

FEED MY PEOPLE
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
FOR THE YEARS ENDED
DECEMBER 31, 2022 AND 2021

Feed My People

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Feed My People

Opinion

We have audited the accompanying financial statements of Feed My People (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statement of activities, functional expense, 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 Feed My People as of December 31, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Feed My People 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.

Prior Period Financial Statements

The financial statements of Feed My People as of December 31, 2021 were audited by other auditors whose report dated December 2, 2022 expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Feed My People's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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, including omissions, 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 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 purpose of expressing an opinion on the effectiveness of Feed My People'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 Feed My People'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.

Schmersahl Treloar & Co.

St. Louis, Missouri
November 1, 2023

FINANCIAL STATEMENTS

Feed My People
STATEMENTS OF FINANCIAL POSITION

	December 31,	
	2022	2021
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 721,533	\$ 971,535
Grants receivable	63,000	189,633
Other receivable	33,962	424
Food inventory	14,115	5,919
Prepaid expenses	5,581	20,390
Total Current Assets	838,191	1,187,901
ASSETS HELD IN TRUST	114,709	139,704
INVESTMENTS	590,418	661,469
PROPERTY AND EQUIPMENT, NET	2,193,363	1,741,324
TOTAL ASSETS	\$ 3,736,681	\$ 3,730,398
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 33,534	\$ 162,480
Deferred revenue	250,000	-
Total Current Liabilities	283,534	162,480
NET ASSETS		
Without donor restrictions		
Unrestricted	2,621,373	2,569,776
Board designated	779,954	851,672
Total Net Assets Without Donor Restrictions	3,401,327	3,421,448
With donor restrictions		
Purpose restrictions	51,820	146,470
Total Net Assets	3,453,147	3,567,918
TOTAL LIABILITIES AND NET ASSETS	\$ 3,736,681	\$ 3,730,398

See independent auditors' report and accompanying notes to financial statements

Feed My People
STATEMENTS OF ACTIVITIES

	Year Ended December 31, 2022			Year Ended December 31, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUES						
Public Support:						
Contributions	\$ 691,038	\$ 15,000	\$ 706,038	\$ 1,136,935	\$ 146,470	\$ 1,283,405
Contributions of nonfinancial assets	3,404,663	-	3,404,663	3,542,400	-	3,542,400
Grant income	174,500	-	174,500	237,753	-	237,753
Special events, net of expenses of (\$22,950 in 2022 and \$4,814 in 2021)	25,564	-	25,564	40,455	-	40,455
Bequest income	1,363	-	1,363	302,663	-	302,663
Revenue:						
Thrift store sales	388,931	-	388,931	358,420	-	358,420
Investment return	(54,984)	-	(54,984)	91,084	-	91,084
Change in value - assets held in trust	(24,995)	-	(24,995)	9,704	-	9,704
Gain on disposal of fixed assets	36,437	-	36,437	-	-	-
Net assets released from restrictions	109,650	(109,650)	-	-	-	-
Total Public Support and Revenues	<u>4,752,167</u>	<u>(94,650)</u>	<u>4,657,517</u>	<u>5,719,414</u>	<u>146,470</u>	<u>5,865,884</u>
EXPENSES						
Program services	4,339,991	-	4,339,991	4,540,362	-	4,540,362
Management and general	344,493	-	344,493	362,655	-	362,655
Fundraising	87,804	-	87,804	91,084	-	91,084
Total Expenses	<u>4,772,288</u>	<u>-</u>	<u>4,772,288</u>	<u>4,994,101</u>	<u>-</u>	<u>4,994,101</u>
CHANGE IN NET ASSETS	<u>(20,121)</u>	<u>(94,650)</u>	<u>(114,771)</u>	<u>725,313</u>	<u>146,470</u>	<u>871,783</u>
NET ASSETS, Beginning of year	<u>3,421,448</u>	<u>146,470</u>	<u>3,567,918</u>	<u>2,696,135</u>	<u>-</u>	<u>2,696,135</u>
NET ASSETS, End of year	<u>\$ 3,401,327</u>	<u>\$ 51,820</u>	<u>\$ 3,453,147</u>	<u>\$ 3,421,448</u>	<u>\$ 146,470</u>	<u>\$ 3,567,918</u>

