



# Financial Statements

## Every Meal (a Nonprofit Corporation)

Roseville, Minnesota

For the years ended June 30, 2022 and 2021



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Every Meal  
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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Every Meal  
Roseville, Minnesota

### Opinion

We have audited the accompanying financial statements of Every Meal (the Organization), a Minnesota nonprofit corporation, which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2022 and 2021, 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 the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 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, 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 the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



**Abdo**  
Minneapolis, Minnesota  
December 15, 2022

## FINANCIAL STATEMENTS

**Every Meal**  
**Statements of Financial Position**  
**June 30, 2022 and 2021**

	2022	2021
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 713,933	\$ 2,130,488
Certificates of deposit	501,874	-
Accounts receivable	126,159	14,678
Inventory	1,388,690	824,135
Prepaid expenses	39,104	203,060
<b>Total Current Assets</b>	<b>2,769,760</b>	<b>3,172,361</b>
<b>Property and Equipment</b>		
Office furniture and equipment	9,734	9,734
Vehicles	375,614	375,614
Warehouse equipment	1,023,008	748,986
<b>Total Property and Equipment, Cost</b>	<b>1,408,356</b>	<b>1,134,334</b>
Less Accumulated Depreciation	(685,804)	(419,068)
<b>Total Property and Equipment, Net</b>	<b>722,552</b>	<b>715,266</b>
<b>Other Assets</b>		
Security deposits	8,763	8,763
<b>Total Assets</b>	<b>\$ 3,501,075</b>	<b>\$ 3,896,390</b>

See Independent Auditor's Report and Notes to the Financial Statements.

Every Meal  
Statements of Financial Position (Continued)  
June 30, 2022 and 2021

	2022	2021
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 33,553	\$ 129,841
Other accrued expenses	41,741	40,719
Capital lease obligations, current	46,045	44,665
Total Current Liabilities	121,339	215,225
Long-term Liabilities		
Deferred rent	41,416	28,821
Capital lease obligations, net of current portion	163,473	209,469
Total Long-term Liabilities	204,889	238,290
Total Liabilities	326,228	453,515
Net Assets		
Without donor restrictions		
Undesignated	2,140,070	3,391,046
Board designated	250,222	-
Total Without Donor Restrictions	2,390,292	3,391,046
With donor restrictions	784,555	51,829
Total Net Assets	3,174,847	3,442,875
Total Liabilities and Net Assets	\$ 3,501,075	\$ 3,896,390

See Independent Auditor's Report and Notes to the Financial Statements.

**Every Meal**  
**Statements of Activities**  
For the Years Ended June 30, 2022 and 2021

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains and Other Support			
Partnership and sponsor revenue	\$ 32,852	\$ 1,042,055	\$ 1,074,907
Grants	1,619,922	-	1,619,922
Individual contributions	3,301,232	-	3,301,232
Donated goods and services	221,261	-	221,261
Other income	113,453	-	113,453
Gain (loss) from inventory adjustment	(1,387)	-	(1,387)
Gain (loss) on sale of investments	77	-	77
Net assets released from restrictions	309,329	(309,329)	-
Total Revenues, Gains and Other Support	<u>5,596,739</u>	<u>732,726</u>	<u>6,329,465</u>
Expenses			
Program services	5,143,954	-	5,143,954
Supporting services			
Management and general	633,194	-	633,194
Fundraising	820,345	-	820,345
Total Expenses	<u>6,597,493</u>	<u>-</u>	<u>6,597,493</u>
Change in Net Assets	(1,000,754)	732,726	(268,028)
Net Assets, July 1	<u>3,391,046</u>	<u>51,829</u>	<u>3,442,875</u>
Net Assets, June 30	<u>\$ 2,390,292</u>	<u>\$ 784,555</u>	<u>\$ 3,174,847</u>

See Independent Auditor's Report and Notes to the Financial Statements.



