

MOTHERS' MILK BANK AT AUSTIN, INC.
(A Nonprofit Organization)
Financial Statements and
Independent Auditors' Report
For the Years Ended
December 31, 2021 and 2020

MOTHERS' MILK BANK AT AUSTIN, INC.
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Independent Auditors' Report

Board of Directors
Mothers' Milk Bank at Austin, Inc.

Opinion

We have audited the accompanying financial statements of Mothers' Milk Bank at Austin, Inc., a nonprofit organization (the Organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 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.

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

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 judgment made by a reasonable user based on the 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 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 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 the Organization'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

Atchley & Associates, LLP
Austin, Texas
July 25, 2022

MOTHERS' MILK BANK AT AUSTIN, INC.
Statements of Financial Position
December 31, 2021 and 2020

ASSETS

	2021	2020
Current assets		
Cash	\$ 3,201,511	\$ 1,505,034
Receivables		
Program service fees and other, net of allowance for uncollectible receivables of \$31,816 and \$31,816, respectively	837,190	699,382
Grants	74,000	14,697
Prepaid expenses	160,472	148,734
Inventory	40,442	42,896
Total current assets	4,313,615	2,410,743
Investments	3,185,669	3,061,080
Fixed assets		
Building	5,360,296	5,191,116
Land	1,605,060	1,605,060
Refrigerators and other equipment	457,298	446,620
Furniture and office equipment	219,164	211,447
Less accumulated depreciation	(1,143,487)	(961,066)
Net fixed assets	6,498,331	6,493,177
Deposits held by others	250	250
Total assets	\$ 13,997,865	\$ 11,965,250

The Notes to Financial Statements are an integral part of these financial statements.

MOTHERS' MILK BANK AT AUSTIN, INC.
Statements of Financial Position - Continued
December 31, 2021 and 2020

LIABILITIES AND NET ASSETS

	2021	2020
Current liabilities		
Accounts payable	\$ 74,046	\$ 71,373
Accrued salaries and taxes	3,560	3,696
Accrued vacation	84,816	59,557
Notes payable, current portion (see note 4)	188,716	188,716
Security deposits	7,656	7,656
Total current liabilities	358,794	330,998
Notes payable, noncurrent (see note 4)	1,635,948	1,723,207
Total liabilities	1,994,742	2,054,205
Net assets		
Net assets without donor restrictions		
Available for current operations	4,957,859	2,627,430
Investment in fixed assets	6,498,331	6,493,177
Total net assets without donor restrictions	11,456,190	9,120,607
Net assets with donor restrictions (see note 7)	546,933	790,438
Total net assets	12,003,123	9,911,045
Total liabilities and net assets	\$ 13,997,865	\$ 11,965,250

The Notes to Financial Statements are an integral part of these financial statements.

MOTHERS' MILK BANK AT AUSTIN, INC.
Statements of Activities
For the years ended December 31, 2021 and 2020

	2021	2020
Net assets without donor restrictions		
Revenues and other support		
Program service fees		
Clinical service fees	\$ 4,900,892	\$ 4,107,555
Contributions and other revenue		
Bottle revenue	285,760	180,327
Contributions	183,467	148,953
Contributed goods (see note 8)	14,642	1,325
Investment return, net	255,295	73,038
Other income	175,127	214,495
Net assets released from restrictions (see note 7)	417,566	183,252
Total revenues and other support	6,232,749	4,908,945
Expenses		
Cost of bottles sold	144,235	96,820
Program services		
Milk bank	3,293,741	3,091,244
Supporting services		
Management and general	351,493	330,679
Fundraising	107,697	116,154
Total expenses	3,897,166	3,634,897
Increase (decrease) in net assets without donor restrictions	2,335,583	1,274,048
Net assets with donor restrictions		
Contributions	174,061	65,199
Net assets released from restrictions (see note 7)	(417,566)	(183,252)
Increase (decrease) in net assets with donor restrictions	(243,505)	(118,053)
Change in net assets	2,092,078	1,155,995
Net assets, beginning of the year	9,911,045	8,755,050
Net assets, end of the year	\$ 12,003,123	\$ 9,911,045

The Notes to Financial Statements are an integral part of these financial statements.