See independent auditors' report and accompanying notes to financial statements

Feed My People
STATEMENTS OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2022

	Program Services	Supporting Services		Cost of Direct Benefits to Donors	Total
		Management and General	Fundraising		
FOOD AND PRODUCT DISTRIBUTION					
Purchased food and materials	\$ 32,794	\$ -	\$ -	\$ -	\$ 32,794
Donated food and materials	3,396,467	-	-	-	3,396,467
Shoes	3,994	-	-	-	3,994
Specific assistance	2,726	-	-	-	2,726
Thrift store expenses	10,618	-	-	-	10,618
Special event expenses	-	-	-	22,950	22,950
Other program expenses	34,733	-	-	-	34,733
Total Food and product distribution expenses	3,481,332	-	-	22,950	3,504,282
PAYROLL EXPENSES					
Salaries	444,172	165,736	53,035	-	662,943
Employee benefits	87,500	32,649	10,448	-	130,597
Payroll taxes	35,767	13,346	4,271	-	53,384
Pension	9,601	3,583	1,146	-	14,330
Total Payroll Expenses	577,040	215,314	68,900	-	861,254
OCCUPANCY EXPENSES					
Repairs and maintenance	28,285	6,699	2,233	-	37,217
Insurance	43,626	10,333	3,444	-	57,403
Depreciation	58,237	13,793	4,597	-	76,627
Security	3,876	918	306	-	5,100
Other occupancy	58,325	13,814	4,605	-	76,744
Total Occupancy Expenses	192,349	45,557	15,185	-	253,091
OTHER OPERATING EXPENSES					
Printing and publication	21,094	5,625	1,406	-	28,125
Postage and shipping	4,239	1,130	283	-	5,652
Advertising	4,819	-	535	-	5,354
Vehicle expense	21,235	-	-	-	21,235
Office expense	12,928	3,447	862	-	17,237
Volunteer development	3,658	-	-	-	3,658
Telephone	7,879	2,101	525	-	10,505
Conferences and meetings	1,086	977	108	-	2,171
Professional fees	-	57,839	-	-	57,839
Taxes and licenses	-	1,466	-	-	1,466
Miscellaneous	4,263	4,262	-	-	8,525
Computer expense	8,069	2,689	-	-	10,758
Dues and subscriptions	-	4,086	-	-	4,086
Total Other Operating Expenses	89,270	83,622	3,719	-	176,611
	4,339,991	344,493	87,804	22,950	4,795,238
Less expenses included with support on the statement of activities	-	-	-	(22,950)	(22,950)
TOTAL EXPENSES	\$ 4,339,991	\$ 344,493	\$ 87,804	\$ -	\$ 4,772,288

See independent auditors' report and accompanying notes to financial statements

Feed My People
STATEMENTS OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2021

