

FINANCIAL STATEMENTS

EVERY MEAL
ROSEVILLE, MINNESOTA

FOR THE YEARS ENDED
JUNE 30, 2024 AND 2023

Every Meal
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June 30, 2024 and 2023

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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, 2024 and 2023, 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, 2024 and 2023, 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 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 12, 2024



FINANCIAL STATEMENTS

Every Meal
Statements of Financial Position
June 30, 2024 and 2023

	2024	2023
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,125,902	\$ 2,690,142
Certificates of deposit	-	255,564
Accounts receivable	909	60,273
Grants and pledges receivable, current portion	410,942	787,210
Inventory	898,297	1,080,205
Prepaid expenses	85,135	286,796
Total Current Assets	2,521,185	5,160,190
Property and Equipment		
Building	8,157,288	-
Office furniture and equipment	9,734	9,734
Vehicles	84,084	84,084
Warehouse equipment	1,080,375	1,035,019
Total Property and Equipment, Cost	9,331,481	1,128,837
Less Accumulated Depreciation	(1,147,131)	(802,096)
Total Property and Equipment, Net	8,184,350	326,741
Noncurrent Assets		
Grants and pledges receivable, noncurrent, net of discount of \$57,349 and \$0 in 2024 and 2023, respectively	483,451	743,333
Right-of-use assets - finance	111,723	156,454
Right-of-use assets - operating	137,687	338,602
Security deposits	-	8,763
Total Other Assets	732,861	1,247,152
Total Assets	\$ 11,438,396	\$ 6,734,083

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

Every Meal
Statements of Financial Position (Continued)
June 30, 2024 and 2023

	2024	2023
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 81,386	\$ 107,034
Other accrued expenses	60,373	107,877
Deferred revenue	12,191	179
Notes payable, current portion	54,708	-
Lease liabilities - finance lease, current portion	49,075	211,596
Lease liabilities - operating lease, current portion	147,351	47,768
Total Current Liabilities	405,084	474,454
Long-term Liabilities		
Line of credit	250,000	-
Notes payable, noncurrent portion	2,029,691	-
Lease liabilities - finance lease, noncurrent portion	67,173	147,353
Lease liabilities - operating lease, noncurrent portion	-	110,961
Total Long-term Liabilities	2,346,864	258,314
Total Liabilities	2,751,948	732,768
Net Assets		
Without donor restrictions		
Undesignated	8,241,500	2,298,225
Board designated	-	1,573
Total Without Donor Restrictions	8,241,500	2,299,798
With donor restrictions	444,948	3,701,517
Total Net Assets	8,686,448	6,001,315
Total Liabilities and Net Assets	\$ 11,438,396	\$ 6,734,083

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

Every Meal
Statements of Activities
For the Years Ended June 30, 2024 and 2023

	2024		Total
	Without Donor Restrictions	With Donor Restrictions	
Revenues, Gains and Other Support			
Partnership and sponsor revenue	\$ 1,294,166	\$ 152,000	\$ 1,446,166
Grants	1,444,978	4,044,900	5,489,878
Individual contributions	2,005,521	210,771	2,216,292
Donated goods and services	326,627	-	326,627
Program income	189,996	-	189,996
Rental income, net of direct expenses of \$242,912	(150,793)	-	(150,793)
Other income	55,282	-	55,282
Net assets released from restrictions	7,664,240	(7,664,240)	-
Total Revenues, Gains and Other Support	<u>12,830,017</u>	<u>(3,256,569)</u>	<u>9,573,448</u>
Expenses			
Program services	5,059,076	-	5,059,076
Supporting services			
Management and general	654,865	-	654,865
Fundraising	1,174,374	-	1,174,374
Total Expenses	<u>6,888,315</u>	<u>-</u>	<u>6,888,315</u>
Change in Net Assets	5,941,702	(3,256,569)	2,685,133
Net Assets, July 1	<u>2,299,798</u>	<u>3,701,517</u>	<u>6,001,315</u>
Net Assets, June 30	<u>\$ 8,241,500</u>	<u>\$ 444,948</u>	<u>\$ 8,686,448</u>

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

Every Meal
Statements of Activities (Continued)
For the Years Ended June 30, 2024 and 2023

