24,402
Payroll taxes	24,718	-	24,718
Retirement plan contributions	14,850	-	14,850
Emergency Food & Shelter Program grant services	9,090	-	9,090
Telephone	5,505	-	5,505
Office supplies	2,743	-	2,743
Other	5,745	-	5,745
Total program services	<u>2,921,533</u>	<u>-</u>	<u>2,921,533</u>
<b>Supporting services:</b>			
Salaries	262,642	-	262,642
Fundraising	143,246	-	143,246
Professional fees	37,045	-	37,045
Insurance	46,107	-	46,107
Printing	47,287	-	47,287
Payroll taxes	19,158	-	19,158
Rent and utilities	19,619	-	19,619
Bank fees	12,941	-	12,941
Retirement plan contributions	11,510	-	11,510
Depreciation and amortization	3,904	-	3,904
Computer	2,873	-	2,873
Telephone	9,933	-	9,933
Office supplies	8,229	-	8,229
Other	20,442	-	20,442
Total supporting services	<u>644,936</u>	<u>-</u>	<u>644,936</u>
Total expenses	<u>3,566,469</u>	<u>-</u>	<u>3,566,469</u>
CHANGE IN NET ASSETS	1,839,169	127,950	1,967,119
NET ASSETS, BEGINNING OF YEAR	<u>2,002,351</u>	<u>150,674</u>	<u>2,153,025</u>
NET ASSETS, END OF YEAR	<u>\$ 3,841,520</u>	<u>\$ 278,624</u>	<u>\$ 4,120,144</u>

See notes to financial statements.

**LOAVES & FISHES, INC.**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Program Services	Support Services		Total
		General and Administrative	Fundraising	
Contributed food	\$ 1,919,822	\$ -	\$ -	\$ 1,919,822
Salaries	388,757	120,806	155,346	664,909
Aid to pantries	396,208	-	-	396,208
Rent and utilities	269,001	12,537	6,541	288,079
Fundraising	69,667	-	106,232	175,899
Insurance	67,878	21,142	27,187	116,207
Printing	-	57,316	7,038	64,354
Depreciation and amortization	60,810	2,244	666	63,720
Payroll taxes	28,818	8,976	11,543	49,337
Truck and delivery	42,829	-	1,302	44,131
Professional fees	16,541	26,128	-	42,669
Emergency Food & Shelter Program grant services	30,800	-	-	30,800
Retirement plan contributions	15,976	4,976	6,399	27,351
Bank fees	-	8,258	4,067	12,325
Computer	-	11,583	-	11,583
Telephone	4,632	4,426	2,213	11,271
Office supplies	2,808	5,617	2,808	11,233
Other	-	20,307	5,366	25,673
Total expenses	<u>\$ 3,314,547</u>	<u>\$ 304,316</u>	<u>\$ 336,708</u>	<u>\$ 3,955,571</u>

See notes to financial statements.

**LOAVES & FISHES, INC.**STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 496,376	\$ 1,967,119
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation and amortization	63,720	28,306
Contributions of property and intangible assets	(114,500)	-
Change in reserve and allowances	(100)	-
Gain on investments, net	(28,547)	(48,484)
Changes in operating assets and liabilities:		
Promises to give	54,123	(30,446)
Food on hand	(44,194)	60,555
Prepaid expenses and other current assets	24,650	(41,492)
Accounts payable and other liabilities	18,247	9,521
Net cash provided by operating activities	<u>469,775</u>	<u>1,945,079</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(300,000)	(1,600,000)
Purchases of property	<u>(171,709)</u>	<u>(40,495)</u>
Net cash applied to investing activities	<u>(471,709)</u>	<u>(1,640,495)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,934)	304,584
CASH AND CASH EQUIVALENTS BALANCE, BEGINNING OF YEAR	<u>1,673,206</u>	<u>1,368,622</u>
CASH AND CASH EQUIVALENTS BALANCE, END OF YEAR	<u>\$ 1,671,272</u>	<u>\$ 1,673,206</u>

See notes to financial statements.