	Program Services	Supporting Services		Cost of Direct Benefits to Donors	Total
		Management and General	Fundraising		
FOOD AND PRODUCT DISTRIBUTION					
Purchased food and materials	\$ 37,756	\$ -	\$ -	\$ -	\$ 37,756
Donated food and materials	3,561,312	-	-	-	3,561,312
Shoes	6,029	-	-	-	6,029
Specific assistance	4,208	-	-	-	4,208
Thrift store expenses	18,481	-	-	-	18,481
Special event expenses	-	-	-	4,814	4,814
Other program expenses	28,414	-	-	-	28,414
Total Food and product distribution expenses	3,656,200	-	-	4,814	3,661,014
PAYROLL EXPENSES					
Salaries	501,196	187,014	59,844	-	748,054
Employee benefits	72,470	27,041	8,653	-	108,164
Payroll taxes	31,515	11,760	3,763	-	47,038
Pension	9,429	3,518	1,126	-	14,073
Total Payroll Expenses	614,610	229,333	73,386	-	917,329
OCCUPANCY EXPENSES					
Repairs and maintenance	33,586	7,955	2,651	-	44,192
Insurance	41,763	9,891	3,297	-	54,951
Depreciation	46,520	11,018	3,673	-	61,211
Security	1,898	449	150	-	2,497
Other occupancy	37,327	8,841	2,947	-	49,115
Total Occupancy Expenses	161,094	38,154	12,718	-	211,966
OTHER OPERATING EXPENSES					
Printing and publication	18,647	4,973	1,243	-	24,863
Postage and shipping	3,480	928	232	-	4,640
Advertising	18,681	-	2,076	-	20,757
Vehicle expense	16,397	-	-	-	16,397
Office expense	15,719	4,192	1,048	-	20,959
Volunteer development	4,251	-	-	-	4,251
Telephone	5,303	1,414	353	-	7,070
Conferences and meetings	285	256	28	-	569
Professional fees	-	59,508	-	-	59,508
Taxes and licenses	-	3,161	-	-	3,161
Miscellaneous	9,448	9,448	-	-	18,896
Computer expense	16,247	5,416	-	-	21,663
Dues and subscriptions	-	5,872	-	-	5,872
Total Other Operating Expenses	108,458	95,168	4,980	-	208,606
	4,540,362	362,655	91,084	4,814	4,998,915
Less expenses included with support on the statement of activities	-	-	-	(4,814)	(4,814)
TOTAL EXPENSES	\$ 4,540,362	\$ 362,655	\$ 91,084	\$ -	\$ 4,994,101

See independent auditors' report and accompanying notes to financial statements

Feed My People
STATEMENTS OF CASH FLOWS

	Years Ended December 31,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	(\$ 114,771)	\$ 871,783
Adjustments to reconcile change in net assets to change in cash and cash equivalents from operating activities:		
Depreciation and amortization	76,627	61,211
Donated securities	(5,160)	(10,995)
Net realized and unrealized losses (gains) on investments	90,401	(62,245)
Change in value - assets held in trust	24,995	(9,704)
Gains on disposal of fixed assets	(36,437)	-
(Increase) decrease in assets:		
Grants receivable	126,633	(189,633)
Other receivables	(33,538)	(159)
Prepaid expenses	14,809	1,383
Food inventory	(8,196)	23,234
Increase (decrease) in liabilities:		
Accounts payable	(128,946)	83,255
Deferred revenue	<u>250,000</u>	<u>(500)</u>
Net Change in Cash from Operating Activities	<u>256,417</u>	<u>767,630</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	4,522	1,939
Proceeds from disposal of property and equipment	36,437	-
Purchase of investments	(18,712)	(136,988)
Purchase of property and equipment	<u>(528,666)</u>	<u>(309,405)</u>
Net Change in Cash from Investing Activities	<u>(506,419)</u>	<u>(444,454)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(250,002)	323,176
CASH AND CASH EQUIVALENTS, Beginning of Year	<u>971,535</u>	<u>648,359</u>
CASH AND CASH EQUIVALENTS, End of Year	<u>\$ 721,533</u>	<u>\$ 971,535</u>
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid during the year for interest	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report and accompanying notes to financial statements

Feed My People
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

A. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization

Feed My People (the Organization) is a nonprofit organization of the State of Missouri that was founded in 1982 to meet the spiritual, material, and emotional needs of the poor in South St. Louis County and Northwestern Jefferson County, Missouri. The Organization is primarily supported through contributions of both financial and nonfinancial assets.

Basis of Presentation

The financial statements of the Organization 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). The Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Change in Accounting Principle

Effective January 1, 2022, the Organization adopted FASB ASC 842, *Leases*. The new standard establishes a right-of-use (ROU) model that requires a lessee to record an ROU asset and a lease liability on the statement of financial position for all leases and requires expanded qualitative and quantitative disclosures. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition on the statement of activities. Leases with a term of less than 12 months will not record a right of use asset and lease liability and the payments will be recognized on the statement of activities on a straight-line basis over the lease term. This change in accounting principle did not have a material impact on the Organization's financial statements for the year ended December 31, 2022.

