

FEED MY PEOPLE, INC.
**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**
YEAR ENDED JUNE 30, 2022



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**FEED MY PEOPLE, INC.
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2022**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENT OF FINANCIAL POSITION	3
STATEMENT OF ACTIVITIES	4
STATEMENT OF FUNCTIONAL EXPENSES	5
STATEMENT OF CASH FLOWS	6
NOTES TO FINANCIAL STATEMENTS	7
INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION	17
SUPPLEMENTARY INFORMATION	
STATEMENT OF ACTIVITIES WITHOUT DONATED INVENTORY SHOWING ACTUAL COST PER POUND OF FOOD DISTRIBUTED	18



INDEPENDENT AUDITORS' REPORT

Board of Directors
Feed My People, Inc.
Eau Claire, Wisconsin

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Feed My People, Inc. (a nonprofit corporation), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Feed My People, Inc. as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Feed My People, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Feed My People, Inc.'s ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS, 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, Inc.'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, Inc.'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.



CliftonLarsonAllen LLP

Eau Claire, Wisconsin
March 24, 2023

FEED MY PEOPLE, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2022

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 1,032,320
Accounts Receivable - Trade	83,477
Grants Receivable	360,166
Pledges Receivable	210,095
Inventory	951,807
Prepaid Expenses	17,129
Total Current Assets	2,654,994

PROPERTY AND EQUIPMENT

4,355,358

INVESTMENTS

2,100,548

OTHER ASSETS

Pledges Receivable - Noncurrent	183,712
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Total Assets	\$ 9,294,612
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable	\$ 173,021
Accrued Expenses	169,183
Current Portion Long-Term Debt	143,973
Funds Held for Others	59,531
Total Current Liabilities	545,708

LONG-TERM LIABILITIES

Long-Term Debt	678,868
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Total Liabilities	1,224,576
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NET ASSETS

Net Assets Without Donor Restrictions	7,426,229
Net Assets With Donor Restrictions	643,807
Total Net Assets	8,070,036

Total Liabilities and Net Assets	\$ 9,294,612
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See accompanying Notes to Financial Statements.

**FEED MY PEOPLE, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022**

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Totals
REVENUES AND OTHER SUPPORT			
Grants	\$ 1,280,835	\$ -	\$ 1,280,835
Contributions	1,813,198	400,000	2,213,198
Donated Inventory	9,334,331	-	9,334,331
Investment Income (Loss)	(210,301)	-	(210,301)
In-Kind Contributions	17,763	-	17,763
Program Revenues:			
Purchased Product	985,276	-	985,276
Shared Maintenance and Delivery Fees	188,449	-	188,449
Program Fees	10,595	-	10,595
Miscellaneous	7,448	-	7,448
Loss on Sale of Assets	(47,709)	-	(47,709)
Restrictions Satisfied by Use Restrictions	332,034	(332,034)	-
Restrictions Satisfied by Time Restrictions	-	-	-
Total Revenues and Other Support	<u>13,711,919</u>	<u>67,966</u>	<u>13,779,885</u>
EXPENSES			
Program	13,413,484	-	13,413,484
Management and General	428,008	-	428,008
Fundraising	431,681	-	431,681
Total Expenses	<u>14,273,173</u>	<u>-</u>	<u>14,273,173</u>
CHANGE IN NET ASSETS	(561,254)	67,966	(493,288)
Net Assets - Beginning of Year	<u>7,987,483</u>	<u>575,841</u>	<u>8,563,324</u>
NET ASSETS - END OF YEAR	<u>\$ 7,426,229</u>	<u>\$ 643,807</u>	<u>\$ 8,070,036</u>

See accompanying Notes to Financial Statements.