**Every Meal**  
**Statements of Activities (Continued)**  
For the Years Ended June 30, 2022 and 2021

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains and Other Support			
Partnership and sponsor revenue	\$ 826,418	\$ 51,829	\$ 878,247
Grants	1,522,361	-	1,522,361
Individual contributions	2,788,538	-	2,788,538
Donated goods and services	699,034	-	699,034
Other income	88,777	-	88,777
Net assets released from restrictions	73,413	(73,413)	-
Total Revenues, Gains and Other Support	<u>5,998,541</u>	<u>(21,584)</u>	<u>5,976,957</u>
Expenses			
Program services	4,773,887	-	4,773,887
Supporting services			
Management and general	607,738	-	607,738
Fundraising	594,199	-	594,199
Total Expenses	<u>5,975,824</u>	<u>-</u>	<u>5,975,824</u>
Change in Net Assets	22,717	(21,584)	1,133
Net Assets, July 1	<u>3,368,329</u>	<u>73,413</u>	<u>3,441,742</u>
Net Assets, June 30	<u>\$ 3,391,046</u>	<u>\$ 51,829</u>	<u>\$ 3,442,875</u>

See Independent Auditor's Report and Notes to the Financial Statements.

**Every Meal**  
**Statements of Functional Expenses**  
For the Years Ended June 30, 2022 and 2021

	2022			Total Expenses
	Program Services	Supporting Services Management and General	Fundraising	
Salaries and Related Expenses				
Staff salaries	\$ 1,470,359	\$ 341,660	\$ 501,949	\$ 2,313,968
Benefits and payroll taxes	284,056	61,462	78,131	423,649
Total Salaries and Related Expenses	<u>1,754,415</u>	<u>403,122</u>	<u>580,080</u>	<u>2,737,617</u>
Expenses				
Contracted services	20,061	70,122	17,721	107,904
Food purchases and donations	2,179,295	(113)	3	2,179,185
Meeting and conferences	9,536	1,698	1,909	13,143
Office supplies	64,318	6,229	7,944	78,491
Other operating expenses	295,965	109,648	145,085	550,698
Printing and postage	22,358	5,739	45,847	73,944
Program and sponsor support	3,690	1,000	495	5,185
Rent	360,178	7,257	8,641	376,076
Staff training and travel	26,302	21,390	4,391	52,083
Transportation	78,277	505	1,735	80,517
Utilities	62,823	6,597	6,494	75,914
Total Expenses Before Depreciation	<u>4,877,218</u>	<u>633,194</u>	<u>820,345</u>	<u>6,330,757</u>
Depreciation	<u>266,736</u>	<u>-</u>	<u>-</u>	<u>266,736</u>
Total Expenses	<u>\$ 5,143,954</u>	<u>\$ 633,194</u>	<u>\$ 820,345</u>	<u>\$ 6,597,493</u>

See Independent Auditor's Report and Notes to the Financial Statements.

**Every Meal**  
**Statements of Functional Expenses (Continued)**  
**For the Years Ended June 30, 2022 and 2021**

	2021			Total Expenses
	Program Services	Supporting Services		
		Management and General	Fundraising	
Salaries and Related Expenses				
Staff salaries	\$ 1,040,134	\$ 233,464	\$ 290,740	\$ 1,564,338
Benefits and payroll taxes	191,831	35,824	51,538	279,193
Total Salaries and Related Expenses	<u>1,231,965</u>	<u>269,288</u>	<u>342,278</u>	<u>1,843,531</u>
Expenses				
Contracted services	11,807	114,102	13,193	139,102
Food purchases and donations	2,467,429	-	-	2,467,429
Meeting and conferences	6,262	1,605	5,370	13,237
Office supplies	116,240	12,573	29,228	158,041
Other operating expenses	210,830	161,513	148,253	520,596
Printing and postage	21,410	5,300	30,319	57,029
Program and sponsor support	-	-	450	450
Rent	386,807	7,138	11,679	405,624
Staff training and travel	22,644	30,533	6,359	59,536
Transportation	55,082	89	741	55,912
Utilities	52,941	5,597	6,329	64,867
Total Expenses Before Depreciation	<u>4,583,417</u>	<u>607,738</u>	<u>594,199</u>	<u>5,785,354</u>
Depreciation	<u>190,470</u>	<u>-</u>	<u>-</u>	<u>190,470</u>
Total Expenses	<u>\$ 4,773,887</u>	<u>\$ 607,738</u>	<u>\$ 594,199</u>	<u>\$ 5,975,824</u>

See Independent Auditor's Report and Notes to the Financial Statements.

