SHARE OUR STRENGTH AND SUBSIDIARY

Consolidated Financial Statements and Supplementary Information

For the Year Ended June 30, 2021
(With Summarized Financial Information for the Year Ended June 30, 2020)

and
Report Thereon

Reports Required in Accordance with Uniform Guidance

For the Year Ended June 30, 2021

SHARE OUR STRENGTH AND SUBSIDIARY

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For the Year Ended June 30, 2021

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Share Our Strength and Subsidiary

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Share Our Strength and Subsidiary (Share Our Strength), which comprise the consolidated statement of financial position as of June 30, 2021, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

MARCUMGROUP
MEMBER

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Opinion

In our opinion, the 2021 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Share Our Strength and Subsidiary 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.

Other Matters

Report on the Summarized Comparative Financial Statements

We have previously audited the Share Our Strength and Subsidiary's 2020 financial statements, and in our report dated December 14, 2020, we expressed an unmodified audit opinion on those audited consolidated financial statements. 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 consolidated financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary consolidating information and the accompanying schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2021, on our consideration of Share Our Strength's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Share Our Strength's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Share Our Strength's internal control over financial reporting and compliance.

Marcum LLP

Washington, DC
December 14, 2021

SHARE OUR STRENGTH AND SUBSIDIARY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
June 30, 2021
(With Summarized Financial Information as of June 30, 2020)

	2021	2020
ASSETS		
Cash and cash equivalents	$ 78,652,473	$ 79,931,032
Accounts receivable, net	453,435	456,037
Grants and contributions receivable, net	35,676,197	24,962,066
Prepaid expenses and other assets	1,755,755	1,655,812
Investments	26,237,549	21,744,212
Deferred tax asset	228,427	94,500
Property and equipment, net	1,711,709	2,003,562
TOTAL ASSETS	$ 144,715,545	$ 130,847,221
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	$ 4,035,899	$ 2,000,614
Accrued salaries and employee benefits	2,700,611	1,906,091
Grants payable	8,601,134	7,045,395
Deferred revenue	485,935	359,934
Grant advance	190,112	153,000
Line of credit	-	500,000
Capital lease obligation	17,705	21,076
Deferred rent and leasehold incentives	3,006,648	3,443,113
Notes payable	305,044	738,150
TOTAL LIABILITIES	19,343,088	16,167,373
Net Assets		
Without donor restrictions		
Undesignated	74,179,310	67,155,443
Board-designated	14,248,244	13,417,648
Total Without Donor Restrictions	88,427,554	80,573,091
With donor restrictions	36,944,903	34,106,757
TOTAL NET ASSETS	125,372,457	114,679,848
TOTAL LIABILITIES AND NET ASSETS	$ 144,715,545	$ 130,847,221

The accompanying notes are an integral part of these consolidated financial statements.

SHARE OUR STRENGTH AND SUBSIDIARY

CONSOLIDATED STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021
(With Summarized Financial Information for the Year Ended June 30, 2020)

	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Total
REVENUE AND SUPPORT				
In-kind contributions:				
Public service announcements (PSAs) and advertising	$ 75,214,490	$ -	$ 75,214,490	$ 68,515,475
Other goods and services	139,357	-	139,357	1,075,438
Foundation grants and contributions	23,713,210	41,057,022	64,770,232	65,443,456
Individual contributions	39,842,929	1,125,659	40,968,588	35,955,444
Corporate sponsorships, contributions and partners	25,468,435	9,367,863	34,836,298	53,571,598
Government grants	-	2,785,694	2,785,694	3,814,307
Consulting revenue	2,817,112	-	2,817,112	3,142,398
Event ticket and auction revenue	459,403	-	459,403	4,761,730
Other revenue	600,365	-	600,365	567,014
Investment income, net	2,384,006	-	2,384,006	532,669
Net assets released from restrictions:				
Satisfaction of purpose restrictions	46,469,448	(46,469,448)	-	-
Satisfaction of time restrictions	5,028,644	(5,028,644)	-	-
TOTAL REVENUE AND SUPPORT	222,137,399	2,838,146	224,975,545	237,379,529
EXPENSES				
Program Services:				
Anti-hunger, anti-poverty initiatives, including in-kind PSAs and advertising of $38,856,892	150,362,755	-	150,362,755	104,440,074
Community Wealth Partners	4,267,636	-	4,267,636	4,123,484
Total Program Services	154,630,391	-	154,630,391	108,563,558
Supporting Services:				
Management and general	6,177,705	-	6,177,705	5,411,641
Fundraising:				
New York City Wine and Food Festival, including in-kind PSAs and advertising of $934,489	1,706,747	-	1,706,747	13,022,596
Other, including in-kind PSAs and advertising of $35,423,109	51,687,696	-	51,687,696	35,644,662
Direct donor benefits	80,397	-	80,397	1,318,356
Total Supporting Services	59,652,545	-	59,652,545	55,397,255
TOTAL EXPENSES	214,282,936	-	214,282,936	163,960,813
CHANGE IN NET ASSETS	7,854,463	2,838,146	10,692,609	73,418,716
NET ASSETS, BEGINNING OF YEAR	80,573,091	34,106,757	114,679,848	41,261,132
NET ASSETS, END OF YEAR	$ 88,427,554	$ 36,944,903	$ 125,372,457	$ 114,679,848

The accompanying notes are an integral part of these consolidated financial statements.

