



Financial Statements

for

INTER-FAITH FOOD SHUTTLE

June 30, 2022 and 2021

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Board of Directors
Inter-Faith Food Shuttle
Raleigh, North Carolina

REPORT OF INDEPENDENT AUDITORS

Opinion

We have audited the financial statements of Inter-Faith Food Shuttle (a not-for-profit organization), which comprise the statement of financial position as of June 30, 2022 the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Inter-Faith Food Shuttle 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Inter-Faith Food Shuttle 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.

Other Matter

The financial statements of Inter-Faith Food Shuttle, as of and for the year ended June 30, 2021, were audited by other auditors, whose report, dated August 19, 2021, expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Inter-Faith Food Shuttle's ability to continue as a going concern within one year after the date that the financial statements are issued or 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 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 the Inter-Faith Food Shuttle'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 Inter-Faith Food Shuttle'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.

Dean Dotson Allen Ford, PLLC

Raleigh, North Carolina
September 14, 2022

INTER-FAITH FOOD SHUTTLE
Statements of Financial Position
June 30, 2022 and 2021

ASSETS		2022	2021
CURRENT ASSETS:			
Cash and Cash Equivalents	\$	4,194,421	\$ 4,227,386
Investments		2,204,865	2,496,855
Accounts Receivable		78,916	38,554
Inventory--In-Kind		503,180	466,574
Prepaid Expenses		441,924	314,163
Total Current Assets		7,423,306	7,543,532
PROPERTY AND EQUIPMENT:			
Buildings and Leasehold Improvements		538,891	448,898
Vehicles and Equipment		1,330,669	1,424,232
Total		1,869,560	1,873,130
Less Accumulated Depreciation		993,358	982,920
Property and Equipment, net		876,202	890,210
Total Assets	\$	8,299,508	\$ 8,433,742
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES:			
Accounts Payable and Accrued Expenses	\$	371,754	\$ 206,335
Paid Time Off Accrual		40,616	37,091
Total Current Liabilities		412,370	243,426
NET ASSETS:			
Without Donor Restrictions		7,326,063	7,774,855
With Donor Restrictions		561,075	415,461
Total Net Assets		7,887,138	8,190,316
Total Liabilities and Net Assets	\$	8,299,508	\$ 8,433,742

The accompanying notes are an integral part of the financial statements.

STATEMENTS OF ACTIVITIES

INTER-FAITH FOOD SHUTTLE
Statements of Activities
For the Years Ended June 30, 2022 and 2021

	2022		Total
	Without Donor Restrictions	With Donor Restrictions	
SUPPORT AND REVENUE:			
Food Donations--In-Kind	\$ 17,428,888	\$	\$ 17,428,888
Grants	853,828	518,075	1,371,903
Donations:			
Businesses	1,057,146	43,000	1,100,146
Individuals	2,184,442		2,184,442
Churches	103,417		103,417
Civic Groups	71,580		71,580
Foundations	740,054		740,054
In-Kind Donations	66,655		66,655
Fees for Services	233,526		233,526
Gain on Sale of Equipment	1,244		1,244
Unrealized Loss/Gain on Investments	(318,274)		(318,274)
Interest and Dividend Income	27,671		27,671
Other Revenue			
Total Revenue	<u>22,450,177</u>	<u>561,075</u>	<u>23,011,252</u>
Net Assets Released from Restrictions	<u>415,461</u>	<u>(415,461)</u>	
Total Revenue After Releases from Restrictions	<u>22,865,638</u>	<u>145,614</u>	<u>23,011,252</u>
EXPENSES:			
Program Services:			
Food Distribution--In-Kind	17,392,282		17,392,282
Other Food Distribution	1,986,489		1,986,489
Total Food Distribution	<u>19,378,771</u>		<u>19,378,771</u>
Job Training/Food Service	634,119		634,119
Nutrition/Farm and Garden	2,155,383		2,155,383
Total Program Services	<u>22,168,273</u>		<u>22,168,273</u>
Support Services:			
Fundraising	503,836		503,836
Administrative	642,321		642,321
Total Support Services	<u>1,146,157</u>		<u>1,146,157</u>
Total Expenses	<u>23,314,430</u>		<u>23,314,430</u>
CHANGES IN NET ASSETS	(448,792)	145,614	(303,178)
NET ASSETS--Beginning of Year	<u>7,774,855</u>	<u>415,461</u>	<u>8,190,316</u>
NET ASSETS--End of Year	<u>\$ 7,326,063</u>	<u>\$ 561,075</u>	<u>\$ 7,887,138</u>

The accompanying notes are an integral part of the financial statements.