New Accounting Pronouncement

In September of 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standard Update (ASU) 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit entities for Contributed Nonfinancial Assets*, which enhances disclosures about contributions of nonfinancial assets, also known as "gifts in-kind." The new guidance has been applied on a retrospective basis during the year ended December 31, 2021.

Feed My People
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021
(Continued)

A. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Net Assets without Donor Restrictions

Net assets available for use in general operations and not subject to donor or certain grantor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an endowment fund.

Net Assets with Donor Restrictions

Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Financial Instruments

The carrying amounts of cash and cash equivalents, grants receivable, other receivables inventory, prepaid expenses, accounts payable and accrued expenses, and deferred revenue reported in the statements of financial position approximate fair values due to the short-term maturities of those instruments.

Cash and Cash Equivalents

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

The Organization maintains cash deposits in bank accounts, which at times exceed the federally insured limits of up to \$250,000 for each institution. The uninsured cash amounted to \$431,678 as of December 31, 2022. The Organization has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk on its cash and cash equivalents.

Feed My People
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021
(Continued)

A. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Grants Receivable

Grants receivable are recorded when an unconditional promise is made. The Organization distinguishes between grants received for each net asset category in accordance with donor-imposed restrictions. Grants receivable are stated at the amount management expects to collect from outstanding balances. As of December 31, 2022 and 2021, management has determined, based on historical experience, that all amounts are fully collectible and no allowance for doubtful accounts is necessary.

Inventory

Under the United States Department of Agriculture (USDA) regulations, the Organization maintains an inventory of food donated but not yet distributed. The inventory is valued at the USDA prescribed value of \$1.57 and \$1.53 per pound at December 31, 2022 and 2021, respectively. At December 31, 2022 and 2021, total inventory was \$14,115 and \$5,919, respectively.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values based on quoted prices in active markets in the statements of financial position. Net investment return is reported in the statements of activities and consists of interest and dividend income, realized and unrealized gains and losses, less external and direct internal investment expenses.

Investments are exposed to various risks such as significant world events, interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the fair value of investments will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

Assets Held in Trust

As more fully discussed in Note D, the Organization is a beneficiary of a trust it established in 2021. The Organization has the irrevocable right to receive certain income earned on the trust assets. The amount recorded in the Statements of Financial Position represents the Organization's portion of the estimated fair value of the underlying trusts' assets which approximates the present value of the future cash flow to be derived from these trust accounts.

Feed My People
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021
(Continued)

A. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Property and Equipment

Property and equipment are stated at cost or fair value at the date of donation. Expenditures for repairs and maintenance are charged to operations while expenditures of \$2,000 or more are capitalized. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets which range from 3 to 39 years.

Compensated Absences

The Organization provides full and part-time employees with vacation and sick leave. Vacation and sick pay expenses are expensed to operations when taken by the employee. As of December 31, 2022 and 2021, accrued vacation balances were \$13,823 and \$45,964, respectively. Amounts are included within accounts payable and accrued expenses on the Statements of Financial Position.

Support and Revenue Recognition

The Organization recognizes contributions when cash, securities, or 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 measureable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

Contributions

Contributions are recognized when a donor makes a promise to give to the Organization that is, in substance, unconditional. Restricted contributions which are received and expended in the same fiscal year are reported as increases in net assets without donor restrictions. Amounts received that are restricted by the donor for use in future periods or for specific purposes are reported as support with donor restrictions that increases net assets with donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as net assets released from restrictions.

Special Event Revenue

The portion of ticket sales and auction proceeds that relate to the commensurate value the attendee receives in return is recognized when the related events are held, and performance obligations are met. The contribution income for funds received in excess of direct benefit to donors is recognized immediately.