MOTHERS' MILK BANK AT AUSTIN, INC.
Statement of Functional Expenses
For the year ended December 31, 2021

	Program Services - Milk Bank	Management and General	Fundraising	Total
Expenses				
Salaries	\$ 1,039,395	\$ 83,871	\$ 29,289	\$ 1,152,555
Fringe benefits	113,380	13,248	12,590	139,218
Payroll taxes	77,888	6,167	1,714	85,769
Total personnel costs	<u>1,230,663</u>	<u>103,286</u>	<u>43,593</u>	<u>1,377,542</u>
Other operating expenses				
Bad debt	12,792	-	-	12,792
Bank charges and interest	18,567	58,292	2,360	79,219
Charitable assistance	369,461	-	-	369,461
Clinical operations costs	1,139,810	-	-	1,139,810
Depreciation	146,150	18,135	18,135	182,420
Dues and subscriptions	36,314	4,366	1,568	42,248
Equipment leases	15,736	1,957	1,957	19,650
Events	268	-	12,157	12,425
In-kind expense	4,193	775	430	5,398
Insurance	43,562	5,447	5,447	54,456
Interest	-	86,127	-	86,127
Marketing	30,447	-	-	30,447
Meetings	4,635	1,114	100	5,849
Miscellaneous	5,677	665	136	6,478
Office supplies	26,815	4,805	2,761	34,381
Postage and delivery	8,417	1,765	1,253	11,435
Printing	21,534	301	372	22,207
Professional fees	11,944	18,668	1,190	31,802
Repairs and maintenance	27,736	33,287	2,840	63,863
Staff development	4,657	968	95	5,720
Technology expense	78,779	4,903	6,898	90,580
Telephone and communications	5,930	666	667	7,263
Travel	3,855	151	1	4,007
Utilities	45,542	5,737	5,737	57,016
Volunteer recognition	257	78	-	335
Total expenses	<u><u>\$ 3,293,741</u></u>	<u><u>\$ 351,493</u></u>	<u><u>\$ 107,697</u></u>	<u><u>\$ 3,752,931</u></u>

The Notes to Financial Statements are an integral part of these financial statements.

MOTHERS' MILK BANK AT AUSTIN, INC.
Statement of Functional Expenses
For the year ended December 31, 2020

	Program Services - Milk Bank	Management and General	Fundraising	Total
Expenses				
Salaries	\$ 918,135	\$ 95,063	\$ 37,523	\$ 1,050,721
Fringe benefits	98,309	12,742	12,455	123,506
Payroll taxes	69,855	7,555	3,450	80,860
Total personnel costs	<u>1,086,299</u>	<u>115,360</u>	<u>53,428</u>	<u>1,255,087</u>
Other operating expenses				
Bad debt	12,257	-	-	12,257
Bank charges and interest	16,714	43,880	1,223	61,817
Charitable assistance	244,974	-	-	244,974
Clinical operations costs	1,194,817	512	-	1,195,329
Depreciation	153,641	17,997	17,998	189,636
Dues and subscriptions	24,886	2,269	1,643	28,798
Equipment leases	16,732	2,091	2,092	20,915
Events	524	-	834	1,358
In-kind expense	800	375	-	1,175
Insurance	33,110	4,139	4,139	41,388
Interest	-	93,053	-	93,053
Marketing	25,829	-	338	26,167
Meetings	6,712	1,099	35	7,846
Miscellaneous	6,194	372	156	6,722
Office supplies	15,085	1,037	8,418	24,540
Postage and delivery	8,469	1,282	7,817	17,568
Printing	17,139	134	1,821	19,094
Professional fees	27,693	11,090	1,525	40,308
Repairs and maintenance	26,085	24,365	3,055	53,505
Staff development	1,319	207	20	1,546
Technology expense	124,985	4,901	5,849	135,735
Telephone and communications	5,755	666	666	7,087
Travel	1,346	739	125	2,210
Utilities	39,779	5,111	4,972	49,862
Volunteer recognition	100	-	-	100
Total expenses	<u><u>\$ 3,091,244</u></u>	<u><u>\$ 330,679</u></u>	<u><u>\$ 116,154</u></u>	<u><u>\$ 3,538,077</u></u>

The Notes to Financial Statements are an integral part of these financial statements.

MOTHERS' MILK BANK AT AUSTIN, INC.
Statements of Cash Flows
For the years ended December 31, 2021 and 2020

