Feeding South Florida, Inc.

Financial Statements
For the Year Ended June 30, 2022

Keefe McCullough
CPA's + Trusted Advisors

Feeding South Florida, Inc.

Financial Statements
For the Year Ended June 30, 2022

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Keefe McCullough 50 YEARS
CPA's + Trusted Advisors

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Feeding South Florida, Inc.

Opinion

We have audited the accompanying financial statements of Feeding South Florida, Inc., (a nonprofit organization) (the "Organization"), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year 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 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. 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 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 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 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 available to be issued.

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Auditor's Responsibilities 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 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 generally accepted auditing standards 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 aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement 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 purposes 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 Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged at 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.

Keefe McCullough

KEEFE McCULLOUGH

Fort Lauderdale, Florida
March 29, 2023

FINANCIAL STATEMENTS

Keefe McCullough
CPA's + Trusted Advisors

Feeding South Florida, Inc.
Statement of Financial Position
June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Assets:			
Current Assets:			
Cash and cash equivalents	$ 30,584,969	$ 2,084,944	$ 32,669,913
Grant and contract receivables	905,136	-	905,136
Other receivables	75,984	-	75,984
Prepaids	553,501	-	553,501
Food inventory	3,980,216	-	3,980,216
Total current assets	36,099,806	2,084,944	38,184,750
Noncurrent Assets:			
Long-term investments	2,819,266	763,799	3,583,065
Property and equipment, net	7,081,276	-	7,081,276
Deposits	70,314	-	70,314
Total assets	$ 46,070,662	$ 2,848,743	$ 48,919,405
Liabilities:			
Current Liabilities:			
Accounts payable	$ 571,983	$ -	$ 571,983
Accrued expenses	518,003	-	518,003
Refundable advances	1,026,480	-	1,026,480
Total liabilities	2,116,466	-	2,116,466
Net Assets:			
Without donor restrictions:			
Undesignated	43,954,196	-	43,954,196
With donor restrictions:			
Purpose and time restrictions	-	2,848,743	2,848,743
Total net assets	43,954,196	2,848,743	46,802,939
Total liabilities and net assets	$ 46,070,662	$ 2,848,743	$ 48,919,405

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

Feeding South Florida, Inc.
Statement of Activities
For the Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Change in Net Assets:			
Public Support:			
Contributed food	$ 105,544,122	$ -	$ 105,544,122
Contributions	10,277,803	988,751	11,266,554
Grants:			
Federal government grants	16,892,851	-	16,892,851
State government grants	2,398,259	-	2,398,259
Other local agencies	342,327	-	342,327
Total public support	135,455,362	988,751	136,444,113
Revenues:			
Investment income (loss), net	(386,287)	(73,061)	(459,348)
Other income	530,227	-	530,227
Total revenue	143,940	(73,061)	70,879
Net assets released from restrictions	2,812,670	(2,812,670)	-
Total public support, revenue and net assets released from restrictions	138,411,972	(1,896,980)	136,514,992
Operating Expenses:			
Program services:			
Food distribution	131,009,121	-	131,009,121
Supporting services:			
Administrative	1,005,397	-	1,005,397
Development	1,223,869	-	1,223,869
Total supporting services	2,229,266	-	2,229,266
Total expenses	133,238,387	-	133,238,387
Change in net assets	5,173,585	(1,896,980)	3,276,605
Net Assets, July 1, 2021	38,780,611	4,745,723	43,526,334
Net Assets, June 30, 2022	$ 43,954,196	$ 2,848,743	$ 46,802,939