FEED MY PEOPLE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022

	Program	Management and General	Fundraising	Total
Salaries	\$ 729,032	\$ 215,063	\$ 208,925	\$ 1,153,020
Payroll Taxes	54,686	16,132	15,672	86,490
Health Insurance	63,924	18,858	18,319	101,101
Retirement Plan	34,612	10,211	9,919	54,742
	<u>882,254</u>	<u>260,264</u>	<u>252,835</u>	<u>1,395,353</u>
Donated Inventory	10,031,757	-	-	10,031,757
Purchased Product Costs	980,180	-	-	980,180
Grant Expense	562,859	(20,952)	-	541,907
Depreciation	277,200	30,800	-	308,000
Direct Services Expenses	180,262	-	-	180,262
Vehicle Expense	97,513	-	-	97,513
Equipment Maintenance	108,928	-	-	108,928
Building Expansion	160	20	20	200
Fundraising Expenses	-	-	123,645	123,645
Utilities	58,951	6,550	-	65,501
Outreach	35,473	-	35,473	70,946
Professional Fees	-	93,067	-	93,067
Office Expense	11,625	3,429	3,332	18,386
Garbage	18,251	2,028	-	20,279
Dues and Subscriptions	17,249	2,156	2,156	21,561
Delivery Expense	4,400	-	-	4,400
Insurance	37,425	6,262	3,278	46,965
Bank and Credit Card Charges	-	22,780	-	22,780
Miscellaneous	16,264	18,962	3,118	38,344
Postage	947	948	7,578	9,473
Telephone	8,617	957	-	9,574
Investment Fees	-	3,450	-	3,450
Interest Expense	32,174	-	-	32,174
Travel	3,930	737	246	4,913
Bad Debt Expense	47,065	-	-	47,065
	<u>13,413,484</u>	<u>431,458</u>	<u>431,681</u>	<u>14,276,623</u>
Less: Expenses Netted Against Revenue on the Statement of Activities:				
Investment Fees	<u>-</u>	<u>3,450</u>	<u>-</u>	<u>3,450</u>
Total	<u>\$ 13,413,484</u>	<u>\$ 428,008</u>	<u>\$ 431,681</u>	<u>\$ 14,273,173</u>

See accompanying Notes to Financial Statements.

**FEED MY PEOPLE, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2022**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ (493,288)
Adjustments to Reconcile Change in Net Assets to	
Net Cash Provided by Operating Activities:	
Depreciation	308,000
Loss on Sale of Fixed Assets	47,709
Change in Value of Holdings at Community Foundation	9,901
Realized and Unrealized Gains Losses on Investments	268,952
Bad Debt Expense	47,065
(Increase) Decrease in:	
Accounts Receivable	(78,702)
Other Receivable	128,252
Pledges Receivable	182,034
Grants Receivable	(360,166)
Inventories	616,162
Prepaid Expenses	(14,471)
Increase (Decrease) in:	
Accounts Payable	145,464
Accrued Expenses	59,025
Funds Held for Others	(17,760)
Net Cash Provided by Operating Activities	848,177

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Investments	(877,321)
Proceeds from Sale of Investments	817,366
Proceeds on Sale of Fixed Assets	124,922
Purchase of Property and Equipment	(210,783)
Purchase of Property and Equipment with Accounts Payable	29,512
Net Cash Used by Investing Activities	(116,304)

CASH FLOWS FROM FINANCING ACTIVITIES

Principal Payments on Long Term Debt	(152,421)
Net Cash Used by Financing Activities	(152,421)

NET CHANGE IN CASH AND CASH EQUIVALENTS

579,452

Cash and Cash Equivalents - Beginning of Year

452,868

CASH AND CASH EQUIVALENTS - END OF Year

\$ 1,032,320

See accompanying Notes to Financial Statements.

FEED MY PEOPLE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Feed My People, Inc. (FMP) is a nonprofit organization. FMP's mission is to eliminate hunger in 14 counties in west-central Wisconsin by distributing food and other grocery products through programs serving low-income people. FMP receives donated grocery products from Second Harvest Heartland and FMP's community. FMP distributes these products to the needy through food pantry, community meal, and other programs in its service area. Generally, these programs are conducted by independent agencies. Refer to Note 9 for more information about FMP's relationship with Second Harvest Heartland.