**Every Meal**  
**Statements of Cash Flows**  
For the Years Ended June 30, 2022 and 2021

	2022	2021
Cash Flows from Operating Activities		
Change in net assets	\$ (268,028)	\$ 1,133
Adjustment to reconcile change in net assets to net cash used by operating activities:		
Depreciation	266,736	190,470
Donated food inventory	(81,596)	(460,460)
Forgiveness of Paycheck Protection Program loan	-	(203,800)
Loss from inventory adjustment	(1,387)	-
Gain on sale of investments	77	-
Change in assets and liabilities:		
Accounts receivable	(111,481)	63,657
Pledges receivable	-	50,000
Inventory	(482,959)	537,618
Prepaid expenses	163,956	(147,036)
Accounts payable	(96,288)	(306,971)
Accrued expenses	1,022	(5,164)
Deferred rent	12,595	316
Net Cash Used by Operating Activities	(596,043)	(280,237)
Cash Flows from Investing Activities		
Cash outlay for property and equipment	(274,022)	(101,000)
Proceeds from certificates of deposit	250,947	-
Purchase of certificates of deposit	(752,821)	-
Net Cash Used by Investing Activities	(775,896)	(101,000)
Cash Flows from Financing Activities		
Payments on capital lease obligations	(44,616)	(198,571)
Change in Cash and Cash Equivalents	(1,416,555)	(579,808)
Beginning Cash and Cash Equivalents	2,130,488	2,710,296
Ending Cash and Cash Equivalents	\$ 713,933	\$ 2,130,488
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for:		
Interest	\$ 9,690	\$ 11,090
Supplemental Schedule of Noncash Investing and Financing Activities		
Equipment acquired under capital leases	\$ -	\$ 196,524
Disposal of capital leases	\$ -	\$ 92,548

See Independent Auditor's Report and Notes to the Financial Statements.

Every Meal  
Notes to the Financial Statements  
June 30, 2022 and 2021

**Note 1: Summary of Significant Accounting Policies**

**A. Nature of Activities**

Every Meal (the Organization), formerly The Sheridan Story, based in Roseville, Minnesota is a 501(c)(3) non-profit organization. Over 300,000 children in the state of Minnesota live in food insecurity and do not always know if they will receive their next meal. The Organization's purpose is to respond to the need by filling the gaps that children face during weekends, summers, and extended breaks when they are not in school to access the meal programs.

Through a network of over 600 partner organizations, Every Meal provides thousands of local children with the food they need to learn and grow. Since its inception in the fall of 2010, the Organization has worked tirelessly to remove the barriers to food access that so many children in this community face. In the last ten years, Every Meal has provided over 7.5 million meals to thousands of children who are living in food insecurity.

On October 6, 2020, the Organization changed its name to Every Meal.

**B. Basis of Presentation**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recorded when earned and expenses are recorded when a liability is incurred. Contributions received are recorded as an increase in support without donor restrictions or with donor restrictions, depending on the existence and nature of donor restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Without Donor Restrictions - Resources over which the Organization has discretionary control. Designated amounts represent revenue, which the Board of Directors has set aside for a particular purpose.

With Donor Restrictions - Resources subject to donor-imposed restrictions, which will be satisfied by actions of the Organization or passage of time. Restricted contributions received in the same year in which the restrictions are met are recorded as an increase to support with donor restrictions at the time of receipt and as net assets released from restrictions. Some resources are subject to the donor-imposed restriction that they be maintained permanently by the Organization. At June 30, 2022 and 2021, net assets with donor restrictions of \$784,555 and \$51,829, respectively, consisted of sponsor funds, grants, and individual contributions that were time restricted for a future period.

**C. 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 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 expenditures during the reporting period. Actual results could differ from those estimates.

**D. Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Organization considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents. The Organization's cash balances held in bank depositories may exceed federally insured limits at times.

Every Meal  
Notes to the Financial Statements  
June 30, 2022 and 2021

**Note 1: Summary of Significant Accounting Policies (Continued)**

**E. Pledges Receivable**

Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Promises to give represent amounts committed by donors that have not been received by the Organization. The Organization uses the allowance method to determine uncollectible promises to give (receivable). There was no allowance for doubtful accounts as of June 30, 2022 and 2021.

Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value, using interest rates applicable to the years in which the promises are expected to be received.

**F. Inventory**

The Organization maintains inventory consisting of both food to make the bags, as well as finished bags that are ready to be distributed to schools. The Food inventory is valued at the lower of cost or net realizable value. Costs are determined on a first-in, first-out basis. Finished bags are recorded at the build-up cost of inventory included in the bags.

**G. Property and Equipment**

Property and equipment are recorded at cost or estimated value on the date of contribution. Assets acquired through capital lease agreements are capitalized at their fair market value as of the date of the lease inception. The Organization capitalizes all property and equipment acquisitions with a value of \$2,500, similar property and equipment purchased together with a cost in excess of \$5,000 or an estimated useful life greater than one year. Property and equipment is being depreciated using the straight-line method based on estimated useful lives as follows:

<u>Assets</u>	<u>Useful Lives in Years</u>
Office Furniture and Equipment	3 - 7
Vehicles	3 - 7
Warehouse Equipment	3 - 7

Upon retirement or other disposition, the cost and related accumulated depreciation of disposed assets are removed from the accounts and any resultant gain or loss is recognized in operations.

Repairs and maintenance are charged to expense as incurred. Renewals and improvements, which extend the useful life of assets, are capitalized and depreciated over future periods.

**H. Deferred Revenue - Program Services**

Deferred revenue consists of payments received in advance that relate to services to be rendered in a future period and are deferred and recognized as revenue in the period earned. All deferred revenue is classified as current and will be recognized over the next year.

Every Meal  
Notes to the Financial Statements  
June 30, 2022 and 2021

**Note 1: Summary of Significant Accounting Policies (Continued)**

**I. Support and Revenue Recognition**

Support is recognized when the donor makes a promise to give to the Organization and there is sufficient evidence in the form of verifiable documentation that a promise was made and received.

Revenue from program service fees is recognized as income in the period that the program event is held. Contributions are recorded as revenue when notified as revenue with donor restrictions or revenue without donor restrictions, depending on the existence or nature of any donor restrictions. All donor-imposed restrictions are reported as increases in net assets with donor restrictions, depending on the existence or nature of any 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.

**J. In-kind Goods and Services**

Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their values in the period received.

Several individuals volunteer their time and perform a variety of tasks that assist the Organization, but do not meet the criteria for recognition as contributed services and have not been reported in these financial statements.

**K. Income Taxes**

The Organization is exempt from income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to the Organization are tax deductible as the Organization qualifies under Section 170(c) of the Internal Revenue Code.

**L. Functional Allocation of Expenses**

The costs of providing the various programs and supporting activities of the Organization have been allocated between program or supporting services. The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and benefits	Time and effort
Contracted services	Direct expense
Food purchases	Direct expense
Meeting and conferences	Direct expense
Office supplies	Full-time equivalent
Other operating expenses	Full-time equivalent
Printing and postage	Full-time equivalent
Program and sponsor support	Direct expense
Rent	Square footage
Staff training and travel	Full-time equivalent
Transportaion	Full-time equivalent
Utilities	Square footage

Every Meal  
Notes to the Financial Statements  
June 30, 2022 and 2021

**Note 1: Summary of Significant Accounting Policies (Continued)**

**M. New Accounting Pronouncements**

In September 2020, the FASB issued ASU No. 2020-07 Not-for-Profit Entities (Topic 958): *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which is intended to improve the transparency in the reporting of contributed nonfinancial assets, also known as gifts-in-kind, for not-for-profit organizations. This ASU requires not-for-profit organizations to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. In addition to separate presentation on the statement of activities, this amendment requires enhanced disclosures around each category of contributed nonfinancial assets for donor-imposed restrictions, valuation techniques, description of programs or activities in which the assets were used, and if monetized a policy about monetizing rather than utilizing the asset(s). The amendments in this ASU should be applied on a retrospective basis and are effective for annual reporting periods beginning after June 15, 2021. Early adoption is permitted. The new guidance was effective for Every Meal on July 1, 2021.