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

Feeding South Florida, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2022

	Program Services	Supporting Services			
	Food Distribution	Administrative	Development	Total Supporting	Total Expenses
Personnel Costs:					
Salaries	$ 3,510,678	$ 590,751	$ 337,972	$ 928,723	$ 4,439,401
Payroll taxes and employee benefits	648,043	91,555	54,669	146,224	794,267
Total personnel costs	4,158,721	682,306	392,641	1,074,947	5,233,668
Other Expenses:					
Contributed food activity	120,470,711	-	-	-	120,470,711
Purchased food activity	1,143,173	-	-	-	1,143,173
Professional fees, including $ 34,913 in-kind contributions	817,916	79,796	110,682	190,478	1,008,394
Rent	676,846	86,771	10,850	97,621	774,467
Auto and truck expense	626,471	-	-	-	626,471
Fundraising	-	-	608,873	608,873	608,873
Gas and oil	426,324	-	-	-	426,324
Insurance	339,965	33,167	20,729	53,896	393,861
Temporary labor	365,360	-	-	-	365,360
Repairs and maintenance	320,024	-	-	-	320,024
Employee recruiting and other	168,870	16,475	10,297	26,772	195,642
Utilities	168,015	16,392	10,244	26,636	194,651
Transportation and storage	191,839	-	-	-	191,839
Warehouse expense	149,832	-	-	-	149,832
Supplies	92,403	9,015	5,634	14,649	107,052
Dues, including Feeding America	61,033	5,954	3,721	9,675	70,708
Telephone	60,916	5,943	3,714	9,657	70,573
Equipment lease and rental	60,527	-	-	-	60,527
Interest expense and bank fees	32,428	3,164	1,977	5,141	37,569
Taxes	14,605	1,425	890	2,315	16,920
Travel	3,973	388	242	630	4,603
Total expenses before provision for depreciation	130,349,952	940,796	1,180,494	2,121,290	132,471,242
Provision for depreciation	659,169	64,601	43,375	107,976	767,145
Total expenses	$ 131,009,121	$ 1,005,397	$ 1,223,869	$ 2,229,266	$ 133,238,387

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

Feeding South Florida, Inc.
Statement of Cash Flows
For the Year Ended June 30, 2022

Cash Flows from Operating Activities:		
Change in net assets	$	3,276,605
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Provision for depreciation		767,145
Net realized/unrealized gain on investments		457,385
Donated stock		84,115
Changes in assets and liabilities:		
(Increase) decrease in assets:		
Grant and contract receivables		84,600
Other receivables		(15,984)
Prepaids		(124,761)
Food inventory		(1,375,206)
Increase (decrease) in liabilities:		
Accounts payable		98,870
Accrued expenses		(134,219)
Refundable advances		911,480
Net cash provided by operating activities		4,030,030
Cash Flows From Investing Activities:		
Sale of investments		1,194,215
Purchases of property and equipment		(561,608)
Purchase of investments		(4,075,384)
Net cash used in investing activities		(3,442,777)
Cash Flows from Financing Activities:		
Payments on debt		(2,002,428)
Net cash used in financing activities		(2,002,428)
Net decrease in cash and cash equivalents		(1,415,175)
Cash and Cash Equivalents, July 1, 2021		34,085,088
Cash and Cash Equivalents, June 30, 2022	$	32,669,913
Supplemental Disclosure of Cash Flow Information:		
Cash received during the year for interest and dividend income	$	74,948
Cash paid during the year for interest	$	32,404
Noncash investing and financing activities:		
Property and equipment acquired through increase in accounts payable	$	72,928

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

Note 1 - Organization and Operations

Feeding South Florida, Inc. (the "Organization") is a not-for-profit organization whose mission is to end hunger in South Florida by providing immediate access to nutritious food, leading hunger and poverty advocacy efforts, and transforming lives through innovative programming and education. The Organization is a member of Feeding America, a nationwide food bank network. As a regional food bank, the Organization rescues and distributes surplus food that would otherwise go to waste. All food is distributed to either end users directly or to charitable organizations that qualify for tax exempt status under the regulations of the Internal Revenue Code.

Note 2 - Summary of Significant Accounting Policies

Basis of accounting: The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Basis of presentation: The financial statement presentation follows the recommendation of the Financial Accounting Standards Board in its Accounting Standards Update (FASB ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements for Not-for-Profit Entities*. Under FASB ASU 2016-14, the Organization is required to report 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.

