

FEED MY PEOPLE
FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

FEED MY PEOPLE
DECEMBER 31, 2021 AND 2020

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Martz & Wilson, LLP
Certified Public Accountants

712 Hanley Industrial Court, Brentwood, MO 63144 • 314-646-1040 Office • 314-646-0705 Fax

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Feed My People

Opinion

We have audited the accompanying financial statements of Feed My People, a Missouri non-for-profit corporation, which comprise the statements of financial position, as of December 31, 2021 and 2020, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Feed My People and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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.

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 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.



MARTZ & WILSON, LLP
Certified Public Accountants

December 2, 2022

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STATEMENTS OF FINANCIAL POSITION

DECEMBER 31,

Assets

	<u>2021</u>	<u>2020</u>
Current Assets		
Cash and cash equivalents	\$ 971,535	\$ 648,359
Unconditional promises to give	189,633	-
Dividends receivable	424	265
Food inventory	5,919	29,153
Prepaid expenses	20,390	21,773
Total Current Assets	1,187,901	699,550
Investments	801,173	583,180
Property, Equipment, and Leasehold		
Improvements, net of accumulated depreciation	1,741,324	1,493,130
Total Assets	<u>\$ 3,730,398</u>	<u>\$ 2,775,860</u>

Liabilities and Net Assets

Current Liabilities		
Accounts payable and accrued expenses	\$ 162,480	\$ 79,225
Deferred revenue	-	500
Total Current Liabilities	162,480	79,725
Net Assets		
Without donor restrictions		
Unrestricted	2,569,776	2,083,881
Board designated	851,672	612,254
	3,421,448	2,696,135
With donor restrictions	146,470	-
Total Net Assets	3,567,918	2,696,135
Total Liabilities and Net Assets	<u>\$ 3,730,398</u>	<u>\$ 2,775,860</u>

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STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2021

	Without Restrictions	With Restrictions	Total
Revenue and Support			
Public support			
Contributions	\$ 1,125,940	\$ 146,470	\$ 1,272,410
Donated food, materials, and services	3,542,400	-	3,542,400
Special events (net of direct costs of \$4,814 in 2021)	40,455	-	40,455
Grant income	237,753	-	237,753
In-kind donations	10,995	-	10,995
Paycheck protection program forgiveness	-	-	-
Bequest income	302,663	-	302,663
Revenues			
Thrift store sales	358,420	-	358,420
Investment income	28,839	-	28,839
Realized/Unrealized gain (loss) on investments	71,949	-	71,949
	5,719,414	146,470	5,865,884
Release from restrictions	-	-	-
Total Revenue and Support	5,719,414	146,470	5,865,884
Expenses			
Program services	4,540,362	-	4,540,362
Administration	362,655	-	362,655
Fundraising	91,084	-	91,084
Total Expenses	4,994,101	-	4,994,101
Changes in net assets			
	725,313	146,470	871,783
Net Assets, Beginning of Year	2,696,135	-	2,696,135
Net Assets, End of Year	\$ 3,421,448	\$ 146,470	\$ 3,567,918

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STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2020

	Without Restrictions	With Restrictions	Total
Revenue and Support			
Public support			
Contributions	\$ 983,139	\$ -	\$ 983,139
Donated food, materials, and services	2,777,630	-	2,777,630
Special events (net of direct costs of \$5,182 in 2020)	82,985	-	82,985
Grant income	339,120	-	339,120
In-kind donations	4,525	-	4,525
Paycheck protection program forgiveness	169,700	-	169,700
Bequest income	1,000	-	1,000
Revenues			
Thrift store sales	225,712	-	225,712
Investment income	24,858	-	24,858
Realized/Unrealized gain (loss) on investments	1,721	-	1,721
	4,610,390	-	4,610,390
Release from restrictions	-	-	-
Total Revenue and Support	4,610,390	-	4,610,390
Expenses			
Program services	3,671,830	64,917	3,736,747
Administration	309,014	-	309,014
Fundraising	87,250	-	87,250
Total Expenses	4,068,094	64,917	4,133,011
Changes in net assets	542,296	(64,917)	477,379
Net Assets, Beginning of Year	2,153,839	64,917	2,218,756
Net Assets, End of Year	\$ 2,696,135	\$ -	\$ 2,696,135

