Feeding South Florida, Inc.

Financial Statements
For the Year Ended June 30, 2023

Keefe McCullough
CPAs + Trusted Advisors

Feeding South Florida, Inc.

Financial Statements
For the Year Ended June 30, 2023

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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, 2023, 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, 2023, 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.

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 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 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 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.

Report on Summarized Comparative Information

We have previously audited the Organization's June 30, 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 29, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Keefe McCullough

KEEFE McCULLOUGH

Fort Lauderdale, Florida
April 1, 2024

FINANCIAL STATEMENTS

Feeding South Florida, Inc.
Statement of Financial Position
June 30, 2023
(with comparative totals as of June 30, 2022)

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Assets:				
Current Assets:				
Cash and cash equivalents	$ 30,300,071	$ 334,865	$ 30,634,936	$ 32,669,913
Grant and contract receivables	739,473	-	739,473	905,136
Other receivables	-	-	-	75,984
Prepaids	559,885	-	559,885	553,501
Food inventory	3,201,246	-	3,201,246	3,980,216
Total current assets	34,800,675	334,865	35,135,540	38,184,750
Noncurrent Assets:				
Long-term investments	3,151,314	841,966	3,993,280	3,583,065
Property and equipment, net	6,457,945	-	6,457,945	7,081,276
Deposits	70,837	-	70,837	70,314
Total non-current assets	9,680,096	841,966	10,522,062	10,734,655
Other Assets:				
Operating lease right-of-use asset	4,851,722	-	4,851,722	-
Total assets	$ 49,332,493	$ 1,176,831	$ 50,509,324	$ 48,919,405
Liabilities:				
Current Liabilities:				
Accounts payable	$ 253,143	$ -	$ 253,143	$ 571,983
Accrued expenses	478,798	-	478,798	478,338
Current portion of operating lease liability	1,091,186	-	1,091,186	39,665
Refundable advances	365,808	-	365,808	1,026,480
Total current liabilities	2,188,935	-	2,188,935	2,116,466
Long-Term Liabilities:				
Operating lease liability, net of current portion	3,740,159	-	3,740,159	-
Total long-term liabilities	3,740,159	-	3,740,159	-
Total liabilities	5,929,094	-	5,929,094	2,116,466
Net Assets:				
Without donor restrictions:				
Undesignated	43,403,399	-	43,403,399	43,954,196
With donor restrictions:				
Purpose and time restrictions	-	1,176,831	1,176,831	2,848,743
Total net assets	43,403,399	1,176,831	44,580,230	46,802,939
Total liabilities and net assets	$ 49,332,493	$ 1,176,831	$ 50,509,324	$ 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, 2023
(with comparative totals for the year ended June 30, 2022)

	2023			2022
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	**Total**
Change in Net Assets:				
Public Support:				
Contributed food	$ 136,166,298	$ -	$ 136,166,298	$ 105,544,122
Contributions	12,098,455	334,865	12,433,320	11,266,554
Grants:				
Federal government grants	4,198,858	-	4,198,858	16,892,851
State government grants	7,206	-	7,206	2,398,259
Other local agencies	473,161	-	473,161	342,327
Total public support	152,943,978	334,865	153,278,843	136,444,113
Revenues:				
Investment income (loss), net	1,156,123	78,167	1,234,290	(459,348)
Other income	632,300	-	632,300	530,227
Total revenue	1,788,423	78,167	1,866,590	70,879
Net assets released from restrictions	2,084,944	(2,084,944)	-	-
Total public support, revenue and net assets released from restrictions	156,817,345	(1,671,912)	155,145,433	136,514,992
Operating Expenses:				
Program services:				
Food distribution	154,806,715	-	154,806,715	131,009,121
Supporting services:				
Administrative	1,509,976	-	1,509,976	1,005,397
Development	1,145,988	-	1,145,988	1,223,869
Total supporting services	2,655,964	-	2,655,964	2,229,266
Total expenses	157,462,679	-	157,462,679	133,238,387
Change in net assets	(645,334)	(1,671,912)	(2,317,246)	3,276,605
ASC 842 Adjustment	94,537	-	94,537	-
Net Assets, July 1,	43,954,196	2,848,743	46,802,939	43,526,334
Net Assets, June 30,	$ 43,403,399	$ 1,176,831	$ 44,580,230	$ 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, 2023
(with comparative totals for the year ended June 30, 2022)