Net assets: Net assets and revenues are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- *Net Assets without Donor Restrictions* - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.
- *Net Assets with Donor Restrictions* - Net assets subject to donor (or certain grantor) imposed restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor or grantor. Other restrictions are perpetual in nature, where the donor or grantor stipulates that resources be maintained in perpetuity.

Generally, contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the 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. Non-cash contributions are recorded at their estimated fair value on the date received.

All contributions are considered available for general use, unless specifically restricted by the donor or subject to other legal restrictions.

Cash and cash equivalents: The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments: Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment income is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less investment expenses.

Note 2 - Summary of Significant Accounting Policies (continued)

Grant, contract, and other receivables: Grant and contract receivables consist principally of amounts due from federal, state, and local governmental agencies under contractual agreements. Other receivables consist of event sponsorships. Based on management's assessment, the Organization provides for estimated uncollectible amounts through a charge to expense and a credit to a valuation allowance. As of June 30, 2022, management considers all the receivables to be collectible within the current accounting period, so an allowance for doubtful accounts has not been recorded.

Food inventory: Food inventory is for distribution to qualified organizations only and is not available for resale. The Organization receives contributed food, which is recorded as public support, and food commodities under federal government grants. Both contributed food and grant food is recorded based on the estimated wholesale value of the distributable food received by the Organization. Purchased food inventory is stated at the lower cost or market using the first in, first out method.

Property and equipment: Purchased property and equipment, including leasehold improvements, are recorded at cost. It is the Organization's policy to capitalize all such fixed assets purchased or received by donation that cost $ 2,500 or more individually. Property and equipment is depreciated using the straight-line method over the following estimated useful lives:

Furniture and equipment	5-7 years
Warehouses and improvements	5-39 years
Automotive equipment	5 years

Maintenance and repairs to property and equipment are charged to expense when incurred.

Revenue recognition: The Organization recognizes contributions when cash, securities, other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been substantially met or explicitly waived. Assets received before the barrier is overcome are accounted for as refundable allowances.

The Organization receives various grants from federal, state, and local government agencies, as well as other nonprofit organizations, for program and supporting service expenses. These grants are generally on a cost reimbursement basis, including recoverable overhead. Revenues from grants are deemed earned and recognized in the statement of activities when expenditures are incurred for the purposes specified. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position.

Functional expenses: The costs of providing the various programs and supporting services have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by functions. Expenses that can be directly identified with a program or supporting service are charged accordingly. The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses, including personnel costs, professional fees, rent and others, are allocated based on estimates of time and effort and square footage as determined by management.

Fundraising activities: The Organization's financial statements follow the guidelines prescribed by Financial Accounting Standards Board in its Accounting Standards Codification (ASC) No. 958-720-20, *Costs of Joint Activities*. This ASC establishes criteria for accounting and reporting of joint costs for certain entities that solicit contributions.

Operating leases: Rental expense is recognized on a straight-line basis.

Note 2 - Summary of Significant Accounting Policies (continued)

Use of estimates: The preparation of financial statements in conformity with U.S. GAAP 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Concentrations of credit risk: Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist primarily of cash and cash equivalents, investments, and receivables. Although cash balances may at times exceed federally insured limits during the year, the Organization has not experienced any losses and does not believe it is exposed to significant risk associated with its cash and cash equivalents. Cash is maintained with what management believes to be high quality financial institutions.

Investments are held in a brokerage account protected by the Securities Investor Protection Corporation ("SIPC") in the event of broker failure, subject to applicable limits. The SIPC does not protect against market losses on investments. Investments are overseen by an investment company whose performance is monitored by management.

Credit risk with respect to accounts receivable is limited due to the number and credit worthiness of the entities and individuals who comprise the contributor/customer base. Accounts receivable are stated at the amount management expects to collect from outstanding balances. The Organization establishes an allowance for doubtful accounts based upon factors surrounding the credit risk of specific donors/customers, historical trends, and other information.