	2021	2020
Cash flows provided by (used by) operating activities		
Change in net assets	\$ 2,092,078	\$ 1,155,995
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	182,420	189,636
Bad debt expense	12,792	12,257
Unrealized/realized (gains) losses on investments	(237,355)	(60,413)
Non-cash interest expense from recoverable grant	85,731	93,053
(Increase) decrease in operating assets		
Receivables	(209,903)	167,022
Prepaid expense	(11,738)	(54,706)
Inventory	2,454	(30,715)
Increase (decrease) in operating liabilities		
Accounts payable	2,673	13,498
Accrued salaries and taxes	(136)	(199)
Accrued vacation	25,259	12,115
Net cash provided by (used by) operating activities	1,944,275	1,497,543
Cash flows provided by (used by) investing activities		
Purchase of fixed assets	(187,574)	(23,315)
Proceeds from sale of investments	1,153,711	-
Purchase of investments	(1,040,945)	(3,000,667)
Net cash provided by (used by) investing activities	(74,808)	(3,023,982)
Cash flows provided by (used by) financing activities		
Payments on notes payable	(172,990)	(188,716)
Net cash provided by (used by) financing activities	(172,990)	(188,716)
Net increase (decrease) in cash	1,696,477	(1,715,155)
Cash		
Beginning of year	1,505,034	3,220,189
End of year	\$ 3,201,511	\$ 1,505,034
Supplemental Disclosures of Cash Flow Information		
Cash Paid During the Year for:		
Interest	\$ 396	\$ 3,814

The Notes to Financial Statements are an integral part of these financial statements.

MOTHERS' MILK BANK AT AUSTIN, INC.
Notes to Financial Statements
December 31, 2021 and 2020

NOTE 1: DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Organization

Mothers' Milk Bank at Austin, Inc. (the Organization) is a nonprofit corporation whose mission is to save babies' lives by providing prescribed donor human milk. As such, the milk bank screens healthy lactating women, pasteurizes their milk, verifies safe product, and dispenses the milk to multiple hospitals and outpatients in multiple states. The Organization is a member of the Human Milk Banking Association of North America, a nonprofit membership corporation of all nonprofit milk banks on the continent.

The principal source of revenue and support for the Organization's mission is program service fees, supplemented by charitable contributions.

Summary of Significant Accounting Policies

Basis of Accounting: The accompanying financial statements have been prepared on the accrual basis of accounting.

Cash and Cash Equivalents: For the purposes of the statements of cash flows, the Organization considers money market funds and all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Trade Accounts Receivable: Trade accounts receivable are recorded at the amount the Organization expects to collect on outstanding balances. The Organization provides for probable uncollectible amounts through an allowance for doubtful accounts. As of December 31, 2021 and 2020, the allowance for doubtful accounts was \$31,816 and \$31,816, respectively.

Grant and Pledge Receivables: Grant and pledge receivables are recorded at the amount the Organization expects to collect on outstanding balances. Grant and pledge receivables that are due within one year are classified as current assets.

Fixed Assets: Fixed assets are capitalized at cost, if the cost is more than \$1,000 and if the estimated useful service life of the item is more than one year. Contributed property and equipment are recorded at fair value at the date of donation. Depreciation of fixed assets is computed over the estimated useful service life of the asset (generally 5-40 years) using the straight-line method of computation. Depreciation expense and accumulated depreciation reported in the financial statements are considered accounting estimates.

MOTHERS' MILK BANK AT AUSTIN, INC.
Notes to Financial Statements
December 31, 2021 and 2020

NOTE 1: DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Inventory: Inventory is valued at the lower of cost (first-in, first-out method) or net realizable value. Inventory at December 31, 2021 and 2020, consists of bottles to be sold to other milk banks.

Fair Value Measurements: Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value accounting requires characterization of the inputs used to measure fair value into a three-level fair value hierarchy as follows:

- Level 1 - Inputs based on quoted prices in active markets for identical assets or liabilities. An active market is a market in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 - Observable inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent from the organization.
- Level 3 - Unobservable inputs that reflect the organization's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available.

There are three general valuation techniques that may be used to measure fair value: 1) market approach - uses prices generated by market transactions involving identical or comparable assets or liabilities, 2) cost approach - uses the amount that currently would be required to replace the service capacity of an asset (replacement cost), and 3) income approach - uses valuation techniques to convert future amounts to present amounts based on current market expectations.

Investments: Investments were measured at fair value using the market approach and inputs were considered Level 1 under the fair value hierarchy. Changes in fair value of investments are reported as investment return in the statements of activities.

Income Taxes: The Organization is exempt from federal income taxes under Internal Revenue Code Sections 501(c)(3), except for unrelated business income. There were no unrelated business income tax expenses for the years ended December 31, 2021 and 2020.

MOTHERS' MILK BANK AT AUSTIN, INC.
Notes to Financial Statements
December 31, 2021 and 2020

NOTE 1: DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Income Taxes (continued): The Organization has adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740-10, which prescribes a comprehensive model for how an organization should measure, recognize, present, and disclose in its financial statements uncertain tax positions that an organization has taken or expects to take on a tax return.

The Organization's income tax returns are subject to review and examination by federal, state, and local authorities. The Organization is not aware of any activities that would jeopardize its tax-exempt status. The tax returns for the years ending December 31, 2018 to 2021, are open to examination by federal, local, and state authorities.

