SHARE OUR STRENGTH AND SUBSIDIARY

Consolidated Financial Statements
and Supplementary Information

For the Year Ended June 30, 2022
(With Summarized Financial Information for the Year Ended June 30, 2021)

and
Report Thereon

SHARE OUR STRENGTH AND SUBSIDIARY

TABLE OF CONTENTS
For the Year Ended June 30, 2022

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Share Our Strength and Subsidiary

Opinion

We have audited 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, 2022, 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.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Share Our Strength as of June 30, 2022, 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.

Basis for Opinion

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

Responsibilities of Management 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, and for 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.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedules of financial position and activities 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 Matters

Report on Summarized Comparative Information

We have previously audited Share Our Strength's 2021 consolidated financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 14, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Marcum LLP

Washington, DC
December 9, 2022

SHARE OUR STRENGTH AND SUBSIDIARY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
June 30, 2022
(With Summarized Financial Information as of June 30, 2021)

	2022	2021
ASSETS		
Cash and cash equivalents	$ 17,513,338	$ 78,652,473
Accounts receivable, net	434,628	453,435
Grants and contributions receivable, net	25,855,669	35,676,197
Prepaid expenses and other assets	1,467,310	1,755,755
Investments	69,450,066	26,237,549
Deferred tax asset	285,829	228,427
Property and equipment, net	929,390	1,711,709
TOTAL ASSETS	$ 115,936,230	$ 144,715,545
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	$ 5,122,361	$ 4,035,899
Accrued salaries and employee benefits	2,433,412	2,700,611
Grants payable	6,914,558	8,601,134
Deferred revenue	1,266,972	485,935
Grant advance	361,390	190,112
Capital lease obligation	13,638	17,705
Lease obligation	677,535	-
Deferred rent and leasehold incentives	1,829,398	3,006,648
Notes payable	-	305,044
TOTAL LIABILITIES	18,619,264	19,343,088
Net Assets		
Without donor restrictions		
Undesignated	57,833,836	74,179,310
Board-designated	14,605,213	14,248,244
Total Without Donor Restrictions	72,439,049	88,427,554
With donor restrictions	24,877,917	36,944,903
TOTAL NET ASSETS	97,316,966	125,372,457
TOTAL LIABILITIES AND NET ASSETS	$ 115,936,230	$ 144,715,545

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, 2022
(With Summarized Financial Information for the Year Ended June 30, 2021)

	Without Donor Restrictions	With Donor Restrictions	2022 Total	2021 Total
REVENUE AND SUPPORT				
Individual contributions	$ 28,804,197	$ 1,390,252	$ 30,194,449	$ 40,968,588
Corporate sponsorships, contributions and partners	20,891,182	5,060,103	25,951,285	34,836,298
Foundation grants and contributions	12,360,131	12,791,470	25,151,601	64,770,232
Consulting revenue	4,551,875	-	4,551,875	2,817,112
In-kind contributions:				
Public service announcements (PSAs) and advertising	3,433,873	-	3,433,873	75,214,490
Other goods and services	380,447	-	380,447	139,357
Government grants	-	3,003,690	3,003,690	2,785,694
Event ticket and auction revenue	257,375	-	257,375	459,403
Other revenue	108,022	-	108,022	600,365
Investment income (loss), net	(2,436,030)	-	(2,436,030)	2,384,006
Net assets released from restrictions:				
Satisfaction of purpose restrictions	19,194,727	(19,194,727)	-	-
Satisfaction of time restrictions	15,117,774	(15,117,774)	-	-
TOTAL REVENUE AND SUPPORT	102,663,573	(12,066,986)	90,596,587	224,975,545
EXPENSES				
Program Services:				
Anti-hunger, anti-poverty initiatives, including in-kind PSAs and advertising of $3,178,077	82,644,225	-	82,644,225	150,362,755
Community Wealth Partners	5,883,990	-	5,883,990	4,267,636
Total Program Services	88,528,215	-	88,528,215	154,630,391
Supporting Services:				
Fundraising:				
New York City Wine and Food Festival, including in-kind PSAs and advertising	-	-	-	1,706,747
Other, including in-kind PSAs and advertising of $255,796	23,156,780	-	23,156,780	51,687,696
Management and general	6,687,031	-	6,687,031	6,177,705
Direct donor benefits	280,052	-	280,052	80,397
Total Supporting Services	30,123,863	-	30,123,863	59,652,545
TOTAL EXPENSES	118,652,078	-	118,652,078	214,282,936
CHANGE IN NET ASSETS	(15,988,505)	(12,066,986)	(28,055,491)	10,692,609
NET ASSETS, BEGINNING OF YEAR	88,427,554	36,944,903	125,372,457	114,679,848
NET ASSETS, END OF YEAR	$ 72,439,049	$ 24,877,917	$ 97,316,966	$ 125,372,457