## **LOAVES & FISHES, INC.**

### NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018

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#### 1. SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Operations - Loaves & Fishes, Inc. (the "Organization") operates as a not-for-profit organization whose principal function is to reduce the incidence of hunger and malnutrition in Mecklenburg County, North Carolina by procuring and distributing food supplies to the needy.

New Accounting Pronouncement - On August 18, 2016, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") 2016-14, Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset clarification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The ASU is effective for annual periods beginning after December 15, 2017. The Organization has adjusted the presentation of these financial statements accordingly such that the temporarily and permanently restricted net asset class have been combined and renamed net assets with donor restrictions and the unrestricted net asset class has been renamed net assets without donor restrictions.

Use of Accounting Estimates - The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of certain assets, liabilities and disclosures. Accordingly, the actual amounts could differ from those estimates. Any adjustments applied to estimated amounts are recognized in the fiscal year in which such adjustments are determined.

Financial Statement Presentation - The net assets of the Organization and changes therein are classified and reported as follows:

*Net assets without donor restrictions* - Net assets that are not restricted by donors or for which donor-imposed restrictions have expired.

*Net assets with donor restrictions* - Net assets that contain donor-imposed time or purpose restrictions that have not currently been met or restrictions stipulating that the amounts be maintained by the Organization in perpetuity.

Cash and Cash Equivalents - The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Organization maintains cash deposits with financial institutions that, at times, may exceed federally insured limits.

Food on Hand - Food on hand represents food which has been contributed or purchased and is available to be distributed. Such food is valued using the average cost per pound for contributed food or purchase cost for purchased food.

Property - Property is recorded at cost, if purchased, and at the estimated fair market value at the date of receipt, if contributed. Depreciation and amortization are calculated using the straight-line method over the estimated useful lives of the related assets. Contributed property is reported as unrestricted support unless the donor restricts the contributed asset to a specific purpose. The Organization records capital expenditures greater than \$250 as property.

Donated Services and Materials - A number of volunteers, including members of the Board of Directors and its committees, as well as various volunteer assistants contribute significant amounts of time to the Organization's program and support functions. The value of this contributed time does not meet the criteria for recognition of contributed services and, accordingly, is not reflected as support in the accompanying financial statements. Donated services that do meet the criteria for recognition, along with donated materials, are recorded at the estimated fair value as revenue and expense. (See Note 9.)

Advertising - The Organization's policy is to expense the cost of advertising as it is incurred.



Income Taxes - The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements. The Organization records liabilities for income tax positions taken or expected to be taken when those positions are deemed uncertain to be upheld in an examination by taxing authorities. No liabilities for uncertain income tax positions were recorded as of September 30, 2019 and 2018.

Functional Expense Classification - The Organization's functional expense classification and allocation policy is based on a review of the current organizational structure, and the identification, reclassification and allocation of certain employee, facility, and departmental expenses, which serve multiple functional areas.

Reclassifications - Certain amounts in the 2018 financial statements have been reclassified to conform with 2019 presentation. Such reclassifications had no effect on the previously reported net assets.

Subsequent Events - In preparing its financial statements, the Organization has evaluated subsequent events through February 6, 2020, which is the date the financial statements were available to be issued.

## 2. LIQUIDITY AND AVAILABILITY

Financial assets at year-end:	
Cash	\$ 1,671,272
Investments	2,301,958
Pledges receivable, net	<u>23,625</u>
Total financial assets	<u>3,996,855</u>
Less amounts not available to be used for general expenditures within one year:	
Restricted by donors with purpose restrictions	47,390
Restricted by donors in perpetuity	103,803
Designated by the Board of Directors for endowment fund	<u>2,120,375</u>
Financial assets not available to be used within one year	<u>2,271,568</u>
Financial assets available to meet general expenditures within one year	<u>\$ 1,725,287</u>

The Organization is substantially supported by contributions; however, a portion of its support is also received as restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In order to accomplish this, each year the board designates net assets to cover at least half the following year's cash operating expenses. In addition, it invests cash in excess of daily requirements in investments funds that are able to be drawn on for general expenditures.