2021		
Without Donor Restrictions	With Donor Restrictions	Total
\$ 11,626,046	\$	\$ 11,626,046
2,240,786	326,328	2,567,114
1,281,143	92,500	1,373,643
2,613,252		2,613,252
106,707		106,707
87,335		87,335
485,502		485,502
70,971		70,971
1,268,541		1,268,541
274,557		274,557
19,177		19,177
286		286
<u>20,074,303</u>	<u>418,828</u>	<u>20,493,131</u>
<u>757,908</u>	<u>(757,908)</u>	
<u>20,832,211</u>	<u>(339,080)</u>	<u>20,493,131</u>
11,785,335		11,785,335
3,779,597		3,779,597
<u>15,564,932</u>		<u>15,564,932</u>
771,369		771,369
1,261,668		1,261,668
<u>17,597,969</u>		<u>17,597,969</u>
498,115		498,115
727,787		727,787
<u>1,225,902</u>		<u>1,225,902</u>
<u>18,823,871</u>		<u>18,823,871</u>
2,008,340	(339,080)	1,669,260
<u>5,766,515</u>	<u>754,541</u>	<u>6,521,056</u>
<u>\$ 7,774,855</u>	<u>\$ 415,461</u>	<u>\$ 8,190,316</u>

STATEMENT OF FUNCTIONAL EXPENSES
June 30, 2022

INTER-FAITH FOOD SHUTTLE
Statement of Functional Expenses
For the Year Ended June 30, 2022

	Program Services			Total
	Food Distribution	Job Training/ Food Service	Nutrition/Farm and Garden	
Food Distribution--In-Kind	\$ 17,392,282	\$	\$	\$ 17,392,282
Salaries	578,978	352,768	968,191	1,899,937
Food	845,730	122,509	494,024	1,462,263
Facility Costs	54,740	31,476	112,773	198,989
Employee Benefits	52,024	36,508	76,543	165,075
Payroll Taxes	43,115	26,013	71,404	140,532
Depreciation	31,730	31,034	119,446	182,210
Vehicle Maintenance	120,733	773	12,176	133,682
Fundraising	263	26	809	1,098
Farm Expense	505		97,507	98,012
Vehicle Gasoline	76,964	2,650	8,081	87,695
Miscellaneous	64,959	3,524	11,853	80,336
Technology	10,610	1,284	23,829	35,723
Warehouse Supplies	32,554	229	36,560	69,343
Insurance	25,428	8,928	15,447	49,803
Maintenance	8,117	492	29,393	38,002
Travel/Staff Development	7,009	156	6,937	14,102
Printing/Copying	616		10,589	11,205
Professional Fees	2,101		1,658	3,759
Bank Charges	2	98	67	167
Postage and Freight	17,199	34	2,811	20,044
Utilities	99	206	20,834	21,139
Food Service Supplies	382	14,845	2,982	18,209
Dues and Subscriptions	5,549	144	54	5,747
Office Supplies	677	26	5,180	5,883
Awards and Grants	100		12,558	12,658
Business Gifts/Recognition	119		4,090	4,209
Advertising	245		1,659	1,904
Subcontractors	1,646		3,452	5,098
Training	749	197	4,476	5,422
Uniforms/Laundry	3,546	78		3,624
Licenses and Taxes		120		120
Interest		1		1
Total	\$ 19,378,771	\$ 634,119	\$ 2,155,383	\$ 22,168,273

The accompanying notes are an integral part of the financial statements.