Basis of Presentation

The accompanying financial statements were prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Net assets and revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of FMP and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Contributions and Grants

Contributions and grants received are recorded as net assets without donor restrictions or net assets with donor restrictions depending on the absence or existence and nature of any donor stipulations.

Contributions and grants are recognized when the donor makes a promise to give to FMP that is, in substance, unconditional. Contributions and grants that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions and grants are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

FEED MY PEOPLE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Conditional Contributions

A portion of the FMP's revenue is derived from cost-reimbursable contracts and grants. Amounts received are recognized as earned and are reported as revenue when FMP has incurred expenditures in compliance with specific contract or grant provisions. Amounts received but not yet earned are reported as a refundable advance in the statement of financial position. Expenditures under government contracts are subject to review by the granting authority. To the extent, if any, that such a review reduces expenditures allowable under these contracts, the FMP will record such disallowance at the time the final assessment is made. FMP received cost-reimbursable grants of \$580,910, for which qualifying expenditures have not yet been incurred as of September 30, 2022, with no refundable advances.

Contributed Services

Contributed services that require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation, are recognized at their fair market value.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand or in deposit accounts and highly liquid investments purchased with an original maturity of three months or less. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. At times, cash deposits may exceed FDIC insurable limits.

Accounts Receivable - Trade

Agencies are invoiced, without requiring collateral, upon FMP's delivery of product with payment due 30 days after invoicing. Trade accounts receivable are stated at original invoice amount less an estimated valuation allowance for potential credit losses. This allowance is based on management judgment considering historical information and accounts with balances past due more than 90 days are individually analyzed for collectability. At June 30, 2022 no allowance for credit losses was recorded.

Pledges Receivable

Pledges receivable consists of unconditional promises by others to give contributions and grants to FMP that are expected to be received in future years. FMP uses the allowance method to determine estimated uncollectible receivables. The allowance is based on prior years' experience and management's analysis of specific promises made.

Grants Receivable

Grants receivable are stated at the amount management expects to collect from balances outstanding at year-end. Grants receivable are considered to be fully collectible; accordingly, no allowance for doubtful accounts has been provided for these amounts. If amounts become uncollectible, they are charged to activities in the period in which that determination is made.

FEED MY PEOPLE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventory

Inventory is valued at cost or fair value as determined by the FIFO (first-in, first-out) method, which assumes the first unit obtained of a particular product is the first unit distributed. Purchased product is valued at cost. Donated product is valued at its fair market value when it is received, which is estimated to equal Feeding America's annually determined national weighted-average wholesale price per pound of donated product. During 2022, that value was \$1.79. Donated inventory is invoiced to recipients at a "shared maintenance" fee of no greater than \$.19 per pound. The vast majority of inventory is donated so the nature, including nutritional content, of the products received by FMP is determined by the donor. FMP also purchases products to provide agencies with a reliable source of economical high protein food, fruits, vegetables, and cereal.

Donated Assets

Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair values at the date of donation.

Property, Equipment, and Depreciation

Property and equipment is recorded at cost when purchased or fair value as of the date gifted and then depreciated over its useful life, if an individual asset's initial cost is \$5,000 or more and has an estimated useful life of more than one year. Depreciation is calculated using the straight-line method over the estimated useful lives of the individual assets as follows:

Equipment and Vehicles	5 to 20 Years
Buildings and Improvements	5 to 40 Years

Funds Held for Others

Funds held for others consist of donations raised by or for agencies and deposited at FMP. This money is used to reduce agency obligations to FMP as incurred.

Revenue Recognition

Purchased product sales are recorded as revenue when inventory is sold to agencies. Shared maintenance fees charged on donated inventory distributed to agencies is recorded when inventory leaves the warehouse.

Functional Expense Allocation

Shared functional expenses have been allocated between program, management and general, and fundraising activities. The expenses that are allocated include utilities, insurance, and depreciation, which are allocated on a square-footage basis, as well as salaries, benefits, office supplies, travel expense, and workers' compensation insurance, which are allocated on the basis of estimates of time and effort based on an analysis of personnel time and space utilized for the related activities.