## 3. PROMISES TO GIVE

Promises to give are recognized when a donor makes an unconditional promise to give cash or property to the Organization. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if restrictions expire in the fiscal year. All other donor restricted net assets are reported as net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions, as appropriate.

Promises to give as of September 30, 2019 and 2018 consisted of the following:

	<u>2019</u>	<u>2018</u>
Promises to give due in less than one year	\$ 24,450	\$ 78,573
Less: Allowance	<u>825</u>	<u>925</u>
Current promises to give	<u>\$ 23,625</u>	<u>\$ 77,648</u>

#### 4. PROPERTY

Property as of September 30, 2019 and 2018 consisted of the following:

	<u>2019</u>	<u>2018</u>
Office equipment	\$ 66,985	\$ 74,886
Vehicles	323,510	184,943
Furniture and fixtures	17,663	13,530
Warehouse equipment	<u>505,147</u>	<u>449,045</u>
	913,305	722,404
Less: Accumulated depreciation	<u>653,949</u>	<u>608,690</u>
Property, net	<u>\$ 259,356</u>	<u>\$ 113,714</u>

#### 5. FAIR VALUE MEASUREMENTS

The Board of Directors of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund is also classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 1) The duration and preservation of the fund
- 2) The purposes of the Organization and the donor-restricted endowment fund
- 3) General economic conditions
- 4) The possible effect of inflation and deflation
- 5) The expected total return from income and the appreciation of investments
- 6) Other resources of the Organization
- 7) The investment policy of the Organization

The Organization has investments that are reported at fair value in the accompanying statements of financial position.

Fair value is defined as 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.

The inputs used for valuing the Organization's investments are summarized in the three broad levels listed below:

- Level 1 - quoted prices in active markets for identical assets
- Level 2 - other significant observable inputs either directly or indirectly (including quoted prices for similar securities, interest rates, yield curves, credit risk, etc.)
- Level 3 - significant unobservable inputs

The inputs or methodologies used for valuing investments are not necessarily an indication of the risk associated with investing in those investments.

The fair value of investments is determined by reference to exchange or dealer-quoted market prices. If a quoted market price is not available, fair value is estimated using quoted market prices for similar investment securities.

The following table sets forth by level, within the fair value hierarchy, the Organization's investments at fair value as of September 30, 2019:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments with community foundations	\$ <u>          -</u>	\$ <u>          -</u>	\$ <u>2,301,958</u>	\$ <u>2,301,958</u>
Total investments at fair value	\$ <u>          -</u>	\$ <u>          -</u>	\$ <u>2,301,958</u>	\$ <u>2,301,958</u>

The following table sets forth by level, within the fair value hierarchy, the Organization's investments at fair value as of September 30, 2018:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments with community foundations	\$ <u>          -</u>	\$ <u>          -</u>	\$ <u>1,973,411</u>	\$ <u>1,973,411</u>
Total investments at fair value	\$ <u>          -</u>	\$ <u>          -</u>	\$ <u>1,973,411</u>	\$ <u>1,973,411</u>

The following table presents additional information about Level 3 assets and liabilities measured at fair value. Both observable and unobservable inputs may be used to determine the fair value of positions that the Organization has classified within the Level 3 category. As a result, the unrealized gains and losses for assets and liabilities within the Level 3 Category may include changes in fair value that were attributable to both observable (e.g., changes in market interest rates) and unobservable (e.g., changes in unobservable long-dated volatilities) inputs.