Recognition of Donor Restrictions: Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions upon which they depend are substantially met. Contributions without donor restrictions are recorded as an increase in net assets without donor restrictions available in the period in which the notice of the unconditional promise to give is received.

Contributions or grants, which contain donor-imposed restrictions or stipulations that the contribution cannot be used until a future period, are recorded as contributions with donor restrictions. Contributions or grants, which are restricted with respect to the expenditure of the funds, are recorded as increases in net assets with donor restrictions available in the period in which the notice of contribution or grant award is received. Net assets with donor restrictions are reclassified to net assets without donor restrictions in the period in which the use restriction has been met or the time restriction lapses.

Contributions or grants, which contain donor-imposed restrictions that the contribution be maintained permanently, are recorded as contributions with donor restrictions.

Accounting 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 the disclosure of contingent assets and liabilities at the date of the financial statements as well as the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

MOTHERS' MILK BANK AT AUSTIN, INC.

Notes to Financial Statements

December 31, 2021 and 2020

NOTE 1: DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Allocation of Costs: The Organization allocates common costs between program services, management and general, and fund raising by management's judgment of the estimated costs related to its activities. The estimates are reviewed periodically and the allocation of costs is revised, if necessary, to reflect changes in the activities of the Organization. The allocations reported in the financial statements are considered significant accounting estimates. These estimates may be adjusted as more current information becomes available and any adjustment could be significant. All expenses are allocated based on time and effort.

Clinical Operations Costs: Clinical operations costs include items such as microbiology tests of milk, bottles for processing, blood tests, and shipping costs.

Advertising: Advertising costs are expensed as incurred.

Subsequent Events: Management of the Organization has evaluated subsequent events for disclosure through the date of the independent auditors' report, the date the financial statements were available to be issued. See Note 11.

NOTE 2: CONCENTRATION OF CREDIT RISK

The Organization maintains cash balances at several financial institutions. A portion of such cash and cash equivalents is in excess of insurance limits provided by the Federal Deposit Insurance Corporation and the Securities Investor Protection Corporation. At December 31, 2021, the Organization's uninsured cash balance is \$2,573,114 and uninsured cash in brokerage accounts is \$0. The Organization considers its funds to be in high quality financial institutions, constantly monitors its financial positions with the institutions, and does not anticipate any nonperformance.

NOTE 3: INVESTMENTS

Investments consisted of the following at December 31:

	2021		2020	
	Cost	Market Value	Cost	Market Value
Cash alternatives	\$ -	\$ -	\$ 1,272,441	\$ 1,272,441
Mutual funds	1,836,183	1,941,076	1,311,198	1,352,368
Alternative investments	210,000	200,480	-	-
Stock	60,000	60,000	-	-
Exchange traded funds	836,196	984,113	414,479	436,271
	<u>\$ 2,942,379</u>	<u>\$ 3,185,669</u>	<u>\$ 2,998,118</u>	<u>\$ 3,061,080</u>

MOTHERS' MILK BANK AT AUSTIN, INC.
Notes to Financial Statements
December 31, 2021 and 2020

NOTE 3: INVESTMENTS - Continued

The following summarizes the return on investments for the years ended December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Interest income	\$ 35,154	\$ 15,880
Net unrealized/realized gains (losses)	237,355	60,413
Investment fees	<u>(17,214)</u>	<u>(3,255)</u>
Investment return, net	<u>\$ 255,295</u>	<u>\$ 73,038</u>

NOTE 4: NOTES PAYABLE

Notes payable consist of the following at December 31:

	<u>2021</u>	<u>2020</u>
Recoverable grant agreement with a foundation. The agreement requires monthly installments of \$15,726 commencing March 1, 2018, and continuing through March 28, 2026, with a final payment of \$1,305,287 on March 28, 2026. The recoverable grant is interest free.	\$ 2,107,331	\$ 2,280,321
	2,107,331	2,280,321
Less current portion	(188,716)	(188,716)
Less imputed interest from recoverable grant agreements	<u>(282,667)</u>	<u>(368,398)</u>
	<u>\$ 1,635,948</u>	<u>\$ 1,723,207</u>

Maturities of notes payable under the note agreements as of December 31, 2021, are:

<u>Year</u>	<u>Amount</u>
2022	\$ 188,716
2023	188,716
2024	188,716
2025	188,716
2026	<u>1,352,467</u>
	<u>\$ 2,107,331</u>

MOTHERS' MILK BANK AT AUSTIN, INC.
Notes to Financial Statements
December 31, 2021 and 2020

NOTE 4: NOTES PAYABLE - Continued

The carrying value of notes payable with lending institutions approximates fair value as the interest rates approximate market rates available for debt with similar terms. The fair value of recoverable grant agreements are recorded at the discounted present value of future payment obligations.

