

THE GATHERING OF SOUTHEAST WISCONSIN, INC.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021
(With Summarized Totals for the Year Ended June 30, 2020)

THE GATHERING OF SOUTHEAST WISCONSIN, INC.

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Independent Auditor's Report

Board of Directors
The Gathering of Southeast Wisconsin, Inc.

We have audited the accompanying financial statements of The Gathering of Southeast Wisconsin, Inc. which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Gathering of Southeast Wisconsin, Inc. as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Board of Directors
The Gathering of Southeast Wisconsin, Inc.

Report on Summarized Comparative Information

We have previously audited The Gathering of Southeast Wisconsin, Inc.'s June 30, 2020, financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 21, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.


RITZ HOLMAN LLP
Certified Public Accountants

Milwaukee, Wisconsin
April 27, 2022

THE GATHERING OF SOUTHEAST WISCONSIN, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021
(With Summarized Totals for June 30, 2020)

ASSETS	2021	2020
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 200,275	\$ 129,842
Grants Receivable	17,000	17,000
Prepaid Expenses	1,459	2,780
Total Current Assets	<u>\$ 218,734</u>	<u>\$ 149,622</u>
FIXED ASSETS		
Leasehold Improvements	\$ 26,644	\$ 13,825
Equipment	190,156	151,853
Total Fixed Assets	<u>\$ 216,800</u>	<u>\$ 165,678</u>
Less: Accumulated Depreciation	(57,638)	(65,076)
Net Fixed Assets	<u>\$ 159,162</u>	<u>\$ 100,602</u>
OTHER ASSETS		
Investments	\$ 302,704	\$ 245,822
Mooney Scholarship Fund	23,147	19,306
Beneficial Interest - Greater Milwaukee Foundation	162,690	133,920
Total Other Assets	<u>\$ 488,541</u>	<u>\$ 399,048</u>
TOTAL ASSETS	<u><u>\$ 866,437</u></u>	<u><u>\$ 649,272</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 9,548	\$ ---
Credit Card Payable	6,105	3,866
Accrued Payroll Liabilities	6,847	5,940
Current Portion of Paycheck Protection Program Loan	---	15,272
Total Current Liabilities	<u>\$ 22,500</u>	<u>\$ 25,078</u>
LONG-TERM LIABILITIES		
Paycheck Protection Program Loan	\$ ---	\$ 68,300
Less: Current Portion of Paycheck Protection Program Loan	---	(15,272)
Total Long-Term Liabilities	<u>\$ ---</u>	<u>\$ 53,028</u>
Total Liabilities	<u><u>\$ 22,500</u></u>	<u><u>\$ 78,106</u></u>
NET ASSETS		
Without Donor Restrictions	\$ 641,100	\$ 400,940
With Donor Restrictions	202,837	170,226
Total Net Assets	<u>\$ 843,937</u>	<u>\$ 571,166</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 866,437</u></u>	<u><u>\$ 649,272</u></u>

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

THE GATHERING OF SOUTHEAST WISCONSIN, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021
(With Summarized Totals for the Year Ended June 30, 2020)

	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Total
REVENUE				
Churches	\$ 44,236	\$ ---	\$ 44,236	\$ 42,612
Individuals	195,382	---	195,382	219,037
Corporations and Foundations	236,533	17,000	253,533	204,520
Memorials - Bequests	29,400	---	29,400	19,245
Hunger Relief Fund of Wisconsin	10,711	---	10,711	11,822
State and Federal Income	196,955	---	196,955	26,683
United Way	7,519	---	7,519	6,724
In-Kind Donations	364,555	---	364,555	400,359
Special Event Income	24,287	---	24,287	19,994
Special Event Expenses	(14,893)	---	(14,893)	(20,819)
Investment Income	61,543	32,611	94,154	17,984
Net Assets Released from Restrictions	17,000	(17,000)	---	---
Total Revenue	\$ 1,173,228	\$ 32,611	\$ 1,205,839	\$ 948,161
EXPENSES				
Community Meals Program	\$ 805,902	\$ ---	\$ 805,902	\$ 819,870
Management and Supporting Services	79,096	---	79,096	59,425
Fundraising	48,070	---	48,070	41,101
Total Expenses	\$ 933,068	\$ ---	\$ 933,068	\$ 920,396
CHANGE IN NET ASSETS	\$ 240,160	\$ 32,611	\$ 272,771	\$ 27,765
Net Assets, Beginning of Year	400,940	170,226	571,166	543,401
NET ASSETS, END OF YEAR	\$ 641,100	\$ 202,837	\$ 843,937	\$ 571,166