FEED MY PEOPLE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Tax Status

As a public charity, the FMP is exempt from paying corporate federal income tax under Section 501 (c)(3) of the Internal Revenue Code. FMP is also exempt from Wisconsin franchise or income taxes.

FMP has evaluated its tax positions and determined it has no uncertain tax positions as of June 30, 2022.

Fair Value Measurements

FMP measures fair value using a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability. Inputs may be observable or unobservable and refer broadly to the assumptions that market participants would use in pricing the asset or liability. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The objective of a fair value measurement is to determine the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). Accordingly, the fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). FMP may use valuation techniques consistent with the market, income, and cost approaches to measure fair value.

The inputs used to measure fair value are categorized into the following three categories:

Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical investments, such as stocks, corporate and government bonds that FMP has the ability to access as of the measurement date.

Level 2 – Inputs, other than quoted prices, that are observable for the asset or liability either directly or indirectly, including inputs from markets that are not considered to be active.

Level 3 – Inputs that are unobservable. Unobservable inputs reflect FMP's own assumptions about the factors market participants would use in pricing an investment and is based on the best information available in the circumstances.

Subsequent Events

In preparing these financial statements, FMP has evaluated events and transactions for potential recognition or disclosure through March 24, 2023, the date the financial statements were available to be issued.

FEED MY PEOPLE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of Accounting Pronouncement

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This standard requires that contributed nonfinancial assets are reported on a separate line item in the statements of activities, apart from contributions of cash and other financial assets. It also requires disclosure of disaggregated amounts of contributed nonfinancial assets by category that depicts the type of contributed nonfinancial assets along with additional qualitative information about the monetization of such assets, donor restrictions and valuation techniques. The adoption of this standard did not have any significant impact on the accompanying financial statements or disclosures.

Upcoming Standards

Accounting Standards Update (ASU) 2016-02

In February 2016, the FASB issued ASU 2016-02, *Leases*, which amended guidance for the treatment of leases. The guidance requires lessees to recognize a right-of-use asset and a corresponding lease liability for all operating and finance leases with lease terms greater than one year. The guidance changes the accounting for sale and leaseback transactions to conform to the new revenue recognition standard. The guidance also requires both qualitative and quantitative disclosures regarding the nature of FMP's leasing activities. In June 2020, the FASB approved delaying the effective dates of this guidance for organizations that are not public business entities. Amendments in the guidance are effective for FMP for the year ending June 30, 2023, although early adoption is permitted, and will initially be applied using a modified retrospective approach. Management is evaluating the impact of the guidance on the financial statements.

NOTE 2 PLEDGES RECEIVABLE

Pledges receivable are recorded at net realizable value. Pledges receivable that are expected to be collected in future years are recorded at the present value of their estimated future cash flows, using three-year treasury rate which was 2.99% as of June 30, 2022. These pledges receivable are due as follows:

Within One Year	\$ 210,095
One to Five Years	211,434
Adjustments to Net Realizable Value:	
Unamortized Discount on Pledges Receivable	(7,722)
Allowance for Doubtful Accounts	(20,000)
Net Pledges Receivable	<u>\$ 393,807</u>

FEED MY PEOPLE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 LIQUIDITY AND AVAILABILITY

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

Cash and Cash Equivalents	\$ 1,032,320
Accounts Receivable	83,477
Grants Receivable	360,166
Operating Investments	2,100,548
Pledges Receivable	<u>210,095</u>
Total Financial Assets	3,786,606
Donor Imposed Restrictions:	
Funds Subject to Time and Purpose Restrictions	<u>(210,095)</u>
Financial Assets Available to Meet General Expenditures Within One Year	<u><u>\$ 3,576,511</u></u>

As part of our liquidity management plan, we invest cash in excess of daily requirements in short-term investments, certificates of deposits, and money market funds.