SHARE OUR STRENGTH AND SUBSIDIARY

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2021
(With Summarized Financial Information for the Year Ended June 30, 2020)

	Program Services			Supporting Services						
	Anti-Hunger, Anti-Poverty Initiatives	Community Wealth Partners	Total Program Services	Management and General	Fundraising NYCWFF	Fundraising Other	Direct Donor Benefits	Total Supporting Services	2021 Total	2020 Total
In-kind public service announcements and advertising	$ 38,856,892	$ -	$ 38,856,892	$ -	$ 934,489	$ 35,423,109	$ -	$ 36,357,598	$ 75,214,490	$ 68,515,475
Grants	75,268,538	-	75,268,538	-	-	-	-	-	75,268,538	32,929,741
Salaries, benefits and payroll taxes	20,508,140	2,857,323	23,365,463	3,843,986	345,259	7,828,459	-	12,017,704	35,383,167	30,107,280
Consulting and professional services	6,084,511	800,989	6,885,500	385,030	-	2,169,834	-	2,554,864	9,440,364	9,135,443
Printing, design and production	3,817,017	17,345	3,834,362	47,568	34,114	4,287,804	-	4,369,486	8,203,848	4,200,524
Meetings and events	1,663,979	983	1,664,962	87,947	220,578	506,677	80,397	895,599	2,560,561	9,969,461
Information technology	1,584,618	60,873	1,645,491	324,959	34,067	546,939	-	905,965	2,551,456	1,838,266
Rent	1,469,475	309,817	1,779,292	230,436	54,470	485,379	-	770,285	2,549,577	2,707,729
Fees and licenses	13	-	13	1,031,154	78,864	2	-	1,110,020	1,110,033	1,002,898
Postage	520,892	722	521,614	43,370	808	241,922	-	286,100	807,714	666,121
Office supplies, equipment and other	356,377	105,235	461,612	88,651	1,107	122,584	-	212,342	673,954	681,374
Depreciation and amortization	214,185	113,103	327,288	53,404	-	72,601	-	126,005	453,293	519,209
Travel	18,118	1,246	19,364	41,200	2,991	2,386	-	46,577	65,941	1,687,292
TOTAL EXPENSES	$ 150,362,755	$ 4,267,636	$ 154,630,391	$ 6,177,705	$ 1,706,747	$ 51,687,696	$ 80,397	$ 59,652,545	$ 214,282,936	$ 163,960,813

The accompanying notes are an integral part of these consolidated financial statements.

SHARE OUR STRENGTH AND SUBSIDIARY

CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2021
(With Summarized Financial Information for the Year Ended June 30, 2020)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 10,692,609	$ 73,418,716
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	453,293	519,209
Loss on disposal of property and equipment	355	3,778
Forgiveness on note payable	(418,000)	-
Change in discount on grants and contributions receivable	(51,528)	(113,389)
Deferred tax provision and change in allowance	(133,927)	(94,500)
Donated securities that could not be immediately liquidated	(1,250,022)	-
Unrealized loss (gain) on investments	(1,543,433)	103,925
Realized gain on sale of investments	(147,059)	(209,537)
Changes in assets and liabilities:		
Accounts receivable	2,602	402,507
Grants and contributions receivable	(10,662,603)	(6,040,691)
Prepaid expenses and other assets	(99,943)	825,528
Accounts payable and accrued expenses	2,035,285	(1,519,583)
Accrued salaries and employee benefits	794,520	(1,147,802)
Grants payable	1,555,739	4,068,970
Deferred revenue	126,001	(990,599)
Grant advance	37,112	153,000
Deferred rent and leasehold incentives	(436,465)	(333,295)
NET CASH PROVIDED BY OPERATING ACTIVITIES	954,536	69,046,237
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(161,795)	(204,492)
Purchases of investments	(9,089,323)	(27,857,370)
Proceeds from sale of investments	7,492,553	25,376,817
NET CASH USED IN INVESTING ACTIVITIES	(1,758,565)	(2,685,045)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from (repayments of) line of credit	(500,000)	500,000
Proceeds from notes payable	-	418,000
Principal repayments of notes payable	(15,106)	(29,850)
Principal payments on capital lease obligation	(3,371)	(8,815)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(518,477)	879,335
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,322,506)	67,240,527
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	80,008,324	12,767,797
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 78,685,818	$ 80,008,324
Reconciliation of cash and cash equivalents		
Cash and cash equivalents	$ 78,652,473	$ 79,931,032
Cash and cash equivalents held for investment purposes	33,345	77,292
Total Cash and Cash Equivalents	$ 78,685,818	$ 80,008,324
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash payments for interest	$ 14,187	$ 18,207
Cash payments for income taxes	$ 7,924	$ 36,994
NONCASH INVESTING AND FINANCING ACTIVITIES		
Equipment purchased under a capital lease	$ -	$ 23,638
Donated securities	$ 1,250,022	$ -
Forgiveness on note payable	$ 418,000	$ -

The accompanying notes are an integral part of these consolidated financial statements.

1. Organization and Summary of Significant Accounting Policies

Organization

Share Our Strength is one of the nation's leading anti-hunger organizations. Through its No Kid Hungry campaign, Share Our Strength is working to end childhood hunger in the United States by connecting kids in need with nutritious food and teaching their families how to cook healthy, affordable meals. The campaign also engages the public to make ending childhood hunger a national priority. To support these efforts, Share Our Strength raises funds in multiple ways, from individual donors and foundations, by developing cause-related marketing campaigns and securing corporate sponsorships, and by mobilizing volunteer-led special events across the country.

Community Wealth Partners, Inc. (CWP), a wholly owned for-profit subsidiary of Share Our Strength, was incorporated on March 31, 1997, in the state of Delaware. CWP partners with leaders, organizations and networks to solve problems at the magnitude they exist.

Share Our Strength has been able to continue most of its operations in a remote environment during the COVID-19 outbreak, which has caused business disruption through mandated and voluntary closings of businesses across the country for non-essential services.

Principles of Consolidation

The consolidated financial statements include the accounts of Share Our Strength and CWP (collectively referred to as Share Our Strength). All intercompany transactions and balances were eliminated.

Basis of Accounting

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The consolidated financial statements are prepared using the accrual basis of accounting.

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with initial maturities of three months or less. Cash and cash equivalents held for investing purposes are considered investments.

Accounts Receivable and Grants and Contributions Receivable

Grants and contributions receivable that are expected to be collected within one year are recorded at net realizable value. Grants and contributions receivable that are expected to be collected in future years are recorded at the net present value of their estimated future cash flows. The face amount of accounts receivable and grants and contributions receivable is also reduced by an allowance for doubtful accounts. The allowance for doubtful accounts reflects the best estimate of probable losses, determined principally on the basis of historical experience and allowances for specifically identified delinquent accounts. All accounts, or portions thereof, that are deemed uncollectible, or that require an excessive collection cost, are written off to the allowance for doubtful accounts.