Support Services			Total
Fundraising	Administrative	Total	Expenses
\$	\$	\$	\$ 17,392,282
278,790	404,747	683,537	2,583,474
22	2,574	2,596	1,464,859
	34,213	34,213	233,202
18,806	32,690	51,496	216,571
20,652	29,831	50,483	191,015
511	3,433	3,944	186,154
128,740	51	128,791	133,682
			129,889
			98,012
			87,695
			80,336
17,242	17,520	34,762	70,485
6		6	69,349
	19,295	19,295	69,098
1,566	6,825	8,391	46,393
4,377	12,747	17,124	31,226
15,501	3,765	19,266	30,471
2,880	22,250	25,130	28,889
111	27,436	27,547	27,714
3,342	1,937	5,279	25,323
			21,139
316	129	445	18,654
489	10,547	11,036	16,783
582	6,595	7,177	13,060
			12,658
579	5,486	6,065	10,274
6,667		6,667	8,571
2,350		2,350	7,448
104	142	246	5,668
	25	25	3,649
203	79	282	402
	4	4	5
<u>\$ 503,836</u>	<u>\$ 642,321</u>	<u>\$ 1,146,157</u>	<u>\$ 23,314,430</u>

STATEMENT OF FUNCTIONAL EXPENSES
June 30, 2021

INTER-FAITH FOOD SHUTTLE
Statement of Functional Expenses
For the Year Ended June 30, 2021

	Program Services			Total
	Food Distribution	Job Training/ Food Service	Nutrition/Farm and Garden	
Food Distribution--In-Kind	\$ 11,785,335	\$		\$ 11,785,335
Salaries	934,710	449,493	241,518	1,625,721
Food	1,503,384	17	812,216	2,315,617
Facility Costs	145,213	15,078	28,699	188,990
Employee Benefits	81,089	37,929	23,368	142,386
Payroll Taxes	71,649	33,296	17,684	122,629
Depreciation	59,720	68,522	33,179	161,421
Vehicle Maintenance	194,718	1,162	5,391	201,271
Fundraising	387	437	106	930
Farm Expense	120	57,723		57,843
Vehicle Gasoline	58,816	4,750	2,213	65,779
Miscellaneous	92,523	9,723		102,246
Technology	15,891	10,524	1,026	27,441
Warehouse Supplies	90,698	350	1,234	92,282
Insurance	38,581	6,199	4,917	49,697
Maintenance	30,131	12,027	33,786	75,944
Travel/Staff Development	3,707	2,283	6	5,996
Printing/Copying	4,605	980		5,585
Professional Fees		1,006	2,491	3,497
Bank Charges		3		3
Postage and Freight	35,692	75		35,767
Utilities	5,617	9,292	526	15,435
Food Service Supplies	2,704	266	23,679	26,649
Dues and Subscriptions	154	60		214
Office Supplies	5,811	875	3,291	9,977
Awards and Grants	173,620			173,620
Business Gifts/Recognition	1,842	2,354	10	4,206
Advertising	4,296	715	23,964	28,975
Subcontractors	197,985	35,864		233,849
Training	23,043	10,197	512	33,752
Uniforms/Laundry	2,844	167	1,565	4,576
Licenses and Taxes			287	287
Interest	47	2		49
Total	\$ 15,564,932	\$ 771,369	\$ 1,261,668	\$ 17,597,969

The accompanying notes are an integral part of the financial statements.

Support Services			Total
Fundraising	Administrative	Total	Expenses
\$	\$	\$	\$
272,174	432,681	704,855	11,785,335
	107	107	2,330,576
			2,315,724
	31,832	31,832	220,822
20,388	28,830	49,218	191,604
19,454	29,097	48,551	171,180
511	3,606	4,117	165,538
			201,271
139,036	41	139,077	140,007
			57,843
			65,779
	2,678	2,678	104,924
21,109	16,968	38,077	65,518
936	110	1,046	93,328
	17,939	17,939	67,636
813	8,174	8,987	84,931
706	12,682	13,388	19,384
7,645	3,581	11,226	16,811
1,857	62,277	64,134	67,631
	41,020	41,020	41,023
2,710	2,371	5,081	40,848
			15,435
	63	63	26,712
220	6,251	6,471	6,685
852	6,329	7,181	17,158
			173,620
1,924	5,068	6,992	11,198
5,264	260	5,524	34,499
2,140	15,429	17,569	251,418
174	278	452	34,204
			4,576
202	66	268	555
	49	49	98
<u>\$ 498,115</u>	<u>\$ 727,787</u>	<u>\$ 1,225,902</u>	<u>\$ 18,823,871</u>