	2023					2022
	Program Services	Supporting Services				
	Food Distribution	Administrative	Development	Total Supporting	Total Expenses	Total Expenses
Personnel Costs:						
Salaries	$ 4,892,418	$ 845,369	$ 473,747	$ 1,319,116	$ 6,211,534	$ 4,439,401
Payroll taxes and employee benefits	773,127	239,075	41,322	280,397	1,053,524	794,267
Total personnel costs	5,665,545	1,084,444	515,069	1,599,513	7,265,058	5,233,668
Other Expenses:						
Contributed food activity	139,775,177	-	-	-	139,775,177	120,470,711
Purchased food activity	3,481,490	-	-	-	3,481,490	1,143,173
Professional fees, including $ 53,343 in-kind contributions	450,991	72,159	202,217	274,376	725,367	1,008,394
Rent	703,108	90,138	11,271	101,409	804,517	774,467
Auto and truck expense	656,948	-	-	-	656,948	626,471
Fundraising	-	-	318,719	318,719	318,719	608,873
Gas and oil	515,555	-	-	-	515,555	426,324
Insurance	351,015	56,162	21,061	77,223	428,238	393,861
Temporary labor	595,540	-	-	-	595,540	365,360
Repairs and maintenance	571,572	-	-	-	571,572	320,024
Employee recruiting and other	125,959	20,154	7,558	27,712	153,671	195,642
Utilities	167,789	26,846	10,067	36,913	204,702	194,651
Transportation and storage	552,853	-	-	-	552,853	191,839
Warehouse expense	134,488	-	-	-	134,488	149,832
Supplies	125,608	20,097	7,536	27,633	153,241	107,052
Dues, including Feeding America	68,538	10,966	4,112	15,078	83,616	70,708
Telephone	34,709	5,553	2,082	7,635	42,344	70,573
Equipment lease and rental	58,234	-	-	-	58,234	60,527
Interest expense and bank fees	2,103	337	126	463	2,566	37,569
Taxes	15,204	2,433	912	3,345	18,549	16,920
Travel	17,361	2,778	1,042	3,820	21,181	4,603
Total expenses before provision for depreciation	154,069,787	1,392,067	1,101,772	2,493,839	156,563,626	132,471,242
Provision for depreciation	736,928	117,909	44,216	162,125	899,053	767,145
Total expenses	$ 154,806,715	$ 1,509,976	$ 1,145,988	$ 2,655,964	$ 157,462,679	$ 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, 2023
(with comparative totals for the year ended June 30, 2022)

	2023	2022
Cash Flows from Operating Activities:		
Change in net assets	$ (2,317,246)	$ 3,276,605
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Provision for depreciation	899,053	767,145
Net realized/unrealized gain on investments	(402,177)	457,385
Donated stock	-	84,115
Amortization of operating right-of-use asset	482,426	-
Changes in assets and liabilities:		
(Increase) decrease in assets:		
Grant and contract receivables	165,663	84,600
Other receivables	75,984	(15,984)
Prepaids	(6,384)	(124,761)
Food inventory	778,970	(1,375,206)
Other assets	(523)	-
Increase (decrease) in liabilities:		
Accounts payable	(318,840)	98,870
Accrued expenses	460	(162,809)
Operating lease liability	(447,931)	28,590
Refundable advances	(660,672)	911,480
Net cash (used in) provided by operating activities	(1,751,217)	4,030,030
Cash Flows From Investing Activities:		
Sale of investments	1,204,023	1,194,215
Purchases of property and equipment	(275,722)	(561,608)
Purchase of investments	(1,212,061)	(4,075,384)
Net cash used in investing activities	(283,760)	(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	(2,034,977)	(1,415,175)
Cash and Cash Equivalents, Beginning of Year	32,669,913	34,085,088
Cash and Cash Equivalents, End of Year	$ 30,634,936	$ 32,669,913
Supplemental Disclosure of Cash Flow Information:		
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
Operating right-of-use assets obtained in exchange for lease obligations:	$ 3,924,462	$ -

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.