1. Organization and Summary of Significant Accounting Policies (continued)

Investments

Investments consist of cash and cash equivalents held for investment purposes, mutual funds, common stocks and exchange-traded funds. Investments are recorded in the accompanying consolidated financial statements at their fair value, as based upon quoted market prices, as of June 30, 2021. Fair value is the price that would be received to sell an asset or paid to transfer a liability through an orderly transaction between market participants at the measurement date. Purchases and sales are reflected on a trade-date basis. Interest, dividends and realized gains or losses are recorded when earned. Changes in the fair value of the portfolio are recorded as unrealized gains or losses. Donated investments are recorded as contributions based on their fair market value at the date of donation.

Fair Value of Financial Instruments

In accordance with the accounting standards for fair value measurement for those assets and liabilities that are measured at fair value on a recurring basis, Share Our Strength has categorized its applicable assets and liabilities measured at fair value into a required fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest-level input that is significant to the fair value measurement of the instrument.

Applicable financial assets and liabilities are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that Share Our Strength has the ability to access.

Level 2 – Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

As of and for the year ended June 30, 2021, only Share Our Strength's investments, as described in Note 4 to these consolidated financial statements, were measured at fair value on a recurring basis.

Property and Equipment and Related Depreciation and Amortization

Property and equipment are recorded at cost. Depreciation of furniture, fixtures, equipment and software is provided for on a straight-line basis over the estimated useful lives of the assets, which range from three to seven years. Leasehold improvements are amortized over the shorter of the lease term or useful life. The cost of property and equipment retired or

1. Organization and Summary of Significant Accounting Policies (continued)

Property and Equipment and Related Depreciation and Amortization (continued)

disposed of is removed from the accounts along with the related accumulated depreciation, and any gain or loss is reflected in income or expense in the accompanying consolidated statement of activities. Major additions are capitalized while replacements, maintenance and repairs that do not improve or extend the lives of the respective assets are expensed as incurred.

Grants Payable

Share Our Strength generally awards grants on an annual basis. Grants are expensed in the year in which the unconditional commitment to give is made to the grantee, in accordance with the grant term. Any amounts promised, but unpaid, as of June 30, 2021, are included in grants payable in the accompanying consolidated statement of financial position. All grants payable are due within one year.

Classification of Net Assets

Share Our Strength's net assets are reported as follows:

- Net assets without donor restrictions represent the portion of expendable funds that are available for any purpose in performing the primary objectives of Share Our Strength at the discretion of Share Our Strength's management and the Board of Directors (the Board). From time to time, the Board designates a portion of these net assets for specific purposes, which makes them unavailable for use at management's discretion. The Board has designated $14,248,244 of net assets without donor restrictions to serve as an operating reserve to allow Share Our Strength to fulfill its mission by supporting operations in the event of a future economic downturn and secure Share Our Strength's long-term financial viability. Release and use of Board-designated funds must be approved by the Finance Committee of the Board of Directors in response to a formal request submitted by management.
- Net assets with donor restrictions represent funds that are specifically restricted by donors for use in various programs and/or for a specific period of time. These donor restrictions can be temporary in nature in that they will be met by actions of Share Our Strength or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity. As of June 30, 2021, Share Our Strength had no net assets with donor restrictions that are required to be maintained in perpetuity.

Support and Revenue Recognition

Unconditional grants, contributions and sponsorships are reported as revenue and support in the year in which payments are received and/or unconditional promises to give are made. Grants and contributions are considered to be without donor restrictions unless specifically restricted by the donor. Share Our Strength reports such gifts of cash and other assets as having donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor

1. Organization and Summary of Significant Accounting Policies (continued)

Support and Revenue Recognition (continued)

restrictions and reported in the consolidated statement of activities as net assets released from restrictions. Unconditional grants and contributions that have been awarded to Share Our Strength, but not yet received, are reflected as grants and contributions receivable in the accompanying statement of financial position. A contribution is considered conditional if the agreement includes a measurable performance or barrier and a right of return. Conditional promises to give are not recognized until they become unconditional, that is, when the barrier(s) in the agreement are met. Conditional promises to give for which payments have been received but barrier(s) have not been met are recorded as grant advance in the accompanying consolidated statement of financial position.

Share Our Strength has cost-reimbursable grants and contracts with U.S. government agencies. Revenue from these grants and contracts are conditional upon certain performance requirements. Revenue from these U.S. government grants and contracts is recognized when Share Our Strength has incurred expenditures in compliance with the specific contract or grant provisions plus allowable indirect expenses. Revenue recognized on these grants and contracts for which billings have not been presented to, or collected from, the awarding agencies is included in grants and contributions receivable in the accompanying consolidated statement of financial position. Amounts received in advance are recorded as grant advance in the accompanying consolidated statement of financial position.

Event ticket sales are recognized in the period that the event occurs. Accordingly, event ticket sales collected in advance from customers are recorded as deferred revenue in the accompanying consolidated statement of financial position.

Share Our Strength generally earns consulting revenue under two types of contracts, time-and-materials and fixed price. These contracts are entered into with not-for-profit organizations and other socially conscience companies. Revenue on time-and-materials contracts is recognized to the extent of billable rates times hours delivered plus material expense incurred. Revenue on fixed-price contracts is recognized over time as Share Our Strength's performance does not create an asset with an alternative use and there is an enforceable right to payment for performance completed to date. Anticipated losses are recognized as soon as they become known. Share Our Strength recognized no anticipated losses on uncompleted contracts in the accompanying consolidated statement of activities for the year ended June 30, 2021 as any anticipated losses were determined to not be significant to the consolidated financial statements. Because of inherent uncertainties in estimating costs, it is at least reasonably possible that the estimates used will change within the near term.