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains and Other Support			
Partnership and sponsor revenue	\$ 1,377,644	\$ 42,800	\$ 1,420,444
Grants	1,658,119	2,195,666	3,853,785
Individual contributions	2,357,949	1,201,250	3,559,199
Donated goods and services	891,339	-	891,339
Program income	275,190	-	275,190
Other income	494,674	-	494,674
Net assets released from restrictions	522,754	(522,754)	-
Total Revenues, Gains and Other Support	<u>7,577,669</u>	<u>2,916,962</u>	<u>10,494,631</u>
Expenses			
Program services	5,849,138	-	5,849,138
Supporting services			
Management and general	741,780	-	741,780
Fundraising	1,077,245	-	1,077,245
Total Expenses	<u>7,668,163</u>	<u>-</u>	<u>7,668,163</u>
Change in Net Assets	(90,494)	2,916,962	2,826,468
Net Assets, July 1	<u>2,390,292</u>	<u>784,555</u>	<u>3,174,847</u>
Net Assets, June 30	<u>\$ 2,299,798</u>	<u>\$ 3,701,517</u>	<u>\$ 6,001,315</u>

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

Every Meal
Statements of Functional Expenses
For the Years Ended June 30, 2024 and 2023

	2024			Total Expenses
	Program Services	Supporting Services Management and General	Fundraising	
Salaries and Related Expenses				
Staff salaries	\$ 1,497,342	\$ 297,911	\$ 630,925	\$ 2,426,178
Benefits and payroll taxes	281,914	58,674	112,169	452,757
Total Salaries and Related Expenses	<u>1,779,256</u>	<u>356,585</u>	<u>743,094</u>	<u>2,878,935</u>
Expenses				
Contracted services	90,460	120,759	122,388	333,607
Food purchases and donations	2,315,094	-	-	2,315,094
Meeting and conferences	1,127	1,144	2,088	4,359
Office supplies	5,730	1,483	2,466	9,679
Other operating expenses	266,877	141,215	215,250	623,342
Printing and postage	11,563	1,138	43,123	55,824
Program and sponsor support	250	-	500	750
Rent	190,400	9,310	11,384	211,094
Staff training and travel	15,619	5,164	7,995	28,778
Transportation	83,205	56	3,792	87,053
Utilities	53,241	4,137	9,287	66,665
Total Expenses Before Depreciation	<u>4,812,822</u>	<u>640,991</u>	<u>1,161,367</u>	<u>6,615,180</u>
Depreciation	<u>246,254</u>	<u>13,874</u>	<u>13,007</u>	<u>273,135</u>
Total Expenses	<u>\$ 5,059,076</u>	<u>\$ 654,865</u>	<u>\$ 1,174,374</u>	<u>\$ 6,888,315</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, 2024 and 2023

	2023			Total Expenses
	Program Services	Supporting Services		
		Management and General	Fundraising	
Salaries and Related Expenses				
Staff salaries	\$ 1,715,562	\$ 358,554	\$ 671,297	\$ 2,745,413
Benefits and payroll taxes	338,847	71,387	112,421	522,655
Total Salaries and Related Expenses	<u>2,054,409</u>	<u>429,941</u>	<u>783,718</u>	<u>3,268,068</u>
Expenses				
Contracted services	30,705	99,371	120,167	250,243
Food purchases and donations	2,722,866	-	-	2,722,866
Meeting and conferences	613	2,950	825	4,388
Office supplies	6,654	7,070	431	14,155
Other operating expenses	232,634	163,361	113,234	509,229
Printing and postage	15,682	769	32,655	49,106
Program and sponsor support	-	-	435	435
Rent	365,041	7,947	7,450	380,438
Staff training and travel	19,871	21,015	7,412	48,298
Transportation	79,755	247	2,222	82,224
Utilities	65,440	9,109	8,696	83,245
Total Expenses Before Depreciation	<u>5,593,670</u>	<u>741,780</u>	<u>1,077,245</u>	<u>7,412,695</u>
Depreciation	<u>255,468</u>	<u>-</u>	<u>-</u>	<u>255,468</u>
Total Expenses	<u>\$ 5,849,138</u>	<u>\$ 741,780</u>	<u>\$ 1,077,245</u>	<u>\$ 7,668,163</u>