Note 2 - Summary of Significant Accounting Policies (continued)

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. Cash and cash equivalents held by financial institutions for long-term investment purposes are included within investments in the accompanying statement of financial position.

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.

Grant, contract, and other receivables: Grant and contract receivables consist principally of amounts due from federal, state, and local governmental agencies under contractual agreements. 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, 2023, 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.

Leases: The Organization determines if an arrangement is or contains a lease at inception. Leases are included in operating lease right-of-use ("ROU") asset and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization does not report ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

In 2023, the Organization adopted FASB Accounting Standards Update ("ASU") 2016-02, *Leases* (Topic 842), as amended. This guidance is intended to improve financial reporting of lease transactions by requiring organizations that lease assets to recognize assets and liabilities for the rights and obligations created by leases that extend more than 12 months. Key provisions in this guidance include additional disclosures surrounding the amount, timing, and uncertainty of cash flows arising from leases. The Organization elected the modified retrospective transition method, presenting the impact of ASU 2016-02 in the current year of adoption only, with any material cumulative effect of initially applying the guidance recognized at the beginning of the current year. This resulted in an adjustment to net assets as of July 1, 2022 of approximately $ 95,000. The Organization also elected the package of practical expedients that permits no reassessment of whether any expired or existing contracts are or contain a lease, the lease classification for any expired or existing leases, and any initial direct costs for any existing leases as of the effective date.

Note 2 - Summary of Significant Accounting Policies (continued)

As a result of implementing this standard, the Organization recognized (a) operating lease liabilities representing the value of the remaining lease payments discounted using an estimated discount rate of 3.90% totaling approximately $ 1,355,000 and (b) an operating right-of-use-asset of approximately $ 1,410,000 as of July 1, 2022.

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.

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.

Note 2 - Summary of Significant Accounting Policies (continued)

Comparative information: The financial statements include certain prior year summarized comparative information from the prior year, which is not presented by net asset class type and functional expense classification and does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's audited financial statements for the year ended June 30, 2022, from which the summarized information was derived.

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.

Date of management review: Subsequent events have been evaluated through April 1, 2024, 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, 2023, is estimated and comprise the following:

Financial Assets:	
Cash and cash equivalents	$ 30,634,936
Grant and contract receivables	739,473
Investments	3,993,280
Financial assets, at year-end	35,367,689
Less: those unavailable for general expenditures within one year, due to:	
Contractual or donor-imposed restrictions:	
Purpose restrictions by donor	(334,865)
Endowment restrictions - corpus (Note 7)	(880,986)
Endowments subject to appropriation and satisfaction of donor restrictions (Note 7)	39,020
	(1,176,831)
Financial assets available to meet cash needs for general expenditures within one year	$ 34,190,858

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, 2023 are comprised of the following:

Equities	$	2,495,562
United States treasury bills, bonds and notes		934,274
Corporate bonds		425,955
Money market funds		76,146
United States agency obligations		61,343
	$	3,993,280

The net return on investments and interest-bearing cash and cash equivalents in the statement of activities for the year ended June 30, 2023 consists of the following:

Net realized and unrealized gains	$	402,177
Interest and dividend income		886,574
Investment fees		(54,461)
	$	1,234,290

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, 2023:

		Fair Value Measurements Using:		
Investment Type	Fair Value at June 30, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equities	$ 2,495,562	$ 2,495,562	$ -	$ -
United States treasury bills,				-
bonds and notes	934,274	-	934,274	-
Corporate bonds	425,955	-	425,955	-
United States agency obligations	61,343	-	61,343	-
	3,917,134	$ 2,495,562	$ 1,421,572	$ -
Investments measured at amortized cost:				
Money market funds	76,146			
Total	$ 3,993,280			

Note 6 - Property and Equipment

The following is a schedule of property and equipment at June 30, 2023:

Warehouse and improvements	$ 6,057,897
Furniture and equipment	1,141,866
Automotive equipment	1,619,731
	8,819,494
Less: accumulated depreciation	3,252,392
	5,567,102
Construction in process	430,843
Land	460,000
Total	$ 6,457,945

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.