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment as of June 30, 2022 consisted of the following:

Land	\$ 112,750
Building and Improvements	3,493,084
Equipment	651,723
Vehicles	1,035,497
Construction in Progress	<u>92,774</u>
	5,385,828
Less: Accumulated Depreciation	<u>(1,030,470)</u>
Total Property and Equipment	<u><u>\$ 4,355,358</u></u>

FMP has signed a construction contract related to the construction of an expansion to their main building in the amount of \$906,509. As of June 30, 2022, an estimated \$95,353 has been completed and \$811,156 remains unspent.

FEED MY PEOPLE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 5 INVESTMENTS

FMP carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities.

	<u>Fair Value</u>	<u>Original Value</u>	<u>Unrealized Gain (Loss)</u>
Mutual Funds - Equities	\$ 646,526	\$ 658,422	\$ (11,896)
Mutual Funds - Fixed Income	1,398,616	1,471,344	(72,728)
Funds Held at Community Foundation	55,406	-	-
Total	<u>\$ 2,100,548</u>	<u>\$ 2,129,766</u>	<u>\$ (84,624)</u>

** Original value or cost basis of Funds Held at Community Foundation is not readily determinable due to the nature of the investment holdings and reporting practices of the Foundation.

NOTE 6 FUNDS HELD AT EAU CLAIRE COMMUNITY FOUNDATION

FMP has deposited funds with the Eau Claire Community Foundation (ECCF) to be held for the benefit of FMP. These funds are held in a pooled agency investment account of the ECCF. FMP funds are deemed without donor restrictions since distributions can be made from the fund at any time with the approval of the ECCF's board of trustees.

NOTE 7 LONG-TERM DEBT

Long-term debt consisted for the following:

<u>Description</u>	<u>Amount</u>
Capital leases from Idealease of Central Wisconsin for vehicles with monthly payments of \$1,674, including interest at 3.13%. Leases mature on June 22, 2027.	\$ 822,841
Total	<u>822,841</u>
Less: Current Portion	<u>(143,973)</u>
Long-Term Debt, Less Current Portion	<u>\$ 678,868</u>

FEED MY PEOPLE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 7 LONG-TERM DEBT (CONTINUED)

Maturity requirements on long-term debt as of June 30, 2022 are as follows:

<u>Year Ending June 30,</u>	<u>Payment</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 165,726	\$ 143,973	\$ 21,753
2024	180,792	161,839	18,953
2025	180,792	166,982	13,810
2026	180,792	172,287	8,505
2027	180,792	177,760	3,032
Total	<u>\$ 888,894</u>	<u>\$ 822,841</u>	<u>\$ 66,053</u>

Capitalized lease assets consisted of the following at June 30:

Vehicles	\$ 987,750
Less: Accumulated Depreciation	<u>(164,625)</u>
Total	<u>\$ 823,125</u>

Depreciation expense on capitalized lease assets for the year ended June 30, 2022 was \$164,625.

NOTE 8 NET ASSETS

Net assets with donor restrictions consisted of the following at June 30, 2022:

Building Expansion - Pledges Receivable	\$ 393,807
Building Expansion - Grants	<u>250,000</u>
Total	<u>\$ 643,807</u>

NOTE 9 FOOD BANK PARTNER DISTRIBUTION ORGANIZATION RELATIONSHIP

FMP has a food bank partner distribution organization (PDO) relationship with Second Harvest Heartland (SHH), a Feeding America member food bank. Under this contractual agreement, exclusive authority is conveyed to FMP for performance of food banking activities in FMP's 14 county service area in west-central Wisconsin. FMP is obligated to conduct its food banking activities in compliance with Feeding America operating standards, including safe handling and storage of food. FMP obtains the vast majority of its grocery products from SHH and reports to SHH its independently sourced food donations. FMP obligated itself to pay \$410,155 during the year ended June 30, 2022 and for products and services received from SHH. At June 30, 2022, FMP owed \$101,904 to SHH for products and services, respectively. Donated inventory from SHH was estimated to be \$2,795,350 during the year ended June 30, 2022.