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STATEMENTS OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2021

	Program			Total
	Services	Administration	Fundraising	
Program Expenses				
Purchased food and materials	\$ 37,756	\$ -	\$ -	\$ 37,756
Donated food and materials	3,561,312	-	-	3,561,312
Fans and heaters	-	-	-	-
Shoes	6,029	-	-	6,029
Specific assistance	2,858	-	-	2,858
Thrift store expenses	18,481	-	-	18,481
Client services	1,350	-	-	1,350
Other program expenses	28,414	-	-	28,414
Total Program Expenses	3,656,200	-	-	3,656,200
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
Planned giving	-	-	-	-
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
Total Functional Expenses	\$ 4,540,362	\$ 362,655	\$ 91,084	\$ 4,994,101

FEED MY PEOPLE

STATEMENTS OF FUNCTIONAL EXPENSES (CONTINUED)

For the Year Ended December 31, 2020

	Program			
	Services	Administration	Fundraising	Total
Program Expenses				
Purchased food and materials	\$ 33,592	\$ -	\$ -	\$ 33,592
Donated food and materials	2,802,368	-	-	2,802,368
Fans and heaters	-	-	-	-
Shoes	-	-	-	-
Specific assistance	1,234	-	-	1,234
Thrift store expenses	21,604	-	-	21,604
Client services	-	-	-	-
Other program expenses	23,030	-	-	23,030
Total Program Expenses	2,881,828	-	-	2,881,828
Payroll Expenses				
Salaries	440,004	164,181	52,538	656,723
Employee benefits	91,599	34,179	10,937	136,715
Payroll taxes	33,015	12,319	3,942	49,276
Pension	7,071	2,639	844	10,554
Total Payroll Expenses	571,689	213,318	68,261	853,268
Occupancy Expenses				
Repairs and maintenance	52,869	12,522	4,174	69,565
Insurance	37,264	8,826	2,941	49,031
Depreciation	61,921	14,666	4,888	81,475
Security	1,379	327	108	1,814
Other occupancy	37,056	8,776	2,926	48,758
Total Occupancy Expenses	190,489	45,117	15,037	250,643
Other Operating Expenses				
Printing and publication	11,399	3,040	760	15,199
Postage and shipping	5,940	1,584	396	7,920
Advertising	12,832	-	1,426	14,258
Vehicle expense	20,012	-	-	20,012
Office expense	12,869	3,432	858	17,159
Planned giving	1,016	271	68	1,355
Volunteer development	3,181	-	-	3,181
Telephone	4,998	1,333	333	6,664
Conferences and meetings	1,106	995	111	2,212
Professional fees	-	23,100	-	23,100
Taxes and licenses	-	92	-	92
Miscellaneous	10,117	10,116	-	20,233
Computer expense	9,271	3,090	-	12,361
Dues and subscriptions	-	3,526	-	3,526
Total Other Operating Expenses	92,741	50,579	3,952	147,272
Total Functional Expenses	\$ 3,736,747	\$ 309,014	\$ 87,250	\$ 4,133,011

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STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED

DECEMBER 31,

	<u>2021</u>	<u>2020</u>
Operating Activities		
Change in net assets	\$ 871,783	\$ 477,379
Adjustments to reconcile change in net assets to net Cash provided (used) by operating activities		
Depreciation	61,211	81,475
(Gain) Loss on investments	(71,949)	(1,721)
In-kind contribution of stock	(10,995)	(4,525)
Decrease (increase) in dividends receivable	(159)	(265)
Decrease (increase) prepaid expenses	1,383	(12,038)
Decrease (increase) in grants receivable	(189,633)	17,000
Increase (decrease) in current liabilities	82,755	61,714
Decrease (increase) in TEFAP food inventory	23,234	24,738
Net Cash Provided (Used) by Operating Activities	767,630	643,757
Investing Activities		
Proceeds from sale of investments	1,939	-
Purchase of investments	(136,988)	(1,820)
Purchase of property and equipment	(309,405)	(156,464)
Net Cash Provided (Used) by Investing Activities	(444,454)	(158,284)
Net Increase (Decrease) in Cash and Cash Equivalents	323,176	485,473
Cash and Cash Equivalents, Beginning of Year	648,359	162,886
Cash and Cash Equivalents, End of Year	\$ 971,535	\$ 648,359