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, 2022
(With Summarized Financial Information for the Year Ended June 30, 2021)

	Program Services			Supporting Services					
	Anti-Hunger, Anti-Poverty Initiatives	Community Wealth Partners	Total Program Services	Fundraising-Other	Management and General	Direct Donor Benefits	Total Supporting Services	2022 Total	2021 Total
Grants	$ 38,396,541	$ -	$ 38,396,541	$ -	$ -	$ -	$ -	$ 38,396,541	$ 75,268,538
Salaries, benefits and payroll taxes	22,763,685	2,640,217	25,403,902	8,254,155	4,408,995	-	12,663,150	38,067,052	35,383,167
Consulting and professional services	8,577,065	2,148,905	10,725,970	4,826,231	919,540	-	5,745,771	16,471,741	9,440,364
Printing, design and production	2,896,878	11,327	2,908,205	6,533,636	119,474	-	6,653,110	9,561,315	8,203,848
Meetings and events	2,585,611	24,089	2,609,700	1,183,534	79,082	280,052	1,542,668	4,152,368	2,560,561
In-kind public service announcements and advertising	3,178,077	-	3,178,077	255,796	-	-	255,796	3,433,873	75,214,490
Rent	1,379,566	761,702	2,141,268	450,886	233,208	-	684,094	2,825,362	2,549,577
Information technology	1,466,950	28,972	1,495,922	530,385	432,087	-	962,472	2,458,394	2,551,456
Postage	534,224	167	534,391	283,366	31,475	-	314,841	849,232	807,714
Fees and licenses	-	-	-	524,201	237,239	-	761,440	761,440	1,110,033
Office supplies, equipment and other	382,308	134,058	516,366	123,461	74,072	-	197,533	713,899	673,954
Travel	273,506	57,541	331,047	114,707	35,707	-	150,414	481,461	65,941
Depreciation and amortization	209,248	70,710	279,958	75,110	46,082	-	121,192	401,150	453,293
Taxes, interest and miscellaneous	566	6,302	6,868	1,312	70,070	-	71,382	78,250	-
TOTAL EXPENSES	$ 82,644,225	$ 5,883,990	$ 88,528,215	$ 23,156,780	$ 6,687,031	$ 280,052	$ 30,123,863	$ 118,652,078	$ 214,282,936

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, 2022
(With Summarized Financial Information for the Year Ended June 30, 2021)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (28,055,491)	$ 10,692,609
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	401,150	453,293
Loss on lease obligation	605,258	-
Loss on disposal of property and equipment	3,904	355
Forgiveness on note payable	-	(418,000)
Increase in allowance for uncollectible grants and contributions	66,941	-
Change in discount on grants and contributions receivable	(48,198)	(51,528)
Deferred tax provision and change in allowance	(57,402)	(133,927)
Donated securities that could not be immediately liquidated	-	(1,250,022)
Unrealized loss (gain) on investments	3,182,369	(1,543,433)
Realized gain on sale of investments	(261,951)	(147,059)
Changes in assets and liabilities:		
Accounts receivable	18,807	2,602
Grants and contributions receivable	9,801,785	(10,662,603)
Prepaid expenses and other assets	288,445	(99,943)
Accounts payable and accrued expenses	1,086,462	2,035,285
Accrued salaries and employee benefits	(267,199)	794,520
Grants payable	(1,686,576)	1,555,739
Deferred revenue	781,037	126,001
Grant advance	171,278	37,112
Lease obligation	(214,768)	-
Deferred rent and leasehold incentives	(462,182)	(436,465)
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	(14,646,331)	954,536
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(50,758)	(161,795)
Purchases of investments	(183,054,918)	(9,089,323)
Proceeds from sale of investments	136,888,638	7,492,553
NET CASH USED IN INVESTING ACTIVITIES	(46,217,038)	(1,758,565)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from (repayments of) line of credit	-	(500,000)
Principal repayments of notes payable	(305,044)	(15,106)
Principal payments on capital lease obligation	(4,067)	(3,371)
NET CASH USED IN FINANCING ACTIVITIES	(309,111)	(518,477)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(61,172,480)	(1,322,506)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	78,685,818	80,008,324
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 17,513,338	$ 78,685,818
Reconciliation of cash and cash equivalents		
Cash and cash equivalents	$ 17,513,338	$ 78,652,473
Cash and cash equivalents held for investment purposes	-	33,345
Total Cash and Cash Equivalents	$ 17,513,338	$ 78,685,818
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash payments for interest	$ 13,186	$ 14,187
Cash payments for income taxes	$ 6,812	$ 7,924
NONCASH INVESTING AND FINANCING ACTIVITIES		
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.