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

THE GATHERING OF SOUTHEAST WISCONSIN, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021
(With Summarized Totals for the Year Ended June 30, 2020)

	Community Meals Program	Management and Supporting Services	Fundraising	2021 Total	2020 Total
Salaries and Wages	\$ 258,607	\$ 28,384	\$ 28,383	\$ 315,374	\$ 314,547
Payroll Taxes	24,204	4,579	3,925	32,708	27,961
Employee Benefits	29,906	5,658	4,850	40,414	40,830
Retirement Benefits	6,286	1,189	1,019	8,494	5,491
Professional Fees	3,180	19,021	7,208	29,409	18,751
Accounting Fees	---	7,815	---	7,815	7,665
Insurance	8,826	1,558	---	10,384	9,264
Supplies	16,139	---	---	16,139	10,838
Office Expenses	6,523	1,505	2,007	10,035	2,243
Postage	849	170	678	1,697	1,538
Marketing	24,668	---	---	24,668	10,565
Program Expense	71,790	---	---	71,790	91,320
Equipment Rental and Maintenance	18,468	---	---	18,468	2,541
Food	253,745	---	---	253,745	307,494
Depreciation	26,174	---	---	26,174	12,551
Travel Expense	6,704	---	---	6,704	8,899
Membership Dues	2,729	---	---	2,729	1,080
Conferences and Meetings	1,994	---	---	1,994	1,161
Staff Development	2,293	---	---	2,293	1,283
Occupancy	36,836	9,209	---	46,045	46,365
Non-Capital Fixed Asset Purchases	5,565	---	---	5,565	4,832
Other Expenses	385	---	---	385	(6,943)
Interest Expense	31	8	---	39	120
Subtotal	<u>\$ 805,902</u>	<u>\$ 79,096</u>	<u>\$ 48,070</u>	<u>\$ 933,068</u>	<u>\$ 920,396</u>
Special Event Expenses					
Venue	\$ ---	\$ ---	\$ 3,968	\$ 3,968	\$ 10,629
Audiovisual Services	---	---	8,080	8,080	---
Marketing	---	---	2,687	2,687	---
Supplies	---	---	158	158	542
Printing	---	---	---	---	3,332
Fees	---	---	---	---	6,316
Total Special Events	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 14,893</u>	<u>\$ 14,893</u>	<u>\$ 20,819</u>
TOTAL EXPENSES	<u><u>\$ 805,902</u></u>	<u><u>\$ 79,096</u></u>	<u><u>\$ 62,963</u></u>	<u><u>\$ 947,961</u></u>	<u><u>\$ 941,215</u></u>

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

THE GATHERING OF SOUTHEAST WISCONSIN, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021
(With Summarized Totals for the Year Ended June 30, 2020)

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 272,771	\$ 27,765
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities		
Depreciation Expense	26,174	12,551
Donated Equipment Received	(56,660)	(15,663)
Equipment Donated to Other Organization	7,918	---
Unrealized and Realized (Gain) Loss on Investments	(87,094)	(9,468)
(Increase) Decrease in Grants Receivable	---	5,200
(Increase) Decrease in Prepaid Expenses	1,321	1,381
Increase (Decrease) in Accounts Payable	9,548	(1,300)
Increase (Decrease) in Credit Card Payable	2,239	906
Increase (Decrease) in Accrued Payroll and Liabilities	907	181
Forgiveness of Paycheck Protection Program Loan	(68,300)	---
Net Cash Provided by Operating Activities	<u>\$ 108,824</u>	<u>\$ 21,553</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sale of Investments	\$ 4,661	\$ 43,700
Purchases of Investments	(7,060)	(8,589)
Purchase of Fixed Assets	(35,992)	(70,476)
Net Cash Used by Investing Activities	<u>\$ (38,391)</u>	<u>\$ (35,365)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment on Capital Lease Obligation	\$ ---	\$ (1,356)
Proceeds from Paycheck Protection Program Loan	---	68,300
Net Cash Provided by Financing Activities	<u>\$ ---</u>	<u>\$ 66,944</u>
Net Increase in Cash and Cash Equivalents	\$ 70,433	\$ 53,132
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>129,842</u>	<u>76,710</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 200,275</u></u>	<u><u>\$ 129,842</u></u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest Paid	\$ 39	\$ 121
Donated Fixed Assets	56,660	15,663

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

THE GATHERING OF SOUTHEAST WISCONSIN, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

THE GATHERING OF SOUTHEAST WISCONSIN, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE A - Summary of Significant Accounting Policies

Organization

The Gathering of Southeast Wisconsin, Inc. provides meals and associated services or programs to those who would otherwise go hungry or without.