Revenue recognized on contracts for which payments have not been received is reflected as accounts receivable in the accompanying consolidated statement of financial position. Contract assets represent accrued revenues that have not yet been billed to the customers due to certain contractual terms, and are usually billed shortly after this recognition. Contract assets are included in accounts receivable in the accompanying consolidated statement of financial position as contract assets were determined to not be significant to the consolidated financial statements. Contract payments received in advance, but not yet earned, are recorded as deferred revenue in the accompanying consolidated statement of financial position.

1. Organization and Summary of Significant Accounting Policies (continued)

Donated Goods and Services

In-kind contributions are recognized as both revenue and support and expenses in the accompanying consolidated statement of activities at their estimated fair value as provided by the donor at the date of donation. In-kind contributions are predominantly public service announcements (PSAs), other media spots, and print and web advertising.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying consolidated statement of functional expenses. Expenses directly attributable to a specific functional area have been reported as an expense of that function. Salaries and benefits of employees assigned to federal grants are allocated based on time sheets. Salaries and benefits of other employees are allocated to programs and other activities throughout the year using an estimated percentage of the share of time each employee spends in each area. This percentage is reviewed quarterly to ensure that it stays current and reflects the actual time spent. Shared costs that benefit multiple functional categories, such as rent, office and telecommunications, depreciation and amortization and other administrative costs, have been allocated among the functional categories based on estimates determined by management to be equitable.

Share Our Strength was a co-beneficiary, along with the Food Bank for New York City, of the net proceeds raised by NYCWFF. NYCWFF is an annual four-day event held in October that is directed by Southern Wine & Spirits. Share Our Strength includes its share of the NYCWFF financial results in these consolidated financial statements. Given that a significant portion of NYCWFF's activities are fundraising, NYCWFF's fundraising expenses are being separately reported to more accurately reflect Share Our Strength's functional expense allocation and business model.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. Accounts Receivable

Accounts receivable were comprised of the following as of June 30, 2021:

Consulting fees	$ 408,957
Other	51,978
Total Accounts Receivable	460,935
Less: Allowance for Doubtful Accounts	(7,500)
Accounts Receivable, Net	$ 453,435

3. Grants and Contributions Receivable

Grants and contributions receivable were due as follows as of June 30, 2021:

Amounts due in:	
Less than one year	$ 20,578,832
One to five years	15,171,000
Total Grants and Contributions Receivable	35,749,832
Less: Unamortized Discount	(73,635)
Grants and Contributions Receivable, Net	$35,676,197

Discount rates used for the year ended June 30, 2021, were between a range of 0.11% and 3.02%. All grants and contributions receivable were considered fully collectible as of June 30, 2021.

Share Our Strength has received several conditional grants totaling $2,398,500 as of June 30, 2021. Share Our Strength records revenue and support on these conditional grants as the conditions are met. During the year ended June 30, 2021, Share Our Strength recognized $313,688 of revenue with donor restrictions from these conditional grants. Share Our Strength recognized $400,000 of revenue from these conditional grants in prior fiscal years. As of June 30, 2021, Share Our Strength has yet to recognize revenue of $1,684,812. In addition, Share Our Strength received conditional cost-reimbursable grants from U.S. government agencies totaling $3,065,516. As of June 30, 2021, Share Our Strength had approximately $910,000 under the obligated amounts that had yet to be recognized because qualifying expenditures had not yet been incurred.

4. Investments

Share Our Strength's investments as of June 30, 2021, are summarized as follows:

Mutual funds	$ 23,844,170
Common stocks	1,188,741
Exchange-traded funds	1,171,293
Cash and cash equivalents	33,345
Total Investments	$ 26,237,549

4. Investments (continued)

Share Our Strength's investments, as classified in the fair value hierarchy, were as follows as of June 30, 2021:

	Fair Value	Quoted Prices in Active Markets for Identical Assets/ Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds	$ 23,844,170	$ 23,844,170	$ -	$ -
Common stocks	1,188,741	-	1,188,741	-
Exchange-traded funds	1,171,293	1,171,293	-	-
Total Investments Measured in Fair Value Hierarchy	26,204,204	$ 25,015,463	$ 1,188,741	$ -
Cash and cash equivalents	33,345			
Total Investments	$ 26,237,549			

Share Our Strength used the following methods and significant assumptions to estimate fair value for assets and liabilities recorded at fair value:

Mutual funds and exchange-traded funds – Value is based on quoted prices in active markets.

Common stocks – are classified at Level 2 of the valuation hierarchy as Share Our Strength cannot sell its common stock at the quoted price in active markets due to a lock-up period of 12 to 36 months, with the exact length of time dependent on several factors outside of Share Our Strength's control. No liquidity discount has been applied to the quoted price due to the fact that the discount would not be significant to the consolidated financial statements.

5. Property and Equipment and Accumulated Depreciation and Amortization

Property and equipment consisted of the following as of June 30, 2021:

Leasehold improvements	$ 3,214,150
Furniture, fixtures and equipment	1,321,694
Computer software and website	1,261,427
Total Property and Equipment	5,797,271
Less: Accumulated Depreciation and Amortization	(4,085,562)
Property and Equipment, Net	$ 1,711,709

Depreciation and amortization expense totaled $453,293 for the year ended June 30, 2021.

6. Notes Payable

In October 2017, CWP entered into two loan agreements with private foundations that are affiliated with CWP's board members. Each loan consists of a $100,000 note payable that bears interest at 1% per annum and is payable on a quarterly basis in twelve equal installments of principal and accrued interest, commencing November 30, 2019, and ending on November 30, 2022. In June 2020, an amendment was entered into to defer the payments related to these loans for one year and extend the maturity date to November 30, 2023.

In December 2017, CWP entered into a loan agreement with Share Our Strength for $200,000 that bears interest at 3% per annum and is payable on a quarterly basis in twelve equal installments of principal and accrued interest commencing December 30, 2019 and ending on December 30, 2022. In June 2020, an amendment was entered into to defer the payments related to this loan for one year and extend the maturity date to December 30, 2023. This is an intercompany transaction that is eliminated on the consolidated financial statements.