Thrift Store Sales

The Organization provides affordably priced clothing and shoes, household items, small electronics, and books to help the community save money while providing a source of revenue for the Organization's programs. These sales from the thrift store are recognized at the point in time the sale occurs.

Feed My People
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021
(Continued)

A. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Contributions of Nonfinancial Assets

Contributed services are recognized at fair value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value when received. The Organization also receives donated services from other contributors and volunteers that are not measurable, and therefore, are not included in the financial statements.

Functional Expense Allocation

The Organization allocates its expenses on a functional basis among its various program and support services. The financial statements report certain categories of expenses that are attributable to program services, administration, and fundraising services of the Organization. These expenses include food and product distribution, payroll, occupancy, and other operating expenses. Food and product distribution expenses are allocated directly according to their natural expenditure classification. Payroll expenses are allocated on a time and effort basis. Occupancy expenses are allocated based on a square footage basis. All remaining costs are allocated based on the purpose of expenditure.

Income Taxes

The Organization qualifies as a nonprofit organization and is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization does not have unrelated business income, excise taxes or activities that would threaten the Organization's tax-exempt status. Accordingly, no provision for federal or state income taxes is provided for the years ending December 31, 2022 and 2021. The Organization files an information return, IRS Form 990. The Organization's tax returns for tax years 2019 and later remain subject to examination by taxing authorities.

Advertising Costs

The Organization expenses advertising costs as incurred. Advertising expense was \$5,354 and \$20,757 for the years ended December 31, 2022 and 2021, respectively.

Feed My People
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021
(Continued)

A. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Concentrations

The Organization receives shipments of donated food from the St. Louis Area Food Bank and the Emergency Food Assistance Program of the USDA. Shipments from the Food Bank were \$2,267,862 and \$2,576,812 for 2022 and 2021, respectively. These shipments accounted for 49% and 44% of its public support and revenues for 2022 and 2021, respectively. A significant support decrease by the St. Louis Area Food Bank could have a material effect on the Organization.

Reclassification

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

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through November 1, 2023, the date the financial statements were available to be issued.

B. **GRANTS RECEIVABLE**

Grants receivable include of the following:

	December 31,	
	2022	2021
Individuals	\$60,000	\$105,000
Port Authority	-	68,633
Various Foundation Grants	3,000	16,000
	\$63,000	\$189,633
Receivable in less than one year	63,000	189,633
Receivable in one to five years	-	-
Total Grants Receivable	\$63,000	\$189,633

Feed My People
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021
(Continued)

C. **INVESTMENTS AND FAIR VALUE MEASUREMENTS**

The Organization has 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 unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 – Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 – Inputs to the valuation methodology are unobservable and supported by little or no market activity and that are significant to the fair value of the assets or liabilities including investments in certain hedge funds, commodities, managed futures, private equity, and real estate strategies.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following is a description of the valuation methods used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2022 and 2021.

Individual stocks: Valued at unadjusted quoted prices for identical stock traded in active markets.

Mutual funds: Valued at the net asset value (NAV) of shares held by the plan at year end. Depending on the underlying investment, the NAV may be based on quoted prices of identical assets or quoted prices for similar assets in inactive markets.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Feed My People
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021
(Continued)

C. **INVESTMENTS AND FAIR VALUE MEASUREMENTS** (Continued)

Fair values of assets measured on a recurring basis are as follows:

	Fair Value Measurements at Reporting Date Using			
	Fair Value	(Level 1)	(Level 2)	(Level 3)
<u>December 31, 2022</u>				
Individual stocks	\$ 12,350	\$ 12,350	\$ -	\$ -
Mutual funds	578,068	438,507	139,561	-
Total	\$590,418	\$450,857	\$139,561	\$ -
<u>December 31, 2021</u>				
Individual stocks	\$ 13,391	\$ 13,391	\$ -	\$ -
Mutual funds	648,078	72,289	575,789	-
Total	\$661,469	\$ 85,680	\$575,789	\$ -