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

Every Meal
Statements of Cash Flows
For the Years Ended June 30, 2024 and 2023

	2024	2023
Cash Flows from Operating Activities		
Change in net assets	\$ 2,685,133	\$ 2,826,468
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	345,035	255,468
Donated food inventory	(247,858)	(620,632)
Loss from inventory adjustment	(51)	(644)
Amortization of right-of-use assets	49,147	262,468
Change in assets and liabilities:		
Accounts receivable	59,364	65,886
Grants and pledges receivable	636,150	(1,530,543)
Inventory	422,055	872,598
Prepaid expenses	201,661	(247,692)
Security deposits	8,763	-
Accounts payable	(25,648)	73,481
Operating lease liability	(11,378)	(193,516)
Accrued expenses	(47,504)	66,136
Deferred revenue	12,012	179
Deferred rent	-	(41,416)
Net Cash Provided by Operating Activities	4,086,881	1,788,241
Cash Flows from Investing Activities		
Purchase of property and equipment	(2,102,643)	(12,011)
Proceeds from certificates of deposit	264,600	246,310
Net Cash Provided (Used) by Investing Activities	(1,838,043)	234,299
Cash Flows from Financing Activities		
Proceeds from line of credit	250,000	-
Payments on notes payable	(4,015,601)	-
Payments for finance leases	(47,477)	(46,331)
Net Cash Used by Financing Activities	(3,813,078)	(46,331)
Change in Cash and Cash Equivalents	(1,564,240)	1,976,209
Beginning Cash and Cash Equivalents	2,690,142	713,933
Ending Cash and Cash Equivalents	\$ 1,125,902	\$ 2,690,142
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for:		
Interest	\$ 134,699	\$ 11,590
Right-of-use assets acquired under operating leases	\$ -	\$ 338,602
Right-of-use assets acquired under finance leases	\$ -	\$ 156,454
Noncash financing related to purchase of property and equipment	\$ 6,100,000	\$ -

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

Every Meal
Notes to the Financial Statements
June 30, 2024 and 2023

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 13 million meals to thousands of children who are living in food insecurity.

In response to the increasing demand for food support within the community, Every Meal had reached the capacity of its existing facility to provide weekend meals to more children. In December 2023, Every Meal strategically acquired the building in Roseville that they had been partially occupying for the previous seven years. The acquisition was made possible by the generosity of donors, one-time funding from the Minnesota Department of Employment and Economic Development, and financing with local banking partners. Once fully moved into the full building, this acquisition will nearly double Every Meal's warehouse space, thereby enhancing operational efficiency and reducing overall costs. The building purchase accounts for the decrease in cash holdings and the corresponding increase in property and equipment. This strategic expansion aligns with Every Meal's mission to combat child hunger through robust community and school partnerships, ensuring that every child has access to nutritious food.

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.

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, 2024 and 2023

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).

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 a discount rate of 4.4 percent.

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 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 or more, similar property and equipment purchased together with a cost in excess of \$5,000, and an estimated useful life greater than one year. Property and equipment is depreciated using the straight-line method based on estimated useful lives as follows:

<u>Assets</u>	<u>Useful Lives in Years</u>
Buildings	30
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 expensed as incurred. Renewals and improvements, which extend the useful life of assets, are capitalized and depreciated over future periods.

Every Meal
Notes to the Financial Statements
June 30, 2024 and 2023

Note 1: Summary of Significant Accounting Policies (Continued)

H. Support and Revenue Recognition

The Organization follows the provisions of Accounting Standards Codification 606, *Contracts with Customers* on revenues derived from its sales of meals.

The Organization's other revenues are explicitly excluded from the scope of ASC Topic 606 and are not recorded in accordance with that standard.

Performance Obligations

The performance obligation related to the reimbursement of bags of food is satisfied upon completion of the sale. Therefore, the Organization recognizes revenue at a point in time.

The following table details the Organization's revenue based on the timing of the satisfaction of performance obligations for the year ended June 30, 2024:

	2024	2023
Performance obligations satisfied at a point in time	\$ 189,996	\$ 275,190

Contract Balances

The timing of revenue recognition results in accounts receivable (contract assets) and deferred revenue (contract liabilities) on the Statement of Financial Position. Accounts receivable are made up of amounts of credit extended on food bag reimbursements. Deferred revenue consists of payments received in advance that relate to food bag revenue. The payments are deferred and recognized as revenue in the period earned. Deferred revenue does not represent total values. All deferred revenue is classified as current and will be recognized over the next year.

The following table displays the contract balances at the associated dates:

	June 30, 2024	June 30, 2023	June 30, 2022
Accounts receivable	\$ 909	\$ 60,273	\$ 126,159
Deferred revenue	\$ 12,191	\$ 179	\$ -

Support

The Organization follows FASB Accounting Standards Codification 958-605, *Revenue Recognition for Not-for-Profit Entities* for contributions, grants, and other similar revenues. Revenue is recognized when the contribution is received, and contributions received are recorded as donor restricted support or unrestricted support depending on the existence and/or nature of any donor restrictions. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. However, if a restriction is fulfilled in the same period in which the contribution is received, the Organization reports the support as unrestricted support.