On July 30, 2018, CWP entered into a note agreement with a private foundation that is affiliated with CWP's board members. The note is for $150,000 and bears interest at a rate of 2% per annum and is payable on a quarterly basis in twelve equal installments of principal and accrued interest, commencing July 15, 2020, and ending on April 15, 2023. In June 2020, an amendment was entered into to defer the payments related to these loans for one year and extend the maturity date to April 15, 2024. The note is subject to certain financial covenants. As of June 30, 2021, CWP was not in compliance with certain financial covenants and has obtained a waiver from the private foundation.

In April 2020, CWP applied for and received a Payroll Protection Program (PPP) loan in the amount of $418,000. The loan matures in April 2022 with a fixed interest rate of 1% per annum. The payments of principal and interest are deferred during the first six months of the loan, with the first monthly installment due in November 2020, through maturity. The loan was forgiven by the Small Business Administration in April 2021, and the resulting loan forgiveness is included in other revenue in the accompanying consolidated statement of activities.

The scheduled future principal payments under the notes payable were as follows at June 30, 2021:

For the Year Ending June 30,	
2022	$ 130,204
2023	118,384
2024	56,456
Total Notes Payable	$ 305,044

7. Commitments

Office Leases

In March 2013, Share Our Strength entered into a 12-year noncancelable operating lease agreement for its office space in Washington, D.C. The lease for the 11th-floor space commenced on November 1, 2013 and extends through October 31, 2025. Base monthly rent for the 11th-floor space is $117,296 and is subject to annual increases of 2.5% per annum. The lease for the 10th-floor space commenced on November 1, 2014 and extends through October 31, 2025. Base monthly rent for the 10th-floor space is $32,873 and is subject to annual increases of 2.5% per annum. Share Our Strength is required to pay its proportionate share of any increases in real estate taxes and operating expenses of the building. As an incentive to enter into the lease, Share Our Strength received a 10-month rent abatement period on the 11th-floor space, as well as a 10-month rent abatement on the 10th-floor space and a tenant improvement allowance of $2,969,118, of which $2,890,070 was spent towards the acquisition of leasehold improvements and furniture, fixtures and equipment during the year ended December 31, 2013. In lieu of a security deposit, Share Our Strength delivered an irrevocable, unconditional letter of credit to the landlord in the amount of $150,169. As of April 2019, this letter of credit is secured through a carve-out on Share Our Strength's line of credit noted below.

Share Our Strength also has a noncancelable operating lease agreement for office space in Denver, Colorado through March 2022. The Denver lease also included a tenant improvement allowance of $94,075, which was spent toward the acquisition of leasehold improvements.

On May 6, 2011, CWP entered into a 10-year-and-eight-month noncancelable operating lease agreement for its office space in Washington, D.C. The lease commenced on October 1, 2011 and extends through May 31, 2022. The monthly base rent of $18,917 is subject to annual escalations of 2.5% in the years thereafter. CWP is also obligated to pay its proportionate share of the real estate taxes and excess operating costs. As an incentive to enter into the lease, CWP received a tenant improvement allowance of $255,375, of which $237,941 was spent toward the construction of tenant improvements, with the balance being applied against future rental payments due to the landlord.

On May 2, 2018, CWP signed an amendment to its existing lease agreement to lease additional office space adjacent to its existing Washington, D.C. office. The lease amendment took effect February 1, 2019 and extends the lease term for the expanded office space through May 2029. The amendment includes seven months of abated rent with monthly base rent of $28,590 and annual escalations of 2.5% in the years thereafter. As an incentive to enter into the amendment, CWP received a tenant improvement allowance of $421,040, which was used to improve the extension space.

In March 2020, CWP entered into a two-year sublease arrangement for use of part of their Washington, D.C. office space. Monthly rental payments due under this arrangement are $5,800 for the entire two-year term.

7. Commitments (continued)

Office Leases (continued)

Under GAAP, all fixed rent increases and lease incentives, including any rental abatements and tenant improvement allowances, are recognized on a straight-line basis over the term of the lease. The difference between this expense and the required lease payments is reflected as a deferred rent and leasehold incentive liability in the accompanying consolidated statement of financial position.

Total future minimum lease payments under these operating leases, net of expected sublease income, are as follows:

For the Year Ending June 30,	Rent Payments	Sublease Income	Net
2022	$ 2,651,024	$ (52,200)	$ 2,598,824
2023	2,615,826	-	2,615,826
2024	2,681,263	-	2,681,263
2025	2,748,334	-	2,748,334
2026	1,193,781	-	1,193,781
Thereafter	1,267,127	-	1,267,127
Total	$ 13,157,355	$ (52,200)	$ 13,105,155

Total rent expense for the year ended June 30, 2021, was $2,549,577.

Lines of Credit

On March 25, 2021, Share Our Strength renewed its line of credit with a financial institution for a principal amount of up to $5,000,000. The line is secured by Share Our Strength's personal property and expires on March 25, 2023. Share Our Strength is required to make monthly interest payments on any outstanding balance. Amounts drawn on this line accrue interest at the bank's prime rate minus 1%, but not less than 4%, and are payable on demand. The interest rate on the line of credit as of June 30, 2021 was 4%. There was no borrowing from this line of credit during the year ended June 30, 2021, and no amounts were outstanding as of June 30, 2021.

CWP has a $500,000 unsecured line of credit with its financial institution that was set to expire on December 17, 2021 and was renewed for an additional one-year period through December 2022. The line of credit bears an interest rate equal to the financial institution's prime rate plus 0.69%, or 3.94% as of June 30, 2021. There was no outstanding balance on line of credit as of June 30, 2021, and a $500,000 payment was made during the year ended June 30, 2021 to pay down the line of credit. Interest expense related to the line of credit was $1,696 for the year ended June 30, 2021.