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.

Investments

Investments consist of US government and agency bonds, US Treasury bills, mutual funds, common stock, exchange-traded funds and money market funds. Investments are recorded in the accompanying consolidated financial statements at their fair value, as based upon quoted market prices, as of June 30, 2022. Fair value is the price that would be received to sell an

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

Investments (continued)

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, 2022, 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 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.

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

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, 2022, 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 $14,605,213 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, 2022, 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 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.

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

Support and Revenue Recognition (continued)

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, 2022 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

Donated Goods and Services

In-kind contributions include public services announcements (PSA's), media, print, web advertisements, food, legal and professional services (Note 10). Contributed goods and services are recorded at estimated fair value at the date of donation. In-kind expenses are reported as program or support cost when utilized and were recorded as unrestricted assets.

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

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.

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.

New Accounting Pronouncement

In September 2020, the Financial Accounting Standards Board (the FASB) issued Accounting Standards Update (ASU) 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*, to increase the transparency of contributed nonfinancial assets through enhancements to presentation and disclosure. ASU 2020-07 requires not-for-profits (NFPs) to present contributed nonfinancial assets as a separate line item in the statement of activities and provide additional disclosures about contributions of nonfinancial assets. The adoption of the standard did not result in a material change to the consolidated financial statements.

2. Accounts Receivable

Accounts receivable were comprised of the following as of June 30, 2022:

Consulting fees	$ 217,593
Other	224,535
Total Accounts Receivable	442,128
Less: Allowance for Doubtful Accounts	(7,500)
Accounts Receivable, Net	$ 434,628

3. Grants and Contributions Receivable

Grants and contributions receivable were due as follows as of June 30, 2022:

Amounts due in:	
Less than one year	$ 23,889,711
One to five years	2,058,333
Total Grants and Contributions Receivable	25.948,044
Less: Allowance for Doubtful Accounts	(66,941)
Less: Unamortized Discount	(25,434)
Grants and Contributions Receivable, Net	$ 25,855,669

Discount rates used for the year ended June 30, 2022, were between a range of 0.19% and 2.68%.

Share Our Strength has received several conditional grants totaling $5,267,899 as of June 30, 2022. Share Our Strength records revenue and support on these conditional grants as the conditions are met. During the year ended June 30, 2022, Share Our Strength recognized $849,709 of revenue with donor restrictions from these conditional grants. Share Our Strength recognized $803,800 of revenue from these conditional grants in prior fiscal years. As of June 30, 2022, Share Our Strength has yet to recognize revenue of $3,614,390. In addition, Share Our Strength received conditional cost-reimbursable grants from U.S. government agencies totaling $3,604,936. As of June 30, 2022, Share Our Strength had approximately $1,202,000 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, 2022, are summarized as follows:

US government and agency bonds	$ 35,828,361
Mutual funds	12,090,225
Common stocks	1,116,650
Exchange-traded funds	8,718,398
US Treasury bills	8,513,465
Money market funds	3,182,967
Total Investments	$ 69,450,066

4. Investments (continued)

Share Our Strength's investments, as classified in the fair value hierarchy, were as follows as of June 30, 2022:

	Fair Value	Quoted Prices in Active Markets for Identical Assets/ Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
US government and agency bonds	$ 35,828,361	$ 35,828,361	$ -	$ -
Mutual funds	12,090,225	12,090,225	-	-
Common stock	1,116,650	-	1,116,650	-
Exchange-traded funds	8,718,398	8,718,398	-	-
US Treasury bills	8,513,465	8,513,465	-	-
Money market funds	3,182,967	3,182,967	-	-
Total Investments Measured in Fair Value Hierarchy	$69,450,066	$68,333,416	$ 1,116,650	
Total Investments	$ 69,450,066			

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

Mutual funds, exchange-traded funds, money market funds, US Treasury bills and US government and agency bonds – 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, 2022:

Leasehold improvements	$ 2,447,109
Furniture, fixtures and equipment	1,016,564
Computer software and website	1,217,343
Total Property and Equipment	4,681,016
Less: Accumulated Depreciation and Amortization	(3,751,626)
Property and Equipment, Net	$ 929,390

5. Property and Equipment and Accumulated Depreciation and Amortization (continued)

Depreciation and amortization expense totaled $401,150 for the year ended June 30, 2022.

6. 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. The lease expired and was not renewed in March 2022.

Total future minimum lease payments under Share Our Strength's operating leases are as follows:

For the Year Ending June 30,	Rent Payments
2023	$ 2,242,523
2024	2,298,640
2025	2,356,162
2026	791,831
Total	$ 7,689,156

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.

6. Commitments (continued)

Office Leases (continued)

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 December 2021, CWP ceased use of the leased office space and entered into a noncancelable operating sublease with a third party to sublease its office facilities. The sublease commenced on June 1, 2022 and extends through June 30, 2028, with the first four months of rental payments abated as a lease incentive. The base monthly rent in the first year of the sublease is $21,601 and escalates at 4.5% per annum through the term of the sublease. There is an option within the sublease agreement to extend the sublease through May 31, 2029. In accordance with GAAP, CWP was required to recognize the costs to exit its existing lease agreement as a loss, including the costs that will continue to be incurred under the lease agreement, net of any sublease income and discounted to the present value. CWP recognized an exit loss and associated lease obligation totaling $605,258 for the year ended June 30, 2022.

At June 30, 2022, CWP was committed to pay the following rental payments under the terms of its old office lease, net of sublease income, were as follows:

For the Year Ending June 30,	Rental Payments	Sublease	Net
2023	$ 342,515	$ (195,384)	$ 147,131
2024	382,623	(271,896)	110,727
2025	392,172	(284,132)	108,040
2026	401,950	(296,918)	105,032
2027	411,988	(310,279)	101,709
Thereafter	855,140	(324,242)	530,898
Total	$ 2,786,388	$ (1,682,851)	1,103,537
Anticipated sublease renewal payments subsequent to June 30, 2028			(337,566)
Discount on future cash flows (5.5%)			(88,436)
Lease obligation			$ 677,535

Total rent expense for the year ended June 30, 2022, was $2,220,140.

6. Commitments (continued)

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, 2022 was 4%. There was no borrowing from this line of credit during the year ended June 30, 2022, and no amounts were outstanding as of June 30, 2022.

CWP has a $500,000 unsecured revolving line of credit with its financial institution that was originally was renewed on December 29, 2021 and is set to expire on December 17, 2022. The line of credit bears an interest rate equal to the financial institution's prime rate plus 0.69%, or 4.69% as of June 30, 2022. There was no outstanding balance on the line of credit as of June 30, 2022. There was no interest expense recognized during the year ended June 30, 2022.

7. Net Assets With Donor Restrictions

As of June 30, 2022, net assets with donor restrictions were restricted for the following purposes or period:

Subject to expenditure for specified purpose:	
No Kid Hungry	$ 5,863,191
Cooking Matters	171,581
Other purposes	3,539,573
Total Subject to Expenditure for Specified Purpose	9,574,345
Subject to occurrence of specified events/passage of time:	
Passage of time	15,303,572
Total Net Assets With Donor Restrictions	$ 24,877,917

8. 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, 2022, the balance exceeded the FDIC maximum insured limit by approximately $10,461,000. Share Our Strength monitors the creditworthiness of these institutions and has not experienced any historical credit losses on its cash and cash equivalents.

8. Risks and Contingencies (continued)

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.