FEED MY PEOPLE

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

NOTE 1 – ORGANIZATION

Feed My People 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. Feed My People is a Missouri not-for-profit corporation and exempt from income taxes under Internal Revenue Code Section 501(c)(3).

Donations to the Organization qualify for the charitable contribution deduction under Section 170(b)(1)(A) and the Organization is not a private foundation.

In 2012, the Organization formed the Feed My People Foundation, a 509(a)(3) supporting organization. The foundation was formed to raise sufficient funds to support and promote the Organization's mission.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Feed My People is presented to assist in understanding the financial statements. The financial statements and notes are representations of the organization's management and board of directors, who are responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the presentation of the financial statements.

Recent Accounting Pronouncements

In 2016, the FASB issued ASU update 2016-02, *Leases (Topic 842)*, which requires lessees to recognize an asset and liability associated with the right to use a given asset and obligation to make payments pursuant to the terms of the lease. The standard will be effective January 1, 2022.

Basis of Presentation

Contributions received are recorded as an increase in support with or without donor restrictions, depending on the existence or nature of any donor restrictions. Contributions restricted for capital items are recorded as an increase in support with donor restrictions until the capital expenditures are made.

Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions. The board designates certain net assets for specific purposes which prohibits the use of the assets by management's decision. Board designated net assets are net assets without donor restrictions that are subject to self-imposed limits by action of the governing board. ASU No. 2016-14 requires that not-for-profits disclose information about the amounts and purposes of board-designated net assets either on the face of the statement of financial position or in the notes. **See Note 6 – Board Designated Net Assets.**

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NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

With Donor Restrictions – Net assets that are subject to donor-imposed restrictions that will be satisfied by actions of the Organization or passage of time.

Contributions with donor restrictions whose restrictions are met in the same reporting period are recorded as without donor restriction. Interest earned on the temporary investment of such support is without donor restriction.

Revenue and Expense Recognition

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. ASU 2014-09 is effective for non-public entities with fiscal years beginning after December 15, 2018. This ASU replaces nearly all existing U.S. GAAP guidance on revenue recognition. The ASU also requires expanded disclosures relating to the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. This standard was effective beginning January 1, 2019. A description of the Organization's revenue streams accounted for under ASC 606 follows:

Fundraising: The Organization collects proceeds from ticket sales for attendance and auction proceeds from fundraising events. Both the ticket sales and auction proceeds transactions represent revenue where the Organization transfers goods or services to donors. Fundraising event revenues are recognized at the point in time when the event occurs.

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 when the sale occurs.

The following table disaggregates the Organization's revenue based on the timing of satisfaction of performance obligations for the year ended December 31:

	<u>2021</u>	<u>2020</u>
Performance obligations satisfied at a point in time	\$ 403,689	\$ 313,879
Performance obligations satisfied over time	-	-
Total Revenue from Performance Obligations	<u>\$ 403,689</u>	<u>\$ 313,879</u>

The revenue in the above table is included in public support and revenues on the statement of activities.

FEED MY PEOPLE

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and Expense Recognition (Continued)

Substantially all of the Organization's revenues result from contributions, bequests, and special grants, which are recognized when received and are recorded as with restrictions or without restrictions depending on the existence and nature of any donor restrictions. The opening contract balance as of January 1, 2021 and 2020 was \$0.