8. Net Assets With Donor Restrictions

As of June 30, 2021, net assets with donor restrictions were restricted for the following purposes or period:

Subject to expenditure for specified purpose:	
No Kid Hungry	$ 8,429,407
Cooking Matters	943,744
Other purposes	621,458
Total Subject to Expenditure for Specified Purpose	9,994,609
Subject to occurrence of specified events/passage of time:	
Passage of time	26,950,294
Total Subject to Occurrence of Specified Events/ Passage of time	26,950,294
Total Net Assets With Donor Restrictions	$ 36,944,903

9. Risks and Contingencies

Concentration of Credit

Share Our Strength maintains its cash and cash equivalents with certain commercial financial institutions, which aggregate balances may exceed, at times, the Federal Deposit Insurance Corporation (FDIC) insured limit of $250,000 per depositor per institution. As of June 30, 2021, the balance exceeded the FDIC maximum insured limit by approximately $8,589,000. Share Our Strength monitors the creditworthiness of these institutions and has not experienced any historical credit losses on its cash and cash equivalents.

Compliance Audit

Share Our Strength has received federal grants that are subject to review, audit and adjustment by various federal agencies for qualified expenses charged to the grants. Such audits could lead to requests for reimbursement to the federal agencies for any expenditures or claims disallowed under the terms of the agreements. The amount of expenditures which may be disallowed by the federal agencies cannot be determined at this time although Share Our Strength expects such amounts, if any, to be insignificant.

10. Availability and Liquidity

Share Our Strength regularly monitors liquidity required to meet its annual operating needs and other contractual commitments, while also striving to preserve the principal and return on the investment of its funds. Share Our Strength's financial assets available within one year of the consolidated statement of financial position date for general expenditures at June 30, 2021 were as follows:

Cash and cash equivalents	$ 78,652,473
Accounts receivable, net	453,435
Grants and contributions receivable, net	35,676,197
Investments	26,237,549
Total Financial Assets Available	141,019,654
Less:	
Common stock included in investments and subject to a lock-up period	(1,188,741)
Amounts unavailable for general expenditures within one year due to donor's purpose restriction	(9,994,609)
Amounts unavailable for general expenditures within one year due to donor's time restriction	(11,591,000)
Amounts unavailable to management without Board approval: Board-designated funds	(14,248,244)
Financial Assets Available to Meet General Expenditures Within One Year	$103,997,060

Share Our Strength has various sources of liquidity at its disposal, including cash and cash equivalents and investments, which are available for general expenditures, liabilities and other obligations as they come due. Management is focused on sustaining the financial liquidity of Share Our Strength throughout the year. This is done through monitoring and reviewing Share Our Strength's cash flow needs on a weekly basis. As a result, management is aware of the cyclical nature of Share Our Strength's cash flow related to Share Our Strength's various funding sources and is therefore able to ensure that there is cash available to meet current liquidity needs, including principal payments for the notes payable. As part of its liquidity plan, excess cash is invested in publicly traded investment vehicles, including mutual funds and treasury notes, or is used to support organizational initiatives. Share Our Strength can liquidate the majority of its investments anytime, and therefore the investments are available to meet current cash flow needs. To help manage unanticipated liquidity needs, Share Our Strength has a committed line of credit of $5,000,000, of which the entire line was unused and available to draw upon as of June 30, 2021. Share Our Strength's line of credit is secured by Share Our Strength's personal property. Additionally, Share Our Strength has Board-designated net assets that could be available for current operations with Board approval, if necessary.

11. Donated Support

During the year ended June 30, 2021, Share Our Strength recognized support from in-kind goods and services as follows:

No Kid Hungry/NYCWFF – PSAs and advertising	$ 75,214,490
Food and beverage products	111,647
Legal and professional services	27,710
Total In-Kind Contributions	$ 75,353,847

Televised and digital PSAs have been donated to Share Our Strength, primarily from Discovery and Connect360 MultiMedia, to educate the general public about childhood hunger and to encourage the public to participate in Share Our Strength's No Kid Hungry program. PSAs are valued based on the number of times the announcements are played and the period in which the announcements are aired at the network's equivalent rate charged to paying customers. The associated PSA expense is recorded in either program service or fundraising expenses in the accompanying consolidated statement of activities, based on the purpose and content of the PSA.

Print, radio, web and television advertising have been donated primarily to publicize Share Our Strength's No Kid Hungry program, campaign events and the NYCWFF. The donated advertising is valued based on advertising rates in a similar manner as the PSAs and is recorded as either program services or fundraising expense in the accompanying consolidated statement of activities, based on the purpose and content of the advertising.

Food and beverage products are donated for use at Taste of the Nation, No Kid Hungry Dinners and the NYCWFF events. These costs are included in direct donor-benefit expenses in the accompanying consolidated statement of activities.

Donated legal and professional services are included in management and general expenses in the accompanying consolidated statement of activities.

12. Pension Plan

Share Our Strength sponsors a defined contribution pension plan covering substantially all full-time employees. Employees may elect to defer and contribute to the plan a portion of their compensation in amounts up to the maximum permitted by law. After one year of service, Share Our Strength matches elective deferrals up to 8% of compensation. Total pension expense for the year ended June 30, 2021, was $1,124,777.

13. Income Taxes

Share Our Strength is exempt from the payment of taxes under Section 501(c)(3) of the Internal Revenue Code on income other than net unrelated business income.

13. Income Taxes (continued)

CWP is subject to federal and state income taxes and files separate federal and applicable state income tax returns. The provision for income tax expense resulting from net operating income (loss) consists of the following for the year ended June 30, 2021:

Current federal income tax provision	$ -
Current state income tax provision	4,509
Total Current Income Tax Provision	4,509
Deferred Income Tax Expense	84,355
Change in the allowance for deferred tax asset	(218,282)
Income Tax Benefit, Net	$ (129,418)

Under the asset and liability method of accounting for income taxes, deferred tax assets and liabilities are recognized for the future tax consequences attributable to the difference between financial statement carrying amounts of existing assets and liabilities and their respective tax bases, operating loss and tax credit carry forwards. The net deferred tax asset consisted of the following as of June 30, 2021:

Deferred tax assets:	
Cumulative net operating losses	$ 347,463
Deferred tax liabilities:	
Accelerated depreciation	(119,036)
Subtotal	228,427
Allowance for deferred tax asset	-
Deferred Tax Asset, Net	$ 228,427

CWP's cumulative net operating losses totaled approximately $1,655,000 as of June 30, 2021, and expire in fiscal years 2031 through 2039.