Date of management review: Subsequent events have been evaluated through March 29, 2023, which is the date the financial statements were available to be issued.

Note 3 - Liquidity and Availability of Financial Assets

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date ending June 30, 2022, comprise the following:

Financial Assets:	
Cash and cash equivalents	$ 32,669,913
Grant and contract receivables	905,136
Other receivables	75,984
Investments	3,583,065
Financial assets, at year-end	37,234,098
Less: those unavailable for general expenditures within one year, due to:	
Contractual or donor-imposed restrictions:	
Purpose restrictions by donor	(2,084,944)
Endowment restrictions - corpus (Note 7)	(880,986)
Endowments subject to appropriation and satisfaction of donor restrictions (Note 7)	117,187
	(2,848,743)
Financial assets available to meet cash needs for general expenditures within one year	$ 34,385,355

Note 3 - Liquidity and Availability of Financial Assets (continued)

As part of its liquidity plan, the Organization invests cash exceeding daily requirements in money market funds. As a member of Feeding America, the Organization aims to maintain available financial assets sufficient to meet one year of operating reserves in cash and cash equivalents.

Note 4 - Investments

The Organization's investments at June 30, 2022 are comprised of the following:

Equities	$	2,057,756
United States treasury bills, bonds and notes		930,292
Corporate bonds		460,678
Money market funds		80,703
United States agency obligations		53,636
	$	3,583,065

Investment income (loss) in the statement of activities for the year ended June 30, 2022 consists of the following:

Net realized and unrealized gains (losses)	$	(457,385)
Interest and dividend income		42,690
Investment fees		(44,653)
	$	(459,348)

Note 5 - Fair Value Measurement

In accordance with the Financial Accounting Standards Board in its Accounting Standards Codification (ASC) No. 820, *Fair Value Measurements and Disclosures*, the Organization defined and established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical investments that the Organization has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included with Level 1 that are observable for the investments, either directly or indirectly. (e.g. quoted prices in active markets for similar securities, securities valuations based on commonly quoted benchmarks, interest rates and yield curves, and/or securities indices.)
- Level 3 inputs are unobservable inputs for the investments. (e.g. information about assumptions, including risk, market participants would use in pricing a security.)

Note 5 - Fair Value Measurement (continued)

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The equity securities are classified within Level 1 because they have readily determinable fair values based on daily redemption values. The United States Treasury bills, bonds and notes, United States agency obligations and corporate bonds are valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates and market-rate assumptions, and are classified within Level 2.

The following table represents the investments as held by the Organization at June 30, 2022:

		Fair Value Measurements Using:		
Investment Type	Fair Value at June 30, 2022	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equities	$ 2,057,756	$ 2,057,756	$ -	$ -
United States treasury bills,				-
bonds and notes	930,292	-	930,292	-
Corporate bonds	460,678	-	460,678	-
United States agency obligations	53,636	-	53,636	-
	3,502,362	$ 2,057,756	$ 1,444,606	$ -
Investments measured at amortized cost:				
Money market funds	80,703			
Total	$ 3,583,065			

Note 6 - Property and Equipment

The following is a schedule of property and equipment at June 30, 2022:

Warehouse and improvements	$ 5,857,517
Furniture and equipment	1,078,968
Automotive equipment	1,551,587
	8,488,072
Less: accumulated depreciation	2,353,339
	6,134,733
Construction in process	486,543
Land	460,000
Total	$ 7,081,276

Note 7 - Endowments

The Organization has endowed funds established for the support of the Organizational mission. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated to function as endowments are classified and reported based on the existence or absence of donor-imposed restrictions.