Accounting Method

The financial statements of the Organization have been prepared on the accrual basis of accounting.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents include all highly liquid debt instruments with original maturities of three months or less.

Fixed Assets

Fixed assets in excess of \$1,000 are recorded at cost. Depreciation is provided over the useful life of the assets using the straight-line method.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Management believes all receivables will be collected in accordance with the terms of the agreements. Thus, no allowance for uncollectible accounts is necessary at year end.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Contributions and Donations

All contributions are considered available for the Organization's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as net assets with donor restrictions and increase net assets with donor restrictions. Contributions received with restrictions that are met in the same reporting period are reported as revenue without donor restrictions and increase net assets without donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Investment income that is limited to specific uses by donor restrictions is reported as increases in net assets without donor restrictions if the restrictions are met in the same reporting period as the income is recognized.

THE GATHERING OF SOUTHEAST WISCONSIN, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE A - Summary of Significant Accounting Policies (continued)

Functional Expenses

The Organization allocates costs based on their functional and natural classification in the statement of functional expenses. Program costs are those associated with carrying out the mission of the Organization. Whenever possible, the Organization allocates costs directly to program, management or fundraising. The cost of individuals that participate in more than one function are allocated to each function based on that individual's time in each function. Other costs that relate to more than one function are allocated based on their estimated share in each function.

NOTE B - Comparative Financial Information

The financial information shown for 2020 in the accompanying financial statements is included to provide a basis for comparison with 2021 and presents summarized totals only. The comparative information is summarized by total only, not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity to generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2020, from which the summarized information was derived.

NOTE C - Future Accounting Pronouncements

Accounting Standards Update 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958) will be effective for fiscal years beginning after June 15, 2021. The amendments in this update are required and provide new presentation and disclosure requirements about contributed nonfinancial assets to nonprofits, including additional disclosure requirements for recognized contributed services. Contributed nonfinancial assets will be required to be reported as a separate line in the statement of activities. A financial statement note will be required to provide disaggregated contributed nonfinancial assets by category including: the type of contributed nonfinancial asset; qualitative information about the monetization or utilization of the nonfinancial assets; the policy about the monetization or utilization of nonfinancial assets; a description of restrictions, valuation, and the market used to determine the fair value. The amendments, required to be presented retrospectively to all periods presented, will not change the recognition and measurement requirements for those assets.

Accounting Standards Update 2016-02, Leases (Topic 842) will be effective for fiscal years beginning after December 15, 2021. This update requires the recognition of lease assets and lease liabilities on the statement of financial position measured at the present value of lease payments and requires disclosure of key information about the leasing arrangements.

Accounting Standards Update 2020-08, Receivables – Nonrefundable Fees and Other Costs (Topic 310-20) will be effective for fiscal years beginning after December 15, 2021. The amendments in this update represent changes to clarify the codification. An organization shall apply the amendment prospectively. This amendment impacts the effective yield of an existing individual callable debt security.

THE GATHERING OF SOUTHEAST WISCONSIN, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE C - Future Accounting Pronouncements (continued)

Accounting Standards Update 2016-13, Financial Instruments - Credit Losses (Topic 326) will be effective for fiscal years beginning after December 15, 2023. The main objective of this update is to provide financial statement users with more decision-useful information about the expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity at each reporting date. To achieve this objective, the amendments in this update replace the incurred loss impairment methodology in current GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates, including exploring more forward-looking alternatives.

NOTE D - Liquidity

The Organization has financial assets available to meet cash needs for general expenditure consisting of the following:

Cash	\$200,275
Grants Receivable	<u>17,000</u>
Total Financial Assets	<u>\$217,275</u>

The grants receivable are subject to implied time restrictions but are expected to be collected within one year. The Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

NOTE E - Beneficial Interest - Greater Milwaukee Foundation

The Organization has two accounts that are located at the Greater Milwaukee Foundation. The first account is a designated fund in which the Organization has a 100% beneficial interest. The balance of this account at June 30, 2021, was \$27,162. The principal from this account is inaccessible to the Organization; they only have access to the income earned. In accordance with generally accepted accounting principles, the principal amounts are not recorded on the Organization's statements of financial position.

The second account is the Gathering Memorial Fund, an Agency Endowment Fund, created by the Organization with the Greater Milwaukee Foundation. The balance of this account at June 30, 2021, was \$162,690. The principal from this account is inaccessible to the Organization; they only have access to the income earned.