As of June 30, 2021, CWP's management made a determination that CWP's future operations would be able to generate sufficient taxable income to realize a portion of its deferred tax asset prior to expiration of the underlying net operating losses. As a result, CWP reduced its deferred tax asset allowance to zero, which resulted in additional deferred tax benefit of $218,282 being recognized during the year ended June 30, 2021.

Share Our Strength performed an evaluation of uncertainty in tax positions for the year ended June 30, 2021, and determined that there are no matters that would require recognition in the consolidated financial statements or that may have any effect on its tax-exempt status. There are currently no examinations pending or in progress, regarding Share Our Strength's tax returns.

14. Allocation of Joint Costs

In applying the accounting standards related to joint costs of informational materials and activities that include a fundraising appeal, Share Our Strength identified activities as program, management and general, and fundraising in the following categories:

a. Education and awareness about hunger and food insecurity
b. Volunteer recruitment, mobilization and management

Taste of the Nation, No Kid Hungry Dinners, Chefs Cycle, NYCWFF and mail and email communications are platforms or vehicles used to accomplish one or more of the programs defined above. As such, the activities performed for each platform may be program-specific, fundraising, management and general, or joint (i.e., a combination of fundraising, program, and management and general).

The costs of providing programs and other activities have been summarized on a functional basis in the accompanying consolidated statement of functional expenses. Accordingly, joint costs of $5,336,323 relating to Taste of the Nation, NYCWFF, and mail and email communications for the year ended June 30, 2021, that included a fundraising appeal have been allocated among the programs and supporting services benefited. Of these costs, $2,979,949 was allocated to program services, $77,107 was allocated to management and general, and $2,279,267 was allocated to fundraising.

15. Prior Year Summarized Financial Information

The accompanying consolidated 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 GAAP. Accordingly, such information should be read in conjunction with Share Our Strength's consolidated financial statements for the year ended June 30, 2020, from which the summarized information was derived.

16. Subsequent Events

In preparing these consolidated financial statements, Share Our Strength has evaluated events and transactions for potential recognition or disclosure as of December 14, 2021, the date the consolidated financial statements were available to be issued. In October 2021, CWP entered into a sublease agreement to lease its Washington, D.C. office space. The lease term is June 1, 2022 through June 31, 2028 with annual rent for the first lease year of $259,216. The sublease is subject to annual escalation of 4.5%.

Except as disclosed above, there were no subsequent events that require recognition or disclosure in the consolidated financial statements.

SUPPLEMENTARY INFORMATION

SHARE OUR STRENGTH AND SUBSIDIARY

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
June 30, 2021

	Share Our Strength	Community Wealth Partners, Inc.	Eliminations	Consolidated
ASSETS				
Cash and cash equivalents	$ 76,106,581	$ 2,545,892	$ -	$ 78,652,473
Accounts receivable, net	80,783	401,457	(28,805)	453,435
Grants and contributions receivable, net	35,676,197	-	-	35,676,197
Prepaid expenses and other assets	2,314,071	72,117	(630,433)	1,755,755
Note receivable	150,000	-	(150,000)	-
Investments	26,237,549	-	-	26,237,549
Investment in CWP	1,026,049	-	(1,026,049)	-
Deferred tax asset	-	228,427	-	228,427
Property and equipment, net	1,169,139	542,570	-	1,711,709
TOTAL ASSETS	$ 142,760,369	$ 3,790,463	$ (1,835,287)	$ 144,715,545
LIABILITIES AND NET ASSETS				
Liabilities				
Accounts payable and accrued expenses	$ 3,944,531	$ 120,173	$ (28,805)	$ 4,035,899
Accrued salaries and employee benefits	2,362,113	338,498	-	2,700,611
Grants payable	8,601,134	-	-	8,601,134
Deferred revenue	26,264	1,090,104	(630,433)	485,935
Grant advance	190,112	-	-	190,112
Capital lease obligation	-	17,705	-	17,705
Deferred rent and leasehold incentives	2,263,758	742,890	-	3,006,648
Notes payable	-	455,044	(150,000)	305,044
TOTAL LIABILITIES	17,387,912	2,764,414	(809,238)	19,343,088
Net Assets				
Without donor restrictions				
Undesignated	74,179,310	-	-	74,179,310
Board-designated	14,248,244	-	-	14,248,244
Total without donor restrictions	88,427,554	-	-	88,427,554
With donor restrictions	36,944,903	-	-	36,944,903
TOTAL NET ASSETS	125,372,457	-	-	125,372,457
Stockholder's Equity (Deficit)				
Common stock; $0.01 par value; 10,000 shares authorized; 100 shares issued and outstanding	-	1	(1)	-
Additional paid-in-capital	-	1,671,343	(1,671,343)	-
Retained deficit	-	(645,295)	645,295	-
TOTAL STOCKHOLDER'S EQUITY (DEFICIT)	-	1,026,049	(1,026,049)	-
TOTAL NET ASSETS	125,372,457	1,026,049	(1,026,049)	125,372,457
TOTAL LIABILITIES AND NET ASSETS	$ 142,760,369	$ 3,790,463	$ (1,835,287)	$ 144,715,545

See independent auditors' report.