D. **ASSETS HELD IN TRUST**

The Organization has established an agency fund with the St. Louis Community Foundation. The Organization is the beneficiary, and the St. Louis Community Foundation is the recipient organization. The recipient organization acts as an agent for and on behalf of a donor if the organization receives assets from the donor and agrees to distribute those assets or the return on those assets to the beneficiary. The Organization is following definitive guidance related to transactions in which the donor makes a contribution by transferring assets to a not-for-profit organization, the recipient organization, which accepts the assets from the donor and agrees to use those assets on behalf of the Organization. The current distribution rate is approximately 4%. The aggregate current market value of the assets held in trust is \$114,709 and \$139,704 as of December 31, 2022 and 2021, respectively.

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E. PROPERTY AND EQUIPMENT

Property and equipment at December 31 consist of the following:

	2022	2021
Furniture and equipment	\$ 292,783	\$ 267,359
Vehicles	125,185	183,813
Building and improvements	2,883,414	2,189,982
Construction in progress	-	190,190
Website development	17,300	17,300
Land	268,600	268,600
	3,587,282	3,117,244
Less accumulated depreciation	(1,393,919)	(1,375,920)
Total Property and Equipment, Net	\$2,193,363	\$1,741,324

Depreciation expense totaled \$76,627 and \$61,211 for the years ended December 31, 2022 and 2021, respectively.

F. CONTRIBUTIONS OF NONFINANCIAL ASSETS

The Organization receives contributions of food, clothing, and supplies. Contributed goods and services are valued based on current rates for similar goods and services. Contributions of nonfinancial assets were received for the following for the year ended December 31:

	2022	2021
Food	\$3,213,387	\$3,339,099
Clothing and supplies	191,276	203,301
Total Contributions of Nonfinancial Assets	\$3,404,663	\$3,542,400

In addition, the Organization receives assistance from volunteers for program support and fundraising activities. These services did not meet the criteria for revenue recognition; however, the Organization estimates that the fair market value of these services were \$694,230 and \$558,878 for the years ended December 31, 2022 and 2021, respectively.

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G. RETIREMENT PLAN

The Organization has a Simple IRA retirement plan for all eligible employees. The Organization matches up to 3% of employee earnings. The Organization made contributions of \$14,330 and \$14,073 for the years ended December 31, 2022 and 2021, respectively.

H. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods:

	2022	2021
Subject to expenditure for specific purpose:		
Programs	\$ 51,820	\$146,470

I. NET ASSETS RELEASED FROM DONOR RESTRICTION

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 donors as follows for the years ended December 31:

	2022	2021
Purpose restrictions accomplished:		
Programs	\$109,650	\$ -

J. BOARD DESIGNATED NET ASSETS

The Board of Directors approved the establishment of board designated funds. The purpose of these funds is for current and future investment growth. The use of these funds is subject to approval by the Board of Directors.

The board designated net assets as of December 31, 2022 and 2021 were \$779,954 and \$851,672, respectively.

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K. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments. The Organization receives contributions restricted by donors, and considers contributions restricted for programs, which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures.

The Organization maintains financial assets, consisting of cash and investments, on hand to meet its normal operating expenses based on its annual budget. Operating expenses are compared to budgeted expenses on a monthly basis and financial assets on hand are adjusted as necessary.

The Organization's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

	December 31,	
	2022	2021
Cash and cash equivalents	\$ 721,533	\$ 971,535
Grants receivable	63,000	189,633
Other receivable	33,962	424
Investments	590,418	661,469
Total financial assets	\$1,408,913	\$1,823,061
Less amounts not available to be used within one year:		
Board designated net assets	779,954	851,672
Donor-restricted net assets	51,820	146,470
Total financials assets not available to be used within one year	831,774	998,142
Financial assets available to meet cash needs for general expenditures within one year	\$ 577,139	\$ 824,919

Although the Organization does not intend to spend from its board designated investments, other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation, amounts from its board designated investments could be made available if necessary.