Note 7 – Endowments (continued)

Interpretation of relevant law: The Board of Directors interprets the State of Florida's Uniform Prudent Management of Institutional Funds Act (FUPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as retains in perpetuity (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

Investment policies: The goal of the investment program for the endowment is to provide an annual level of support for the current programs of the Organization consistent with the preservation of purchasing power over time. Assets held shall be diversified to control the risk of loss resulting from the over-concentration of funds in a specific maturity, issue or type-class of securities.

Spending policies: The Organization's policy is to only spend the income generated from the endowed funds. The principal amount of the Endowment Fund is held in perpetuity, with the income earned on those investments available for general operations. For underwater endowments, distributions shall be suspended until the endowment is no longer in an underwater position.

Underwater endowments: From time to time, the fair value of assets associated with donor-restricted endowed funds may fall below the level that the donor or the FUPMIFA requires the Organization to retain as a fund of perpetual duration.

A deficiency of this nature exists in the donor-restricted endowment fund, which has an original gift value of $ 880,986, a current fair value of $ 763,799, and a deficiency of $ 117,187 as of June 30, 2022.

This deficiency resulted from unfavorable market fluctuations that occurred shortly after the earnings were appropriated for operating use in the current year as deemed prudent by the board of directors.

The following is a summary of endowment funds subject to FUPMIFA for the year ended June 30, 2022:

Type of Endowment	Net Earnings	Endowment Corpus	Total
Donor Restricted	$ (117,187)	$ 880,986	$ 763,799

Changes in endowment net assets for the year ended June 30, 2022 are as follows:

		Net Assets with Donor Restrictions		
	Without Donor Restrictions	Net Earnings	Endowment Corpus	Total
Endowment net assets, beginning of year	$ 136,318	$ 226,092	$ 880,986	$ 1,243,396
Investment income, net	(8,996)	(73,061)	-	(82,057)
Contributions	84,115	-	-	84,115
Net transfers	(211,437)	(270,218)	-	(481,655)
Endowment net assets, end of year	$ -	$ (117,187)	$ 880,986	$ 763,799

Note 8 - Net Assets with Donor Restrictions

As of June 30, 2022, net assets with donor restrictions consisted of:

Subject to expenditure for specified purpose:		
Salary support	$	535,905
Other program support		512,939
Technology		254,612
School Pantry		221,641
COVID-19 relief		195,902
Client services		120,000
Veterans services		96,860
Mobile farmacy		85,259
Second Helpings		61,826
		2,084,944
Endowment with donor restrictions:		
Subject to appropriation and expenditure when a specified event occurs:		
General operations		(117,187)
Required to be held in perpetuity by donor for specified purpose:		
General operations		880,986
		763,799
Total	$	2,848,743

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the year ended June 30, 2022:

Satisfaction of purpose restrictions:		
Mobile farmacy	$	548,620
COVID-19 relief		482,990
Other program support		454,005
Technology		445,388
School pantry		254,533
Client Services		254,000
Security		195,841
Meals for children		130,293
Salary support		47,000
Total	$	2,812,670

Note 9 - Contributed Nonfinancial Assets

The Organization received the following contributions of nonfinancial assets for the year ended June 30, 2022:

Food	$	105,544,122
Professional services		34,913
	$	105,579,035

Contributed food is valued based on an estimate of the results of a product valuation survey calculating the average wholesale value per pound of food received nationally by Feeding America. For the year ended June 30, 2022, the average wholesale value for contributed food was $ 1.92. For the year ended June 30, 2022, the Organization recorded approximately $ 105,544,000 in contributed food, which is included in inventory or contributed food activity expense.

Contributed services are recognized as in-kind revenues at their estimated fair market value if they create or enhance nonfinancial assets or require specialized skills that would need to be purchased if they were not donated. The Organization receives contributed professional services that are reported using current rates for similar services. For the year ended June 30, 2022, the Organization recorded approximately $ 35,000 in donated professional services, consisting entirely of legal services donated by a law firm which employs the Organization’s Board Chair, and are included in professional fees expense on the accompanying statement of functional expenses. The Organization also receives significant services from unpaid volunteers who have made contributions of their time to develop and continue the programs and events of the Organization. The Organization has not disclosed the value of these services in the accompanying financial statements since they are not susceptible to objective measurement and valuation and therefore the criteria for recognition have not been satisfied.