The Organization has adopted Financial Accounting Standards Transfers of Assets to Not-for-Profit or Charitable Trust That Raises or Holds Contributions for Others. The Organization has designated itself as the sole beneficiary of the income from the investment of these funds. The board of trustees of the Greater Milwaukee Foundation shall have the power to modify any restriction or condition on the distribution of funds for any specified charitable purpose or to a specified organization if, in the sole judgment of the board, such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community served.

THE GATHERING OF SOUTHEAST WISCONSIN, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE F - Mooney Scholarship Fund

A donor-restricted endowment fund has been set up by the Organization for the Michelle Mooney Scholarship Fund of The Gathering. This money is held by the Trustees of Funds and Endowments, Inc. When the principal balance of the fund reaches \$10,000, distributions can be made. Distributions will be granted upon the recommendation of the Board of Directors of the Organization. At June 30, 2021, the fair value of this account was \$23,147.

NOTE G - Endowment

Interpretation of Relevant Law

The State of Wisconsin adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and Enhanced Disclosures for All Endowment Funds. UPMIFA requires that the portion of a donor-restricted endowment fund that is to be held in perpetuity is not reduced by losses on the investment of the fund, except to the extent required by the donor. Likewise, the amount of net assets held in perpetuity is not reduced by an organization's appropriations from the fund. The portion of the fund that is not classified as net assets held in perpetuity is reported as net assets with donor restrictions until appropriated for expenditure by the Organization.

The Organization has adopted the following investment objectives, goals and guidelines:

Investment Objectives

The Organization's investments are defined as a hybrid combination of endowment and savings account. When possible, investments will resemble an endowment with the principal remaining invested according to investment goals and guidelines below. However, should the Organization require additional dollars to fund operations (beyond what is available in cash and cash equivalents at the time), investments will serve as a reserve savings account, and a portion of the investments may be liquidated to fund operations as needed.

In accordance with the existing policy, investments are to remain within a target band of six (6) to twelve (12) months of the current fiscal year operating budget. Should investments drop below the six-month band or exceed the 12-month band, the Organization's financial position will be reassessed by the Board of Directors.

Investment Goals

Based on the investment objectives stated above, the goals pertaining to investments include:

- Capital preservation.
- Prudent growth over an investment cycle, defined as net returns exceeding inflation over a three- to five-year period in order to preserve purchasing power.
- Liquidity and accessibility to assets should they be needed to fund operations.
- Minimization of investment expenses, including mutual fund expense ratios and transaction costs.

THE GATHERING OF SOUTHEAST WISCONSIN, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE G - Endowment (continued)

While capital preservation is important, a strategy that is positioned too conservatively may, over time, lead to such low returns that inflation alone diminishes the relative value of the fund. Because The Gathering of Southeast Wisconsin, Inc. is an organization whose work will most likely be needed in perpetuity, investing for some growth over the long term is prudent even if it can be somewhat unsettling in the short term, particularly in the case of a market downturn. Investment according to the guidelines below should provide sufficient capital preservation in down markets while remaining invested in equities for long-term growth.

Investment Guidelines

Given the investment goals stated above, the following are allocation targets for investments:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Allowable Range</u>
Equity	60%	45 - 70%
Fixed Income*	40%	30 - 55%

*Fixed income includes cash and cash equivalents within assets designated as investments.

Direct investment in alternative investments (including, but not limited to, real estate and hedge funds) is not considered appropriate for the Organization's investments.

Fund distributions (dividends and capital gains) are to be reinvested.

Endowment net assets composition as of June 30, 2021, is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Net Assets</u>
Michelle Mooney Scholarship Fund	\$ ---	\$11,121	\$11,121
Scholarship Fund – Held in Perpetuity	<u>---</u>	<u>12,026</u>	<u>12,026</u>
Total	<u>\$ ---</u>	<u>\$23,147</u>	<u>\$23,147</u>

Changes in endowment net assets as of June 30, 2021 are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Net Assets</u>
Endowment Net Assets, Beginning of Year	\$ ---	\$19,306	\$19,306
Investment Income	<u>---</u>	<u>3,841</u>	<u>3,841</u>
Endowment Net Assets, End of Year	<u>\$ ---</u>	<u>\$23,147</u>	<u>\$23,147</u>

THE GATHERING OF SOUTHEAST WISCONSIN, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE H - Fair Value Measurements

The Organization has adopted the Financial Accounting Standards Board guidance on fair value measurements. A three-tier hierarchy is used to maximize the use of observable market data inputs and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. Financial assets valued using Level 1 inputs are based on unadjusted quoted market prices within active markets. Financial assets valued using Level 2 inputs are based primarily on quoted prices for similar assets in active or inactive markets. Financial assets valued using Level 3 inputs are based primarily on valuation models with significant unobservable pricing inputs and which result in the use of management estimates.