Every Meal
Notes to the Financial Statements
June 30, 2024 and 2023

Note 1: Summary of Significant Accounting Policies (Continued)

I. Leases

The Organization determines if an arrangement is a lease at inception. If an arrangement contains a lease, the Organization performs a lease classification test to determine if the lease is an operating lease or a finance lease. Right-of-use (ROU) assets represent the right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. Operating lease liabilities are recognized on the commencement date of the lease based on the present value of the future lease payments over the lease term and are included in long-term liabilities and current liabilities on the statement of financial position. ROU assets are valued at the initial measurement of the lease liability, plus any indirect costs or rent prepayments, and reduced by any lease incentives and any deferred lease payments. Operating ROU assets are recorded on the face of the statement of financial position and are amortized over the lease term. To determine the present value of lease payments on lease commencement, the Organization uses the implicit rate when readily determinable. Lease terms include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense is recognized on a straight-line basis over the life of the lease and is included within operating expenses on the statement of activities.

The Organization has made the following elections related to leases:

- The Organization has elected to use a risk-free rate as the discount rate on all classes of underlying assets when an implicit rate is not readily available.
- The Organization has elected the practical expedient to account for the lease and non-lease components as a single lease component for classes of underlying assets.
- The Organization has elected to apply the short-term lease exception to all leases with a term of one year or less. Short-term leases will not be capitalized.

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.

Thousands of 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.

Every Meal
Notes to the Financial Statements
June 30, 2024 and 2023

Note 1: Summary of Significant Accounting Policies (Continued)

L. Functional Allocation of Expenses

The costs of providing the various programs and supporting activities of the Organization have been allocated between programs 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
Transportation	Full-time equivalent
Utilities	Square footage

M. New Accounting Pronouncements

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments ("ASU 2016-13" or "ASC 326"). ASU 2016-13 revises the accounting requirements related to the measurement of credit losses and requires organizations to measure all expected credit losses for financial assets based on historical experience, current conditions, and reasonable and supportable forecasts about collectability. Assets must be presented in the financial statements at the net amount expected to be collected. During 2019, the FASB issued additional ASUs amending certain aspects of ASU 2016-13. The Organization adopted the standard effective July 1, 2023. The impact of the adoption was not considered material to the financial statements.

N. Subsequent Events

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through December 12, 2024, the date the financial statements were available to be issued.

Every Meal
Notes to the Financial Statements
June 30, 2024 and 2023

Note 2: Pledges Receivable

Pledges receivable comprise unconditional promises to give with collection periods through 2029. Amounts due later than one year are discounted at a rate of 4.4 percent to the present value of estimated future cash flows. Pledges are recognized at their estimated fair value. The Organization has determined all pledges to be collectible; therefore no allowance for uncollectible pledges is needed as of June 30, 2024 and 2023.

Pledges receivable at June 30, 2024 and 2023 are as follows:

	2024	2023
Pledges Receivables		
Due within one year	\$ 410,942	\$ 787,210
Due in two to five years	540,800	743,333
Total	951,742	1,530,543
Discount to present value	(57,349)	-
Total Pledges Receivable, Net	\$ 894,393	\$ 1,530,543

Note 3: Line of Credit

The Organization maintained a revolving line of credit with a bank which allowed borrowing up to \$50,000 with an interest rate at 2 percent over the prime rate. The line of credit expired on January 25, 2024 and was not renewed.

The Organization maintains two revolving lines of credit with banks which allow borrowing up to \$450,000 and \$300,000, with an interest rate at the prime rate and 2.25 percent, respectively. The lines of credit expire on December 3, 2025 and July 8, 2026, respectively.

As of June 30, 2024 and 2023, the Organization had an outstanding balance on the revolving lines of credit of \$250,000 and \$0, respectively.

Note 4: Notes Payable

Notes payable consists of the following as of June 30, 2024 and 2023:

	2024	2023
Mortgage note payable to Minnesota Lakes Bank in the original amount of \$2,100,000. The note bears interest at 6.75% due in monthly installments of \$16,165 with a balloon payment due January 15, 2029. The note is secured by the assets of the Organization.	\$ 2,084,399	\$ -
Less current maturities	(54,708)	-
Total long-term notes payable	\$ 2,029,691	\$ -

Every Meal
Notes to the Financial Statements
June 30, 2024 and 2023

Note 4: Notes Payable (Continued)

Future maturities of notes payable as of June 30, 2024 are as follows:

Year ending June 30,	Amount
2025	\$ 54,708
2026	58,517
2027	62,591
2028	66,949
2029	1,841,634
Total	<u>\$ 2,084,399</u>

Note 5: Leases

A. Finance Leases

The Company has acquired certain vehicles under three long-term leasing agreements classified as financing leases, with expiration dates in fiscal years 2026 and 2027. As of June 30, 2024, the Organization had three vehicles under long-term leasing agreements. The finance 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.