The Organization has adopted SFAS No. 116, "Accounting for Contributions Received and Contributions Made." Donated materials and services are valued at fair market value at the time of receipt. The value of donated materials amounted to \$3,542,400 and \$2,777,630 for 2021 and 2020, respectively. In addition, volunteers provide assistance in the program support and fund-raising activities of the organization. These services did not meet the criteria for recognition, but the organization believes that the fair market value of the volunteer services amounted to \$558,878 and \$550,630, for 2021 and 2020, respectively.

Expenses are recognized under the accrual basis of accounting.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the program services, administration and fundraising services.

The financial statements report certain categories of expenses that are attributable to program services, administration and fundraising services of the Organization. Those expenses include program, payroll, occupancy and other operating expenses. Payroll expenses are allocated based on the time of where efforts are made. Direct program expenses are allocated solely to program services. Occupancy expenses are allocated based on a square footage basis. All remaining costs are allocated based on purpose of expenditures.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

In-Kind Contributions

In-kind contributions consists of donated stock from donors and are recorded at their fair market value as of the date of contribution. At December 31, 2021 and 2020 in-kind contributions were \$10,995 and \$4,525, respectively.

FEED MY PEOPLE

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventory

Under U.S. 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 per pound at December 31, 2021 and 2020. Total inventory at December 31, 2021 and 2020 was \$5,919 and \$29,153, respectively.

Property, Equipment and Leasehold Improvements

Property, equipment, and leasehold improvements are stated at cost when purchased and at fair market value when donated. The Organization maintains a capitalization threshold of \$2,000. Depreciation is computed using the straight-line method over estimated useful lives ranging from 5 to 39 years. Total costs are summarized as follows:

	<u>2021</u>	<u>2020</u>
Furniture and equipment	\$ 267,359	\$ 206,086
Vehicles	183,813	183,813
Building	1,700,527	1,642,585
Building improvements	489,455	489,455
Construction in progress	207,490	17,300
Land	268,600	268,600
	<u>3,117,244</u>	<u>2,807,839</u>
Accumulated depreciation	1,375,920	1,314,709
	<u>\$ 1,741,324</u>	<u>\$ 1,493,130</u>

Depreciation expense was \$61,211 and \$81,475 for 2021 and 2020, respectively.

Compensated Absences

The Organization provides full and part time employees with vacation and sick leave in varying amounts. Vacation and sick pay expenses are expensed to operations when taken by the employee. The Organization in 2021 began accruing balances for compensated balances. As of December 31, 2021 and 2020 accrued vacations balances were \$45,964 and \$0, respectively. Amounts are included within accounts payable and accrued expenses on the Statements of Financial Position.

FEED MY PEOPLE

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Concentrations

The Organization received 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 \$2,576,812 and \$1,602,040 for 2021 and 2020, respectively. These shipments accounted for 44% and 35% of its public support and revenues for 2021 and 2020, respectively. Shipments from the USDA program included in the Food Bank shipments were \$980,980 and \$1,443,970 for 2021 and 2020, respectively. A significant support decrease by the St. Louis Area Food Bank could have a material adverse effect on the Organization.

Advertising Cost

The Organization expenses all advertising costs. Advertising expense was \$20,757 and \$14,258 for 2021 and 2020, respectively.

NOTE 3 – CASH AND CASH EQUIVALENTS

Cash includes all currency on hand and checking and savings accounts. The organization considers, as cash equivalents, all highly liquid investments with a maturity at the date of purchase of three month or less.

Cash and cash equivalents appearing in the financial statements consist of the following:

	<u>2021</u>	<u>2020</u>
Cash	\$ 921,036	\$ 619,285
Money Market	50,499	29,074
	<u>\$ 971,535</u>	<u>\$ 648,359</u>

The organization maintains bank accounts at two financial institutions, including a money market account. Accounts at each financial institution are secured by Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Daily balances in these accounts may exceed FDIC limit. At December 31, 2021 and 2020, the Organization's uninsured cash balances totaled \$673,404 and \$376,890, respectively.