INTER-FAITH FOOD SHUTTLE
Statements of Cash Flows
For the Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in Net Assets	\$ (303,178)	\$ 1,669,260
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	186,154	165,538
Unrealized Gain on Investments	318,274	(274,557)
In-Kind Food Contributions Received	(17,428,888)	(11,626,046)
In-Kind Food Contributions Expensed	17,392,282	11,785,335
Changes in Assets and Liabilities:		
Accounts Receivable	(40,362)	70,024
Prepaid Expenses	(127,761)	(102,617)
Accounts Payable and Accrued Expenses	165,419	(296,112)
Paid Time Off Accrual	3,525	2,576
Deferred Revenue		(1,193)
Net Cash Provided by Operating Activities	<u>165,465</u>	<u>1,392,208</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Investments	(199,260)	(1,004,715)
Sale of Property and Equipment	176,227	
Purchase of Property and Equipment	(175,397)	(225,394)
Net Cash Used by Investing Activities	<u>(198,430)</u>	<u>(1,230,109)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(32,965)	162,099
CASH AND CASH EQUIVALENTS--Beginning of Year	<u>4,227,386</u>	<u>4,065,287</u>
CASH AND CASH EQUIVALENTS--End of Year	<u>\$ 4,194,421</u>	<u>\$ 4,227,386</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash Paid During the Year for Interest	<u>\$ 5</u>	<u>\$ 98</u>

The accompanying notes are an integral part of the financial statements.

INTER-FAITH FOOD SHUTTLE
Notes to Financial Statements
June 30, 2022 and 2021

1. Organization and Summary of Significant Accounting Policies

A. Description of Organization:

The Inter-Faith Food Shuttle (IFFS) was incorporated as a not-for-profit organization in 1990. Key programs include: recycling food by collecting excess perishable food and distributing it to non-profit agencies charged with feeding needy people, culinary job-training and food service programs, farms and community gardens seeking to link low-income people to the local food movement, and nutrition education courses. IFFS is an affiliate of Feeding America and the Triangle United Way.

Revenues consist primarily of public grants and donations.

B. Basis of Presentation:

IFFS follows standards for external financial reporting by not-for-profit organizations that requires its resources be classified for accounting and reporting purposes into two net asset categories according to externally imposed restrictions. Accordingly, net assets of IFFS and changes therein may be classified and reported as follows:

Net Assets Without Donor Restrictions

Net assets without donor restrictions are available for use at the discretion of the Board and/or management for general operating purposes. From time to time the Board may designate a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion.

Net Assets With Donor Restrictions

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions.

IFFS reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction end or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the statement of activities as net assets released from restrictions.

Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting IFFS to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a Board approved spending policy. IFFS currently has no assets that meet this criteria.

C. Cash and Cash Equivalents:

IFFS considers all highly liquid instruments purchased with an original maturity of three months or less to be cash equivalents.

D. Accounts Receivable:

Accounts receivable are comprised of fees for services performed by IFFS and a sales tax receivable. Management deems all receivables to be collectible.

E. Inventory:

Inventory consists of donated food on hand at year-end. The donated food is valued at \$1.92 and \$1.79 per pound for the years ended June 30, 2022 and 2021, respectively. This valuation was obtained by Feeding America, IFFS's national affiliate. IFFS had approximately 262,100 and 261,000 pounds of donated food on hand at June 30, 2022 and 2021, respectively.

INTER-FAITH FOOD SHUTTLE
Notes to Financial Statements
June 30, 2022 and 2021

1. Summary of Significant Accounting Policies (Continued)

F. Property and Equipment:

IFFS has a capitalization threshold of \$2,500. Property and equipment are stated at cost if purchased and fair market value if donated and are depreciated on the straight-line basis over their useful lives.

G. In-Kind Donations:

IFFS receives various in-kind donations primarily in the form of donated food which is valued and reported at estimated fair value. It also receives and reports the fair market value of donated rental space, equipment, and items to be raffled. The time of volunteer workers who collect, prepare, and deliver food is not valued or reported.

H. Advertising:

Advertising costs are expensed as incurred.

I. Income Taxes:

IFFS is exempt from Federal and state income taxes under Section 501(a) of the Internal Revenue Code (IRC) and is classified under Section 501(c)(3) as a public charity. IFFS qualifies for the charitable contributions deduction under IRC Section 170(b)(1)(A)(vi).

Accordingly, the accompanying financial statements do not include a provision for income taxes. For the years ended June 30, 2022 and 2021, there were no uncertain tax positions.

IFFS'Ss previous three tax years are open to examination by Federal tax jurisdiction. IFFS has not been informed by any tax authorities that any of these tax years are under examination as of June 30, 2022.

J. Use of Estimates:

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of 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.