B. Operating Leases

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 expired January of 2022. Subsequent to signing the above lease, the Organization signed an amendment to the original lease agreement. The amendment increased the space available and extended the lease to February 2025. Required base monthly rent payments ranged from approximately \$9,700 to \$18,600 over the term of the lease. In December 2023, the Organization purchased the building terminating the lease agreement.

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Note 5: Leases (Continued)

Additional information about the Organization's leases for the years ended June 30, 2024 are as follows:

Lease Expense	2024	2023
Finance lease expense		
Amortization of ROU assets	\$ 49,147	\$ 48,606
Interest on lease liabilities	4,050	5,317
Operating lease expense	208,545	208,545
Total Lease Expense	\$ 261,742	\$ 262,468
 Other Information		
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from finance leases (i.e. Interest)	\$ 4,171	\$ 5,317
Financing cash flows from finance leases (i.e. principal portion)	47,477	46,331
Operating cash flows from operating leases	219,229	188,199
ROU assets obtained in exchange for new finance lease liabilities	-	156,454
ROU assets obtained in exchange for new operating lease liabilities	-	338,602
Weighted-average remaining lease term in years for finance leases	2.39	-
Weighted-average remaining lease term in years for operating leases	0.67	1.67
Weighted-average discount rate for finance leases	2.92%	-
Weighted-average discount rate for operating leases	3.12%	3.12%

Maturities of lease liabilities are as follows:

Year Ended June 30:	Finance	Operating
2025	\$ 51,648	\$ 148,694
2026	47,628	-
2027	20,748	-
Total undiscounted cash flows	120,024	148,694
Less: present value discount	(3,776)	(1,343)
Total Lease Liabilities	\$ 116,248	\$ 147,351

Note 6: Net Assets with Donor Restrictions

Net assets with donor restrictions consisted of the following at June 30, 2024 and 2023:

	2024	2023
Time restrictions	\$ 333,333	\$ 729,641
Building improvements	111,615	-
Capital campaign	-	2,971,876
Total	\$ 444,948	\$ 3,701,517

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Note 7: 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 \$0 and \$1,573 at June 30, 2024 and 2023, respectively.

Note 8: Donated Goods and Services

The Organization received various donated goods and services as noted below for the years ended June 30, 2024 and 2023:

	2024	2023	Usage in Programs	Fair Value Techniques
Food	\$ 247,858	\$ 620,632	Fight child hunger	Estimated wholesale prices of identical or similar products if purchased in the region
Software subscription	32,620	208,023	Management and general	Estimated based on rates for identical or similar subscription services
Supplies and equipment	24,897	9,053	Management and general	Estimated wholesale prices of identical or similar products if purchased in the region
Other	21,252	40,979	Management and general	Estimated wholesale prices of identical or similar products if purchased in the region
Promotion and marketing	-	12,652	Management and general	Estimated based on rates for identical or similar marketing services
Total	<u>\$ 326,627</u>	<u>\$ 891,339</u>		

None of the donated goods and services are donor restricted.

Note 9: 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 \$85,868 and \$93,014 for the years ended June 30, 2024 and 2023, respectively.

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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:

	2024	2023
Cash and cash equivalents	\$ 1,125,902	\$ 2,690,142
Certificates of deposit	-	255,564
Accounts receivable	909	60,273
Grants and pledges receivable	410,942	787,210
Total Financial Assets	1,537,753	3,793,189
Less: assets unavailable for use in the next year:		
Board designated net assets	-	(1,573)
Donor restricted net assets	(111,615)	(2,971,877)
Total Assets Unavailable	(111,615)	(2,973,450)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	\$ 1,426,138	\$ 819,739

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.

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, 2024 and 2023, available borrowing capacity of \$750,000 and \$300,000, 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, 2024 and 2023, restricted contributions of \$333,333 and \$4,830,419, respectively, were included in financial assets available to meet cash needs for general expenditures within one year. The decrease in these restricted contributions was due to the purchase of a building in the year ended June 30, 2024.