FEED MY PEOPLE

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

NOTE 4 – ENDOWMENT FUND

The Organization's endowment fund consists of one fund that was established to support the purposes of the Organization. Its endowment includes funds designated by the Board to function as an endowment. As required by generally accepted accounting principles, net assets associated with endowment funds, including designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

From time to time, the fair value of assets with donor-restricted endowment funds may fall below the level that the donor requires the Organization to retain as a fund of perpetual duration (underwater endowments). In accordance with generally accepted accounting principles, deficiencies of this nature are reported in net assets with donor restrictions. These deficiencies result from unfavorable market fluctuations that occur shortly after the investment of new donor-restricted contributions and continued appropriation for certain programs that may be deemed prudent by the Board. Subsequent gains that restore the fair value of the assets of the endowment fund to the required level will be classified as an increase in net assets with donor restrictions. The Organization's policy is that no spending allowance from an underwater fund will be allowed. At December 31, 2021 and 2020, there were no deficiencies reported in the net assets with donor restrictions or in the board designated net assets.

The Organization has adopted investment and spending policies, approved by the Board, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return to grow the funds when possible. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

The Organization has a policy of which the net income of the fund can be distributed and used for Organization's mission. In the event all of the net income of the fund in any year is not used for the Organization's mission, such unexpended income may, in the discretion of the Board, be added to the principal of the fund or be retained as income and invested separately from principal, to be used for the Organization's mission in future years.

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NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

NOTE 4 – ENDOWMENT FUND (CONTINUED)

Endowment net asset composition by type of fund as of December 31, 2021 and 2020 is as follows:

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total Net Endowment Assets
Board designated endowment funds	\$ 139,704	\$ -	\$ 139,704
	2020		
	Without Donor Restrictions	With Donor Restrictions	Total Net Endowment Assets
Board designated endowment funds	\$ -	\$ -	\$ -

Changes in endowment net assets as of December 31, 2021 and 2020 are as follows:

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total Net Endowment Assets
Endowment net assets, beginning of year	\$ -	\$ -	\$ -
Contributions	130,000	-	130,000
Investment return, net	11,551	-	11,551
Amounts appropriated for expenditure	(1,847)	-	(1,847)
Other changes:			
Distribution from board designated endowment pursuant to distribution policy	-	-	-
Endowment net assets, end of year	\$ 139,704	\$ -	\$ 139,704
	2020		
	Without Donor Restrictions	With Donor Restrictions	Total Net Endowment Assets
Endowment net assets, beginning of year	\$ -	\$ -	\$ -
Contributions	-	-	-
Investment return, net	-	-	-
Amounts appropriated for expenditure	-	-	-
Other changes:			
Distribution from board designated endowment pursuant to distribution policy	-	-	-
Endowment net assets, end of year	\$ -	\$ -	\$ -

FEED MY PEOPLE

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS

The Organization's net assets with donor restrictions as of December 31, 2021 and 2020 are available for the following purposes.

	<u>2021</u>	<u>2020</u>
Subject to purpose restrictions:		
Programs	\$ 146,470	\$ -
Total net assets with donor restrictions:	<u>\$ 146,470</u>	<u>\$ -</u>

NOTE 6 – BOARD DESIGNATED NET ASSETS

On December 31, 2004, the Board approved the establishment of board designated funds. The purpose of the funds are for current and future investment growth. Use of these amounts are subject to Board approval. In 2021 and 2020, the Board approved the transfer of \$1,962 and \$0, respectively, to support operations. On November 4, 2015, the Board established the Feed My People Endowment Fund. The net income of the funds shall be used exclusively for the purpose of the Organization.

The board designated net assets as of December 31, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Feed My People Endowment Fund	\$ 139,704	\$ -
Thrivent Investment Management	163,047	144,763
US Bancorp Securities	548,921	467,491
Total Board Designated Net Assets	<u>\$ 851,672</u>	<u>\$ 612,254</u>

NOTE 7 – UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give consist of the following:

	<u>2021</u>	<u>2020</u>
Individuals	\$ 105,000	\$ -
Port Authority	68,633	-
Staenberg Family Foundation	9,000	-
Sidener Foundation Grant	7,000	-
	<u>\$ 189,633</u>	<u>\$ -</u>
Receivable in less than one year	189,633	-
Receivable in one to five years	-	-
Total Unconditional Promises to Give	<u>\$ 189,633</u>	<u>\$ -</u>

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NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

NOTE 7 – UNCONDITIONAL PROMISES TO GIVE (CONTINUED)

Due to the nature of the promises, management believes that all amounts will be received when due, therefore no allowance for uncollectible promises has been provided. Given the low level of current interest rates, an allowance to reduce future promises to give to a net present value is not considered material.