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 $ 841,966, and a deficiency of $ 39,020 as of June 30, 2023.

This deficiency resulted from unfavorable market fluctuations that occurred shortly after the earnings were appropriated for operating use in the prior 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, 2023:

Type of Endowment	Net Earnings	Endowment Corpus	Total
Donor Restricted	$ (39,020)	$ 880,986	$ 841,966

Note 7 – Endowments (continued)

Changes in endowment net assets for the year ended June 30, 2023 are as follows:

	Without Donor Restrictions	Net Assets with Donor Restrictions		Total
		Net Earnings	Endowment Corpus	
Endowment net assets, beginning of year	$ -	$ (117,187)	$ 880,986	$ 763,799
Investment income, net	-	78,167	-	78,167
Contributions	-	-	-	-
Net transfers	-	-	-	-
Endowment net assets, end of year	$ -	$ (39,020)	$ 880,986	$ 841,966

Note 8 - Net Assets with Donor Restrictions

As of June 30, 2023, net assets with donor restrictions consisted of:

Subject to expenditure for specified purpose:	
Salary support	$ 6,733
Other program support	90,000
School Pantry	185,000
Client services	15,000
Mobile farmacy	38,132
	334,865
Endowment with donor restrictions:	
Subject to appropriation and expenditure when a specified event occurs:	
General operations	(39,020)
Required to be held in perpetuity by donor for specified purpose:	
General operations	880,986
	841,966
Total	$ 1,176,831

Note 8 - Net Assets with Donor Restrictions (continued)

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, 2023:

Satisfaction of purpose restrictions:		
Other program support	$	671,626
Technology		254,612
Mobile pantry		85,259
COVID-19 Restricted		195,902
Client Services		120,000
Salary support		535,905
School pantry		221,640
Total	$	2,084,944

Note 9 - Contributed Nonfinancial Assets

The Organization received the following contributions of nonfinancial assets for the year ended June 30, 2023:

Food	$	136,166,298
Professional services		53,343
	$	136,219,641

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, 2023, the average wholesale value for contributed food was $ 1.93. For the year ended June 30, 2023, the Organization recorded approximately $ 136,166,000 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, 2023, the Organization recorded approximately $ 53,000 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, 2023, the average wholesale value for United States Department of Agriculture donated food was $ 1.57.

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, 2023, 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 initial five-year term of this lease agreement commenced in May 2013 and was amended in April 2018, extending the lease term to May 2023. In March 2023, management amended the lease extending the lease through June 2028. The renewal agreement requires monthly rent payments ranging from approximately $ 66,000 to $ 81,000. 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.

The Organization leases several vehicles with monthly base payments totaling approximately $ 43,000 through October 2023 and at lesser amounts through October 2027.

Estimated future operating lease payments are expected to be paid as follows:

Year Ending June 30,		
2024	$	1,254,000
2025		1,153,000
2026		971,000
2027		938,000
2028		947,000
		5,263,000
Less PV Discount		(432,000)
	$	4,831,000

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 $ 92,000 for the year ended June 30, 2023.

Additionally, Organization offers 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.

Note 14 - Local Grant and Contract Revenue

County grants:		
Broward Food Security Assistance	$	94,963
Miami-Dade Food System Strategy		373,272
Total county grants		468,235
Other local grants and contracts:		
City of Pompano Beach		2,500
Miscellaneous		2,426
Total Other local grants and contracts		4,926
Total local grant and contract revenue	$	473,161

In addition to the local grant and contract revenues noted above, the United Way of Miami provided $ 184,105 in federal assistance, and approximately $ 78,000 in general contributions, during the year ended June 30, 2023.