9. 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, 2022 were as follows:

Cash and cash equivalents	$ 17,513,338
Accounts receivable, net	434,628
Grants and contributions receivable, net	25,855,669
Investments	69,450,066
Total Financial Assets Available	113,253,701
Less:	
Common stock included in investments and subject to a lock-up period	(1,116,650)
Amounts unavailable for general expenditures within one year due to donor's purpose restriction	(9,574,345)
Amounts unavailable for general expenditures within one year due to donor's time restriction	(675,000)
Amounts unavailable to management without Board approval: Board-designated funds	(14,605,213)
Financial Assets Available to Meet General Expenditures Within One Year	$ 87,282,493

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

9. Availability and Liquidity (continued)

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, 2022. 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.

10. Donated Support

During the year ended June 30, 2022, Share Our Strength recognized support from in-kind goods and services as follows:

No Kid Hungry – PSAs and advertising	$ 3,433,873
Food and beverage products	1,316
Legal and professional services	379,131
Total In-Kind Contributions	$ 3,814,320

Televised and digital PSAs have been donated to Share Our Strength, primarily from Discovery, iHeartRadio, and Connect360 MultiMedia, to educate the general public about childhood hunger and to encourage the public to participate in Share Our Strength's programs. PSAs are recorded at the estimated fair value as provided by the donor 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 programs and events. The donated advertising is recorded at the estimated fair value as provided by the donor 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 Chefs Cycle events. These costs are recorded at estimated fair value on the date of receipt and included in direct donor-benefit expenses in the accompanying consolidated statement of activities.

Donated legal and professional services are recorded at estimated fair value on the date of receipt and included in program and management and general expenses in the accompanying consolidated statement of activities.

All gifts-in-kind received during the years ended June 30, 2022 were recorded as without donor restrictions.

11. 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, 2022, was $1,217,434.

12. 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.

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, 2022:

Current federal income tax provision	$ -
Current state income tax provision	6,812
Total Current Income Tax Provision	6,812
Deferred Income Tax Benefit	(57,402)
Income Tax Benefit, Net	$ (50,590)

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, 2022:

Deferred tax assets:	
Cumulative net operating losses	$ 265,421
Lease obligation	127,104
Deferred tax liabilities:	
Accelerated depreciation	(106,696)
Deferred Tax Asset, Net	$ 285,829

CWP's cumulative net operating losses totaled approximately $1,264,000 as of June 30, 2022, and expire in fiscal years 2031 through 2039.

Share Our Strength performed an evaluation of uncertainty in tax positions for the year ended June 30, 2022, 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.

13. 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, 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 $3,721,104 relating to Taste of the Nation, No Kid hungry Dinners, and mail and email communications for the year ended June 30, 2022, that included a fundraising appeal have been allocated among the programs and supporting services benefited. Of these costs, $2,091,953 was allocated to program services, $28,121 was allocated to management and general, and $1,601,030 was allocated to fundraising.

14. Reclassification

Certain 2021 amounts have been reclassified to conform with the 2022 consolidated financial statements presentation.

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, 2021, 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 9, 2022, the date the consolidated financial statements were available to be issued. 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, 2022

	Share Our Strength	Community Wealth Partners, Inc.	Eliminations	Consolidated
ASSETS				
Cash and cash equivalents	$ 10,930,302	$ 6,583,036	$ -	$ 17,513,338
Accounts receivable, net	246,658	210,093	(22,123)	434,628
Grants and contributions receivable, net	25,855,669	-	-	25,855,669
Prepaid expenses and other assets	4,754,682	99,257	(3,386,629)	1,467,310
Investments	69,450,066	-	-	69,450,066
Investment in CWP	607,064	-	(607,064)	-
Deferred tax asset	-	285,829	-	285,829
Property and equipment, net	871,990	57,400	-	929,390
TOTAL ASSETS	$ 112,716,431	$ 7,235,615	$ (4,015,816)	$ 115,936,230
LIABILITIES AND NET ASSETS				
Liabilities				
Accounts payable and accrued expenses	$ 4,041,019	$ 1,103,465	$ (22,123)	$ 5,122,361
Accrued salaries and employee benefits	2,253,100	180,312	-	2,433,412
Grants payable	6,914,558	-	-	6,914,558
Deferred revenue	-	4,653,601	(3,386,629)	1,266,972
Grant advance	361,390	-	-	361,390
Capital lease obligation	-	13,638	-	13,638
Lease obligation	-	677,535	-	677,535
Deferred rent and leasehold incentives	1,829,398	-	-	1,829,398
TOTAL LIABILITIES	15,399,465	6,628,551	(3,408,752)	18,619,264
Net Assets				
Without donor restrictions				
Undesignated	57,833,836	-	-	57,833,836
Board-designated	14,605,213	-	-	14,605,213
Total without donor restrictions	72,439,049	-	-	72,439,049
With donor restrictions	24,877,917	-	-	24,877,917
TOTAL NET ASSETS	97,316,966	-	-	97,316,966
Stockholder's Equity				
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	-	(1,064,280)	1,064,280	-
TOTAL STOCKHOLDER'S EQUITY	-	607,064	(607,064)	-
TOTAL NET ASSETS	97,316,966	607,064	(607,064)	97,316,966
TOTAL LIABILITIES AND NET ASSETS	$ 112,716,431	$ 7,235,615	$ (4,015,816)	$ 115,936,230