NOTE 8 – INVESTMENTS AND FAIR VALUE MEASUREMENTS

Fair value and cost of these investments as of December 31, 2021 and 2020 are as follows:

<u>Fair Value</u>	<u>2021</u>	<u>2020</u>
Feed My People Endowment Fund	\$ 139,703	\$ -
Thrivent Investment Management	163,047	144,765
US Bancorp Securities	548,922	467,489
	<u>851,672</u>	<u>612,254</u>
Less Money Market Accounts	50,499	29,074
Investments	<u>\$ 801,173</u>	<u>\$ 583,180</u>

<u>Cost</u>	<u>2021</u>	<u>2020</u>
Feed My People Endowment Fund	\$ 137,683	\$ -
Thrivent Investment Management	158,452	145,428
US Bancorp Securities	526,393	486,325
	<u>822,528</u>	<u>631,753</u>
Less Money Market Accounts	50,499	29,074
Investments	<u>\$ 772,029</u>	<u>\$ 602,679</u>

U.S. generally accepted accounting principles establish a framework for measuring fair value. That framework provides 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).

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NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

NOTE 8 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

The three levels of the fair value hierarchy are described below:

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

Level 2 – Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or by other means;
- If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes to the methodologies used at December 31, 2021 and 2020.

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.

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NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

NOTE 8 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

The following table sets forth, by level within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2021 and 2020:

	2021			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Individual stocks	\$ 13,391	\$ -	\$ -	\$ 13,391
Mutual funds	72,289	715,493	-	787,782
	<u>\$ 85,680</u>	<u>\$ 715,493</u>	<u>\$ -</u>	<u>\$ 801,173</u>

	2020			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Individual stocks	\$ 9,952	\$ -	\$ -	\$ 9,952
Mutual funds	54,845	518,383	-	573,228
	<u>\$ 64,797</u>	<u>\$ 518,383</u>	<u>\$ -</u>	<u>\$ 583,180</u>

NOTE 9 – EMPLOYEES' RETIREMENT PLAN

The Organization has a Simple IRA retirement plan for all eligible employees. The Organization made contributions of \$14,073 and \$10,554 for the years ended December 31, 2021 and 2020, respectively. The Organization matches 100% of the employee contribution to a maximum of 3% of the employee earnings.

NOTE 10 – LIQUIDITY AND AVAILABILITY

The Organization is primarily funded by public support and noncash contributions by the St. Louis Area Food Bank. As part of its liquidity management, the Organization structures its financial assets to be available as general expenditures, liabilities, and other obligations become due.

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NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

NOTE 10 – LIQUIDITY AND AVAILABILITY (CONTINUED)

The below reflects the Organization's financial assets as of the statement of financial position date, reduced by the amounts that are not available for general use due to contractual or donor-imposed restrictions within one year of the statement of financial position date. The grants receivable are subject to implied time restrictions but are expected to be collected within one year. The Organization sets a goal of having minimum financial assets on hand of 5% of total net assets to meet normal operating expenses is equal to three months average operating costs.

	<u>2021</u>	<u>2020</u>
Financial assets, at year end	\$ 1,377,349	\$ 679,575
Less those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions:		
Restricted by donor with time or purpose restrictions	(146,470)	-
Board designations:		
Money market funds	<u>(50,499)</u>	<u>(29,074)</u>
Financial assets available to meet cash needs for general expenditures within one year.	<u>\$ 1,180,380</u>	<u>\$ 650,501</u>

NOTE 11 – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through December 2, 2022, the date which the financial statements were issued.