**N. Upcoming Accounting Pronouncements**

In March 2016, the FASB issued ASU No. 2016-02, *Leases*, as a new topic, Accounting Standards Codification 842. The objective of ASU No. 2016-02 is to increase transparency and comparability among organizations by reorganizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements. ASU No. 2016-02 is effective for annual reporting periods beginning after December 15, 2021, and shall be applied using either a full retrospective or modified retrospective approach. Early adoption is permitted. The new guidance is effective for Every Meal on July 1, 2022. The Organization is currently evaluating the impact on the results of operations, financial condition and cash flows and has not determined the impact on its consolidated financial statements at this time.

**O. Subsequent Events**

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through December 15, 2022, the date the financial statements were available to be issued.

**Note 2: Line of Credit**

The Organization maintains a revolving line of credit with a bank. The revolving line of credit allows borrowing up to \$50,000 with an interest rate at 2 percent over the prime rate. The line of credit expired on January 25, 2022 and was renewed through January 25, 2023. As of June 30, 2022 and 2021, the Organization had an outstanding balance on this revolving line of credit of \$0 and \$0.

**Note 3: Net Assets with Donor Restrictions**

Net assets with donor restrictions consist of sponsor funds, grants, and individual contributions that were time restricted for a future period. At June 30, 2022 and 2021, net assets with donor restrictions were \$784,555 and \$51,829, respectively.

**Note 4: Board Designated Net Assets**

The Board of Directors of the Organization has designated funds in net assets for cash reserves to be set aside for future periods and projects. Board designated net assets were \$250,222 and \$0 at June 30, 2022 and 2021, respectively.



Every Meal  
Notes to the Financial Statements  
June 30, 2022 and 2021

**Note 5: Leases**

**A. Capital**

The Company has acquired certain vehicles under four long-term leasing agreements classified as capital leases, with expiration dates in fiscal years 2026 and 2027. One of the vehicles was returned during the fiscal year ended June 30, 2021, thus ending that leasing agreement. The Organization then acquired two additional vehicles under long-term leasing agreements classified as capital leases. At June 30, 2021, the Organization had three vehicles under long-term leasing agreements. The cost of the vehicles under the capital leases totaled \$291,530 and \$291,530 at June 30, 2022 and 2021, respectively. The capital lease obligations are payable in monthly installments ranging from \$1,340 to \$1,482, including interest ranging from 2.47 percent to 4.39 percent.

Future minimum capital lease payments under capital leases are as follows:

Year	Gross Lease Payments	Less Amount Representing Interest	Principal Portion
2023	\$ 51,648	\$ 5,603	\$ 46,045
2024	51,648	4,183	47,465
2025	51,648	2,702	48,946
2026	47,628	1,192	46,436
2027	20,748	122	20,626
Total	<u>\$ 223,320</u>	<u>\$ 13,802</u>	<u>\$ 209,518</u>

The following is a summary of property and equipment held under capital leases as of June 30:

	2022	2021
Vehicles	\$ 291,530	\$ 291,530
Less Accumulated Depreciation	<u>(106,421)</u>	<u>(60,095)</u>
Net Book Value	<u>\$ 185,109</u>	<u>\$ 231,435</u>

Depreciation expense on assets recorded under the capital lease for the years ended June 30, 2022 and 2021 was \$46,326 and \$54,088, respectively, and is included in total depreciation expense. Interest expense on the capital lease was \$7,032 and \$9,332 for the years ended June 30, 2022 and 2021, respectively.

**B. Operating**

The Organization leased office and warehouse space beginning November 2016 which requires base monthly rent payment ranging from approximately, \$5,500 to \$6,500 over the term of the lease. The lease expires January of 2022. Subsequent to signing the above lease, the Organization signed an amendment to the lease agreement. The amendment increased the space available and extended the lease to February 2025. Required base monthly rent payments range from approximately \$9,700 to \$18,600 over the term of the lease. The Organization has the option to extend the lease for an additional 5 years.

The Organization leases various office equipment, one beginning August 2017 and expiring July 2022 and another beginning July 2018 and expiring June 2023. Monthly lease payments for the various office equipment total \$184. The Organization leases various rented spaces, one beginning July 2020 and expiring July 2023 and another beginning June 2020 and continuing on a month-to-month basis. Monthly lease payments for the various rented spaces total \$785.