NOTE 5: LEASING REVENUES

The Organization entered into a leasing agreement with a company to lease out a suite from their property. The lease commenced on December 20, 2018, and terminates on June 30, 2024, with two options for extension periods of five years each. The first rent payment was in July 2019. The leasing agreement requires the tenant to pay the Organization between \$7,656 and \$8,644 per month until termination of the lease. Leasing revenue for the years ended December 31, 2021 and 2020, totaled \$96,322 and \$93,357, respectively. Following is a schedule by year of future minimum payments required under the lease agreement.

Year	Amount
2022	\$ 99,286
2023	102,249
2024	51,866
	\$ 253,401

NOTE 6: COMMITMENTS - OPERATING LEASES

The Organization leases office equipment under long-term, non-cancelable operating lease agreements. The leases require monthly rental payments and expire between August 16, 2023 and August 24, 2026. Following is a schedule by year of future minimum rental payments required under the operating lease agreements:

Year	Amount
2022	\$ 19,837
2023	14,551
2024	14,340
2025	14,340
2026	10,755
	\$ 73,823

MOTHERS' MILK BANK AT AUSTIN, INC.
Notes to Financial Statements
December 31, 2021 and 2020

NOTE 7: NET ASSETS WITH DONOR RESTRICTIONS

During 2021 and 2020, net assets with donor restrictions of \$417,566 and \$183,252, respectively, were released from accompanying stipulations due to the Organization's action or due to the passage of time and are reported as net assets released from restrictions in the statements of activities. Net assets released from restriction during the years ended December 31, 2021 and 2020, consisted of:

	2021	2020
Passage of time - contributions	\$ 85,731	\$ 93,053
Program expenses	331,835	90,199
	\$ 417,566	\$ 183,252

At December 31, 2021 and 2020, net assets with donor restrictions consisted of:

	2021	2020
Restricted for research lab expenditures	\$ 58,763	\$ 127,040
Rockefeller philanthropy	-	5,000
Educational program in community	205,503	290,000
Recoverable grant	282,667	368,398
	\$ 546,933	\$ 790,438

NOTE 8: CONTRIBUTED GOODS

The valuation of contributed goods is considered an accounting estimate. The estimate may be adjusted as more current information becomes available and any adjustment could be significant. For the years ended December 31, 2021 and 2020, the Organization pasteurized 970,202 and 814,721 ounces of milk, respectively, which were donated to the Organization. As the value of the donated milk cannot be reasonably estimated, no value has been assigned to it. During the years ended December 31, 2021 and 2020, other donated services and items valued at \$14,642 and \$1,325, respectively, were contributed to the Organization.

MOTHERS' MILK BANK AT AUSTIN, INC.
Notes to Financial Statements
December 31, 2021 and 2020

NOTE 9: EMPLOYEE BENEFIT PLAN

The Organization administers a 401(k) retirement plan (the Plan) covering all employees who have completed one year of service, which requires a minimum of 1,000 annual service hours, and who have attained age 18. The Organization matches 100% of salary deferrals up to 4% of eligible compensation. Employees are immediately vested in their salary deferrals. Employer contributions are vested after 2 years of service. The Organization contributed \$22,314 and \$24,426 to the Plan for the years ended December 31, 2021 and 2020, respectively. See Note 11.

NOTE 10: LIQUIDITY AND AVAILABILITY

The table below presents financial assets available for general expenditures within one year at December 31, 2021 and 2020:

	2021	2020
Financial assets at year end:		
Cash	\$ 3,201,511	\$ 1,505,034
Program service fees and other receivable	837,190	699,382
Grants receivable	74,000	14,697
Investments	3,185,669	3,061,080
Total financial assets	7,298,370	5,280,193
Less assets with donor restrictions	(546,933)	(790,438)
Financial assets available to meet general expenditures within one year	\$ 6,751,437	\$ 4,489,755

In addition to financial assets available to meet general expenditures within one year, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments. The Organization has various sources of liquidity at its disposal, including cash and cash equivalents, and grants.

MOTHERS' MILK BANK AT AUSTIN, INC.
Notes to Financial Statements
December 31, 2021 and 2020

NOTE 11: SUBSEQUENT EVENT

In 2022, the Organization amended the Plan described at Note 9. The Organization will contribute 2% of annual eligible compensation to all participants and will provide a 150% match of salary deferrals up to 4% of eligible compensation.