See independent auditors' report.

SHARE OUR STRENGTH AND SUBSIDIARY

CONSOLIDATING SCHEDULE OF ACTIVITIES
For the Year Ended June 30, 2022

	Share Our Strength					
	Without Donor Restrictions	With Donor Restrictions	Total	Community Wealth Partners, Inc.	Eliminations	Consolidated
REVENUE AND SUPPORT						
Individual contributions	$ 28,804,197	$ 1,390,252	$ 30,194,449	$ -	$ -	$ 30,194,449
Corporate sponsorships, contributions and partners	20,891,182	5,060,103	25,951,285	-	-	25,951,285
Foundation grants and contributions	12,360,131	12,791,470	25,151,601	-	-	25,151,601
Consulting revenue	-	-	-	5,713,830	(1,161,955)	4,551,875
In-kind contributions:						
Public service announcements (PSAs) and advertising	3,433,873	-	3,433,873	-	-	3,433,873
Other goods and services	380,447	-	380,447	-	-	380,447
Government grants	-	3,003,690	3,003,690	-	-	3,003,690
Event ticket and auction revenue	257,375	-	257,375	-	-	257,375
Other revenue	155,900	-	155,900	11,600	(59,478)	108,022
Investment loss, net	(2,435,083)	-	(2,435,083)	387	(1,334)	(2,436,030)
Net assets released from restrictions:						
Satisfaction of purpose restrictions	19,194,727	(19,194,727)	-	-	-	-
Satisfaction of time restrictions	15,117,774	(15,117,774)	-	-	-	-
TOTAL REVENUE AND SUPPORT	98,160,523	(12,066,986)	86,093,537	5,725,817	(1,222,767)	90,596,587
EXPENSES						
Program Services:						
Anti-hunger, Anti-poverty initiatives, including in-kind PSAs and advertising of $3,178,077	83,806,180	-	83,806,180	-	(1,161,955)	82,644,225
Community Wealth Partners, Inc.	-	-	-	5,944,802	(60,812)	5,883,990
Total Program Services	83,806,180	-	83,806,180	5,944,802	(1,222,767)	88,528,215
Supporting Services:						
Management and general	6,687,031	-	6,687,031	-	-	6,687,031
Fundraising:						
Other, including in-kind PSAs and advertising of $255,796	23,156,780	-	23,156,780	-	-	23,156,780
Direct donor benefits	280,052	-	280,052	-	-	280,052
Total Supporting Services	30,123,863	-	30,123,863	-	-	30,123,863
TOTAL EXPENSES	113,930,043	-	113,930,043	5,944,802	(1,222,767)	118,652,078
Change in net assets from operations before other items	(15,769,520)	(12,066,986)	(27,836,506)	(218,985)	-	(28,055,491)
OTHER ITEMS						
Equity in net income of subsidiary	(218,985)	-	(218,985)	-	218,985	-
CHANGE IN NET ASSETS	(15,988,505)	(12,066,986)	(28,055,491)	(218,985)	218,985	(28,055,491)
Dividend issued to parent	-	-	-	(200,000)	200,000	-
NET ASSETS, BEGINNING OF YEAR	88,427,554	36,944,903	125,372,457	1,026,049	(1,026,049)	125,372,457
NET ASSETS, END OF YEAR	$ 72,439,049	$ 24,877,917	$ 97,316,966	$ 607,064	$ (607,064)	$ 97,316,966

See independent auditors' report.