SHARE OUR STRENGTH AND SUBSIDIARY

CONSOLIDATING SCHEDULE OF ACTIVITIES
For the Year Ended June 30, 2021

	Share Our Strength					
	Without Donor Restrictions	With Donor Restrictions	Total	Community Wealth Partners, Inc.	Eliminations	Consolidated
REVENUE AND SUPPORT						
In-kind contributions:						
Public service announcements (PSAs) and advertising	$ 75,214,490	$ -	$ 75,214,490	$ -	$ -	$ 75,214,490
Other goods and services	139,357	-	139,357	-	-	139,357
Foundation grants and contributions	23,713,210	41,057,022	64,770,232	-	-	64,770,232
Individual contributions	39,842,929	1,125,659	40,968,588	-	-	40,968,588
Corporate sponsorships, contributions and partners	25,468,435	9,367,863	34,836,298	-	-	34,836,298
Government grants	-	2,785,694	2,785,694	-	-	2,785,694
Consulting revenue	-	-	-	4,756,359	(1,939,247)	2,817,112
Event ticket and auction revenue	459,403	-	459,403	-	-	459,403
Other revenue	161,362	-	161,362	487,600	(48,597)	600,365
Investment income, net	2,388,802	-	2,388,802	183	(4,979)	2,384,006
Net assets released from restrictions:						
Satisfaction of purpose restrictions	46,469,448	(46,469,448)	-	-	-	-
Satisfaction of time restrictions	5,028,644	(5,028,644)	-	-	-	-
TOTAL REVENUE AND SUPPORT	218,886,080	2,838,146	221,724,226	5,244,142	(1,992,823)	224,975,545
EXPENSES						
Program Services:						
Anti-hunger, Anti-poverty initiatives, including in-kind PSAs and advertising of $38,856,892	152,302,002	-	152,302,002	-	(1,939,247)	150,362,755
Community Wealth Partners, Inc.	-	-	-	4,321,212	(53,576)	4,267,636
Total Program Services	152,302,002	-	152,302,002	4,321,212	(1,992,823)	154,630,391
Supporting Services:						
Management and general	6,177,705	-	6,177,705	-	-	6,177,705
Fundraising:						
New York City Wine and Food Festival, including in-kind PSAs and advertising of $934,489	1,706,747	-	1,706,747	-	-	1,706,747
Other, including in-kind PSAs and advertising of $35,423,109	51,687,696	-	51,687,696	-	-	51,687,696
Direct donor benefits	80,397	-	80,397	-	-	80,397
Total Supporting Services	59,652,545	-	59,652,545	-	-	59,652,545
TOTAL EXPENSES	211,954,547	-	211,954,547	4,321,212	(1,992,823)	214,282,936
Change in net assets from operations before other items	6,931,533	2,838,146	9,769,679	922,930	-	10,692,609
OTHER ITEMS						
Equity in net income of subsidiary	922,930	-	922,930	-	(922,930)	-
CHANGE IN NET ASSETS	7,854,463	2,838,146	10,692,609	922,930	(922,930)	10,692,609
NET ASSETS, BEGINNING OF YEAR	80,573,091	34,106,757	114,679,848	103,119	(103,119)	114,679,848
NET ASSETS, END OF YEAR	$ 88,427,554	$ 36,944,903	$ 125,372,457	$ 1,026,049	$ (1,026,049)	$ 125,372,457

See independent auditors' report.

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors of
Share Our Strength and Subsidiary

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Share Our Strength and Subsidiary (Share Our Strength), which comprise the consolidated statement of financial position as of June 30, 2021, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated December 14, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Share Our Strength's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Share Our Strength's internal control. Accordingly, we do not express an opinion on the effectiveness of Share Our Strength's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

MARCUMGROUP
MEMBER

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Share Our Strength's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Marcum LLP

Washington, DC
December 14, 2021

INDEPENDENT AUDITORS' REPORT
ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY UNIFORM GUIDANCE

To the Board of Directors of
Share Our Strength and Subsidiary

Report on Compliance for Each Major Federal Program

We have audited Share Our Strength and Subsidiary's (Share Our Strength) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Share Our Strength's major federal program for the year ended June 30, 2021. Share Our Strength's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Share Our Strength's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Share Our Strength's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Share Our Strength's compliance.

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Opinion on Each Major Federal Program

In our opinion, Share Our Strength complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of Share Our Strength is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Share Our Strength's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Share Our Strength's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Marcum LLP

Washington, DC
December 14, 2021

SHARE OUR STRENGTH AND SUBSIDIARY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE				
AmeriCorps	94.006	N/A	$ -	$ 147,526
Total Corporation for National and Community Service			-	147,526
U.S. DEPARTMENT OF AGRICULTURE				
Supplemental Nutrition Assistance Program Cluster				
Pass-Through from Massachusetts Department of Transitional Assistance:				
Supplemental Nutrition Assistance Program	10.561	CT WEL 44003064 SOSCM 001A	-	599,684
Pass-Through from Colorado Department of Human Services				
Supplemental Nutrition Assistance Program	10.561	20 IHGA 141514/ 21 IHGA 163361	-	2,072,664
Total Supplemental Nutrition Assistance Program Cluster			-	2,672,348
Total U.S. Department of Agriculture			-	2,672,348
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ -	$ 2,819,874

See accompanying notes to this schedule.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (SEFA) includes the federal award activity of Share Our Strength under programs of the federal government for the year ended June 30, 2021. The information on the SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a selected portion of the operations of Share Our Strength, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Share Our Strength.

2. Basis of Accounting

Expenditures reported on the SEFA are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Indirect Cost Rate

Share Our Strength has elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

SHARE OUR STRENGTH AND SUBSIDIARY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2021

SECTION I – SUMMARY OF AUDITORS' RESULTS

Consolidated Financial Statements

Type of auditors' report issued on whether financial statements audited were prepared in accordance with GAAP:	X	Unmodified		Qualified
		Adverse		Disclaimer
Internal control over financial reporting:				
• Material weakness identified?		Yes	X	No
• Significant deficiency identified?		Yes	X	None Reported
Noncompliance material to consolidated financial statements noted?		Yes	X	No

Federal Awards

Type of auditors' report issued on compliance for major federal programs:	X	Unmodified		Qualified
		Adverse		Disclaimer
Internal control over major federal programs:				
• Material weakness identified?		Yes	X	No
• Significant deficiency identified?		Yes	X	None Reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR, 200 516(a)?		Yes	X	No

Identification of Major Federal Program:

CFDA Number	Program Title
10.561	Supplemental Nutrition Assistance Program

Dollar threshold used to distinguish between Type A and Type B programs: $ 750,000

Auditee qualified as a low-risk auditee?	X	Yes		No

SECTION II – FINANCIAL STATEMENT FINDINGS

None required to be reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None required to be reported.

SECTION IV – SUMMARY OF PRIOR YEAR FINDINGS

Financial Statement Audit Findings

None required to be reported.

Major Federal Award Programs Audit Findings and Questioned Costs

None required to be reported.