The following table sets forth, by level within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2021:

<u>Investment Category</u>	<u>Fair Value</u>	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual Funds	\$302,704	\$302,704	\$ ---	\$ ---
Michelle Mooney Fund	23,147	23,147	---	---
GMF Investments	<u>162,690</u>	<u>---</u>	<u>---</u>	<u>162,690</u>
Total	<u>\$488,541</u>	<u>\$325,821</u>	<u>\$ ---</u>	<u>\$162,690</u>

GMF Investments include equities securities, fixed income securities, absolute return hedge funds and long/short equity hedge funds. These funds are held by the Greater Milwaukee Foundation.

The Michelle Mooney Scholarship Fund of the Gathering includes cash and equities securities. The funds are held by the Trustees of Funds and Endowment, Inc.

THE GATHERING OF SOUTHEAST WISCONSIN, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE H - Fair Value Measurements (continued)

Assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

	<u>Fair Value Measurements Using Significant Unobservable Inputs (Level 3)</u>	
	<u>GMF Investment</u>	<u>Total</u>
Beginning Balance, July 01, 2020	\$133,920	\$133,920
Total Gains or Losses (Realized/Unrealized)	34,993	34,993
Grants Distributed	(4,661)	(4,661)
Investment Fees	<u>(1,562)</u>	<u>(1,562)</u>
Ending Balance, June 30, 2021	<u>\$162,690</u>	<u>\$162,690</u>

NOTE I - Operating Leases

The Organization operates at four different locations. At one location, the Organization entered into a three-year occupancy lease agreement on October 1, 2020. The monthly payments are \$1,600 as of June 30, 2021. The Organization has another one-year occupancy lease that will increase 3% upon renewal. The monthly payments are \$1,545 as of June 30, 2021. The other locations are on month-to-month agreements. Total occupancy expense for the year ended June 30, 2021 was \$46,045.

Future minimum payments required under the note are as follows:

<u>For the Year Ending June 30,</u>	<u>Amount</u>
2022	\$ 37,632
2023	38,217
2024	23,091
2025	<u>3,000</u>
Total	<u>\$101,940</u>

THE GATHERING OF SOUTHEAST WISCONSIN, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE J - In-Kind Donations

The Organization receives various in-kind donations. These in-kind donations are valued at fair market value on the date of donation and are included in both revenue and expenses.

In-kind donations consist of the following for the year ended June 30, 2021:

	<u>Amount</u>
Leadership Volunteers	\$ 69,207
Donated Fixed Assets	56,660
Marketing Services	2,400
Donated Food	<u>236,288</u>
Total	<u>\$364,555</u>

The Organization also received group and individual volunteer meal serving, cleaning, decorating, cooking assistance and organizing services at all meal sites for the year ended June 30, 2021.

NOTE K - Employment Contract

The Organization had a contract with a professional employer organization during 2021 to lease employees. The salaries, payroll taxes, and employee benefits have been allocated on the schedule of functional expenses for the Organization's leased employees.

NOTE L - Retirement Plan

The Organization maintains a 401(k) plan for all its employees. The Organization matches up to 5% of salaries for each employee. The Organization contributed \$8,494 to its retirement plan during the year ended June 30, 2021.

NOTE M - Net Assets With Donor Restrictions

At June 30, 2021, the Organization had \$202,837 of net assets with donor restrictions, which consisted of the following:

GMF	\$162,690
Mooney Investment - Held In Perpetuity	12,026
Mooney Scholarship Fund	11,121
Pledges Receivable	<u>17,000</u>
Total	<u>\$202,837</u>

THE GATHERING OF SOUTHEAST WISCONSIN, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE N - Income Taxes

The Organization is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and is classified as other than a private foundation. Management has reviewed all tax positions recognized in previously filed tax returns and those expected to be taken in future tax returns. As of June 30, 2021, the Organization had no amounts related to unrecognized income tax benefits and no amounts related to accrued interest and penalties. The Organization does not anticipate any significant changes to unrecognized income tax benefits over the next year.

NOTE O - Subsequent Event

The Organization has evaluated events and transactions occurring after June 30, 2021, the date of the most recent statement of financial position, through the date financial statements are available to be issued, April 27, 2022, for possible adjustment to the financial statements or disclosure and determined that no subsequent events need to be disclosed.

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of many businesses and nonprofit organizations. While the disruption is expected to be temporary, there is considerable uncertainty around the duration of the closings. The Organization may be affected by reduced funding or donations as well as postponement or cancellation of fundraising events. It is unknown at this time what, if any, negative impact on the Organization's financial position may be.