Changes in funds held by the Organization, Level 3 assets, measured at fair value on a recurring basis consisted of the following:

<u>For the year ended September 30</u>	<u>2019</u>	<u>2018</u>
Balance, beginning of year	\$ 1,973,411	\$ 324,927
Unrealized gain, net	28,547	48,484
Purchases, sales, issuances and settlements, net	<u>300,000</u>	<u>1,600,000</u>
Balance, end of year	<u>\$ 2,301,958</u>	<u>\$ 1,973,411</u>

6. AID TO PANTRIES

The Organization provides assistance to food pantries, located in certain Charlotte area churches and community centers, through distribution of food (including donated and purchased), supplies and administrative support. The pantries operate autonomously and are independent of the Organization. Accordingly, the results of these pantry operations are not reflected in the financial statements of the Organization.

7. EMERGENCY FOOD AND SHELTER PROGRAM

The Organization receives grants from the Emergency Food & Shelter Program ("EFSP"), a United States government program, which are to be used specifically for providing emergency shelter and food. Funds provided by the grants are used to purchase food certificates for individuals in need of assistance who cannot visit a pantry and to purchase low salt foods and fruit in light syrup to meet individuals' special dietary needs. The Organization received an EFSP grant of \$6,000 for the year ended September 30, 2019. As of September 30, 2019, the Organization had distributed \$2,190 worth of food and food certificates related to the prior year's undistributed food certificates. Food certificates (included in other current assets in the accompanying statement of financial position) as of September 30, 2019 and 2018 totaled \$6,390 and \$2,190, respectively.

8. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of September 30, 2019 and 2018 are available for the following purposes or periods:

	<u>2019</u>	<u>2018</u>
Investments held in perpetuity	\$ 103,803	\$ 91,924
Emergency Food & Shelter Program grant	12,390	32,750
Funds from various organizations restricted by time	19,625	39,650
Funds from various organizations with capital restrictions	<u>35,000</u>	<u>114,300</u>
Total	<u>\$ 170,818</u>	<u>\$ 278,624</u>

Net assets released from restrictions are as follows:

	<u>2019</u>	<u>2018</u>
Time restricted:		
Contributions restricted for operations	\$ 18,650	\$ 49,720
Purpose restricted:		
Emergency Food & Shelter Program grant	26,360	9,030
Capital expenditures	114,300	-
Other	<u>20,000</u>	<u>-</u>
Total	<u>\$ 179,310</u>	<u>\$ 58,750</u>

9. CONTRIBUTED MATERIALS

The Organization received contributions of food valued at \$1,964,016 and \$1,714,674 during the years ended September 30, 2019 and 2018, respectively. These amounts are recognized as support in the accompanying statements of activities.

The Organization paid a reduced rate for use of its warehouse facility during the years ended September 30, 2019 and 2018. The value of this donated rent was \$32,700 for each of the years ended September 30, 2019 and 2018. These amounts have been included as contributions and as rent expense in the accompanying statements of activities.

The Organization received donated advertising valued at \$56,409 and \$47,930 during the years ended September 30, 2019 and 2018, respectively. This amount has been included in contributions and as fundraising expense in the accompanying statements of activities.

The Organization received donated legal services valued at approximately \$23,000 during the year ended September 30, 2018. This amount has been included in contributions and as professional fees expense in the accompanying statements of activities.

10. RETIREMENT PLAN

Eligible employees of the Organization participate in a Simplified Employee Pension Plan which is administered by an unaffiliated agency. Employees must be employed for one year to be eligible to participate in the plan. The Organization contributes 5% of each employee's salary to the plan annually. Contributions to the plan by the Organization totaled \$27,351 and \$26,360 for the years ended September 30, 2019 and 2018, respectively.

11. LEASE COMMITMENTS

The Organization leases certain office and warehouse space and office equipment under agreements which are classified as operating leases. For the years ended September 30, 2019 and 2018, expenses, including donated rent, under these leases totaled approximately \$211,000 and \$182,000, respectively.

Approximate future lease commitments are as follows:

Year ending September 30:

2020	\$ 178,000
2021	178,000
2022	178,000
2023	<u>146,000</u>
Total	<u>\$ 680,000</u>

12. RELATED PARTIES

During the years ended September 30, 2019 and 2018, the Organization received contributions from board members and key employees totaling approximately \$39,000 and \$36,000, respectively.

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