FEED MY PEOPLE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 10 RETIREMENT PLAN

On January 1, 2015, FMP established a 401(k) plan for all employees who are least 21 years of age. Eligible employees who elect to participate in FMP's 401(k) retirement savings plan can contribute up to the maximum allowed by the Internal Revenue Service. FMP contributes a match of up to 3% of each employee's gross wage. FMP may also make nonelective contributions at its discretion to employees who have worked at least 1,000 hours during the plan year and were employed as of the last day of the plan year. Employee portions of the contributions vest immediately, while employer match and profit sharing vest over a period of six years. Contributions for the year ended June 30, 2022 were \$54,742.

NOTE 11 FAIR VALUE MEASUREMENTS

FMP uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. For additional information on how FMP measures fair value refer to Note 1 – Summary of Significant Accounting Policies.

The following table presents the fair value hierarchy for the balances of the assets and liabilities of FMP measured at fair value on a recurring basis as of June 30, 2022:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Funds Held at Eau Claire				
Community Foundation	\$ -	\$ -	\$ 55,406	\$ 55,406
Mutual Funds - Equity	646,526	-	-	646,526
Mutual Funds - Fixed	1,398,616	-	-	1,398,616
Total	<u>\$ 2,045,142</u>	<u>\$ -</u>	<u>\$ 55,406</u>	<u>\$ 2,100,548</u>

The investment at Eau Claire Community Foundation is measured on a recurring basis using the percentage of the Feed My People fund's contributions compared to the total pool of investments held at the Foundation. The investments held at the Eau Claire Community Foundation are readily marketable. There was one contribution of \$1,000 to Level 3 funds during the year ended June 30, 2022.

FEED MY PEOPLE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12 CONTRIBUTED NONFINANCIAL ASSETS

For the year ending June 30, 2022, contributed nonfinancial assets recognized within the statements of activities included:

Donated Inventory	\$ 9,334,331
Branding Services	15,500
Quilts	<u>2,263</u>
Total	<u><u>\$ 9,352,094</u></u>

FMP recognized nonfinancial assets within revenues and other support. Donated inventory is valued based on a valuation report produced by Second Harvest Hartland, while other nonfinancial assets are recognized at fair market value. Nonfinancial assets are not sold and goods are only distributed for program use. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.



INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

Board of Directors
Feed My People, Inc.
Eau Claire, Wisconsin

We have audited the financial statements of Feed My People, Inc. as of and for the year ended June 30, 2022, and have issued our report thereon dated March 24, 2023 which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on the following pages is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Eau Claire, Wisconsin
March 24, 2023

FEED MY PEOPLE, INC.
STATEMENT OF ACTIVITIES WITHOUT DONATED INVENTORY
SHOWING ACTUAL COST PER POUND OF FOOD DISTRIBUTED
YEAR ENDED JUNE 30, 2022
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

REVENUES AND OTHER SUPPORT

Grants	\$ 1,280,835
Contributions	2,213,198
Investment Income (Loss)	(210,301)
In-Kind Contributions	17,763
Shared Maintenance and Delivery Fees	188,449
Miscellaneous	7,448
Loss on Sale of Assets	(47,709)
Total Revenues and Other Support	3,465,374

Salaries	1,153,020
Payroll Taxes	86,490
Health Insurance	101,101
Retirement Plan	54,742
Grant Expense	541,907
Depreciation	308,000
Direct Services Expenses	180,262
Vehicle Expense	97,513
Equipment Maintenance	108,928
Building Expansion	200
Fundraising Expenses	123,645
Utilities	65,501
Outreach	70,946
Professional Fees	93,067
Office Expense	18,386
Garbage	20,279
Dues and Subscriptions	21,561
Delivery Expense	4,400
Insurance	46,965
Donated Product Costs	-
Bank and Credit Card Charges	22,780
Miscellaneous	38,344
Postage	9,473
Telephone	9,574
Interest Expense	32,174
Travel	4,913
Bad Debt Expense	47,065
Net Expense on Purchased Products	-
Total Expenses	3,261,236

EXCESS OF REVENUES OVER EXPENSES

\$ 204,138

Total Expenses \$ 3,261,236

Pounds of Food Distributed 6,569,687

COST PER POUND

\$ 0.50



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