Every Meal  
Notes to the Financial Statements  
June 30, 2022 and 2021

**Note 5: Leases (Continued)**

Future minimum lease payments are as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2023	\$ 194,034
2024	193,015
2025	<u>128,676</u>
Total	<u>\$ 515,725</u>

The Organization's total rent expense for the years ended June 30, 2022 and 2021 was \$348,863 and \$267,384, respectively.

**Note 6: Donated Goods and Services**

The Organization received various donated goods and services as noted below for the years ended June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>	<u>Usage in Programs/Activities</u>	<u>Donor Restriction</u>	<u>Fair Value Techniques</u>
Software Subscription Service	\$ 115,132	\$ 107,432	Management and general	None	Estimated based on rates for identical or similar subscription services
Food	81,596	460,460	Fight child hunger	None	Estimated wholesale prices of identical or similar products if purchased in the region
Storage	18,944	118,581	Fight child hunger	None	Estimated based on rates per square foot
Other	5,589	3,403	Management and general	None	Estimated wholesale prices of identical or similar products if purchased in the region
Supplies and Equipment	<u>-</u>	<u>9,158</u>	Management and general	None	Estimated wholesale prices of identical or similar products if purchased in the region
Total	<u>\$ 221,261</u>	<u>\$ 699,034</u>			

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**Note 7: Paycheck Protection Program Note Payable**

In April 2020, the Organization entered into a promissory note agreement with Sunrise Banks in the amount of \$203,800 pursuant to the Paycheck Protection Program (PPP) created by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and governed by the Small Business Administration (SBA). The note accrued interest at 1 percent per annum and was scheduled to mature April 2022. Up to 100 percent of the loan was forgivable when used to pay specified payroll and other costs within the qualified period (generally 24 weeks after receiving the funds). The loan and any accumulated interest were fully forgiven as of June 30, 2021 and were recognized as revenue for the year then ended.

**Note 8: Retirement Plan**

The Organization provides a Simple IRA plan for its employees whereby employees who are eligible to participate may contribute after the beginning of their second year of employment. The Organization makes matching contributions of up to three percent of an employee's salary. The matching contribution was \$69,745 and \$14,754 for the years ended June 30, 2022 and 2021, respectively.

**Note 9: COVID-19**

In December 2019, a novel strain of coronavirus (COVID-19) surfaced. The spread of COVID-19 around the world during 2021 and 2020 has caused significant volatility in U.S. and international markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. and international economies and, as such, the Organization is unable to determine if it will have a material impact to its operations.

**Note 10: Liquidity and Availability of Financial Assets**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

	2022	2021
Cash and Cash Equivalents	\$ 713,933	\$ 2,130,488
Certificates of deposit	501,874	-
Accounts Receivable	126,159	14,678
Total Financial Assets	1,341,966	2,145,166
Less assets unavailable for use in the next year:		
Board designated net assets	(250,222)	-
Financial assets available to meet cash needs for general expenditures within one year	\$ 1,091,744	\$ 2,145,166

The Organization manages its liquidity and reserves following the guiding principles of: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets and/or short-term borrowing capacity to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The Organization is in the process of developing a liquidity policy for maintaining current financial assets less current liabilities at a minimum number of days budgeted operating expenses. The Organization's policy will include a target for a year-end balance of reserves of unrestricted, undesignated net assets which will meet a portion of expected expenditures. To achieve these targets, the entity will forecast its future cash flows for monitoring its liquidity and reserves on a routine basis.

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**Note 10: Liquidity and Availability of Financial Assets (Continued)**

The Organization has developed relationships with lenders to provide short and mid-term borrowing capacity to facilitate the management of operating cash flow and inventory purchasing. These loans include both traditional revolving lines of credit and a program related investment credit facility. For the years ended June 30, 2022 and 2021, available borrowing capacity of \$300,000 and \$350,000, respectively, was available to the organization.

The Organization receives significant contributions and promises to give restricted by donors, and considers contributions restricted for programs which are ongoing and central to its annual operations to be available to meet cash needs for general expenditures. For the years ended June 30, 2022 and 2021, restricted contributions of \$784,555 and \$51,829, respectively, were included in financial assets available to meet cash needs for general expenditures within one year.