Note 10 - Grants and Contracts

Funding agreements for services to be provided are entered into on an annual basis. The release of funds is subject to monies being made available by various federal, state, local and other grantor agencies. Certain agreements may be terminated by either party with thirty days written notice. Changes in governmental appropriations could have a material adverse effect on the Organization’s ability to continue to provide its services at the same level.

Food commodities received under federal government grants are valued based on an estimate of the results of a product valuation survey calculating the average wholesale value per pound of food received nationally by Feeding America. For the year ended June 30, 2022, the average wholesale value for United States Department of Agriculture donated food was $ 1.53.

Program expenditures made by the Organization are subject to additional audit by grantor agencies. As a result of such audits, the grantor may require that amounts be returned. In certain instances, the grantor may increase its grant of funds to the Organization to offset amounts which would otherwise be repayable based on audits. As of June 30, 2022, no amounts were owed back to grantor agencies.

Note 11 - Leases

The Organization previously entered into a facility lease for warehouse and office space in Pembroke Park, Florida. The term of this lease agreement commenced in May 2013 and was renewed in April 2018, extending the lease through May 2023. The renewal agreement requires monthly rent payments ranging from approximately $ 40,000 to $ 46,000. The Organization is also responsible for its pro-rata share of certain operating expenses. In addition, the agreement also provides for one additional optional five-year renewal term.

Rent expense is recognized on a straight-line basis. The difference between the base rent payments made and the amount of rent expense recognized is included in accrued expenses and totaled approximately $ 40,000 at June 30, 2022. Rent expense, in connection with this agreement totaled approximately $ 774,000 for the year ended June 30, 2022.

The Organization leases several vehicles with monthly base payments totaling approximately $ 43,000 through October 2023 and at lesser amounts through October 2027. The Organization is also responsible for mileage fees at rates ranging from $ .025 to $ .085 per mile. During the year ended June 30, 2022, the total expense associated with these leases was approximately $ 605,000.

The Organization also leases various pieces of warehouse and office equipment with a total monthly payment aggregating approximately $ 5,000 through October 2023 and at lesser amounts through September 2024. During the year ended June 30, 2022, the total equipment rental expense associated with these leases and other short-term equipment rentals was approximately $ 61,000.

The following is a schedule of approximate future minimum lease payments, excluding common area maintenance and mileage charges:

Year Ending June 30,		
2023	$	1,010,300
2024		460,300
2025		330,100
2026		109,100
2027		40,800
Thereafter		13,600
	$	1,964,200

Note 12 - Income Taxes

The Organization is a non-profit corporation, qualified under Section 501(c)(3) of the Internal Revenue Code and is therefore exempt from corporate income taxation on income related to its exempt function. Management has evaluated business income tax implications and believes that the effects, if any, are immaterial to the Organization’s financial statements. No provision for income taxes has been made in the accompanying financial statements.

Note 13 - Employee Benefit Plan

The Organization offers its employees a 401(k) profit-sharing plan (the “401(k) Plan”) that covers all eligible employees. Employees may contribute to the 401(k) Plan, pursuant to a salary reduction agreement, a percentage of their annual compensation subject to certain limitations. The 401(k) Plan provides for employer matching contributions of 50% of each participant's contribution up to 6% of their gross salary. The Organization contributed approximately $ 40,000 for the year ended June 30, 2022.

In May 2021, the Organization established a 403(b) defined contribution plan (the “403(b) Plan”) which covers certain eligible employees. Participants may contribute to the 403(b) Plan, pursuant to a salary reduction agreement, a percentage of their annual compensation subject to certain limitations. The 403(b) plan does not permit employer base or matching contributions.