2. Revenue Recognition

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers, Accounting Standards Code Topic 606* (Topic 606). Topic 606 and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in GAAP. Topic 606 outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. The core principle in the pronouncement is the recognition of revenue for contracts with customers in an amount that reflects the consideration that an entity expects to be entitled to in exchange for the provisions of goods or services.

NORTH CAROLINA ASSOCIATION OF SCHOOL ADMINISTRATORS
Notes to Financial Statements
June 30, 2022 and 2021

2. Revenue Recognition (Continued)

The following is a summary of the principal forms of IFFS's services recognized in accordance with Topic 606 and how revenue is recognized for each.

Fee For Services

IFFS provides meal preparation and delivery for various organizations. Revenue is recognized as the services are completed. Receivables arising from contracts with others totaled \$4,383 and \$20,038 at June 30, 2022 and 2021, respectively.

Disaggregation of Revenue

In the following table, revenue recognized through Topic 606 is disaggregated by major services line and timing of revenue recognition.

	<u>2021</u>	<u>2020</u>
Major Services:		
Fees For Services	\$ <u>233,526</u>	\$ <u>1,268,541</u>
Timing of Revenue Recognition:		
Services transferred over time	\$	\$
Services transferred at a point in time	<u>233,526</u>	<u>1,268,541</u>
	\$ <u>233,526</u>	\$ <u>1,268,541</u>

IFFS assesses certain economic factors and the potential for significant changes in those economic factors and its impact on the nature, amount, timing and uncertainty of revenue and cash flows. Common factors ordinarily impacting IFFS would be the food needs and crises in the local area and the capacity of other organizations to service them. These factors have been assessed and management feels they have limited impact on the performance of the IFFS.

3. Concentration of Credit Risk

The Federal Deposit Insurance Corporation insures deposits at financial institutions for \$250,000. At June 30, 2022 and 2021, IFFS had uninsured amounts of \$4,023,585 and \$4,025,106, respectively.

4. Net Assets

Net assets with donor restrictions of at June 30, 2022 and 2021 are restricted for the follow purposes or periods:

	<u>2022</u>	<u>2021</u>
COVID 19 Support	\$	\$ 383,328
Expansion	167,900	32,133
Child Hunger Programs	170,500	
Senior Hunger Programs	200,175	
Other	<u>22,500</u>	
	\$ <u>561,075</u>	\$ <u>415,461</u>

INTER-FAITH FOOD SHUTTLE
Notes to Financial Statements
June 30, 2022 and 2021

4. Net Assets (Continued)

Net assets without donor restrictions are composed of the following as of June 30:

	<u>2022</u>	<u>2021</u>
Undesignated	\$ 6,626,063	\$ 7,074,855
Operating Reserve	700,000	700,000
	<u>\$ 7,326,063</u>	<u>\$ 7,774,855</u>

5. Net Assets Released from Donor Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors. The net assets released from restrictions are as follows:

	<u>2022</u>	<u>2021</u>
COVID 19 Support	\$ 221,000	\$ 638,252
Backpack Buddies	112,328	31,200
Expansion	82,133	50,000
Food Truck		38,456
	<u>\$ 415,461</u>	<u>\$ 757,908</u>

6. Liquidity and Availability

IFFS manages its liquid resources by focusing on obtaining grants, contributions, and fundraising projects to ensure the entity has adequate funds to cover the programs that are being conducted. IFFS prepares detailed budgets and has been active in managing costs to ensure the entity remains liquid.

IFFS's financial assets as of June 30 expected to be available within one year to meet the cash needs for general expenditures comprise the following:

	<u>2022</u>	<u>2021</u>
Cash	\$ 4,194,421	\$ 4,227,386
Investments	2,204,865	2,496,855
Accounts Receivable	<u>78,916</u>	<u>38,554</u>
Financial assets, at year end	6,478,202	6,762,795
Less those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions		
Restricted by donor with time or purpose restrictions	<u>561,075</u>	<u>415,461</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 5,917,127</u>	<u>\$ 6,347,334</u>

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7. Related Parties

IFFS is an affiliate with Feeding America. Feeding America, a 501(c)(3) organization, is the nation's largest hunger-relief organization.

In 1999, IFFS joined with Meals on Wheels to create Food Runners Collaborative, Inc. (Food Runners). IFFS and Food Runners have several common board members.

IFFS pays Food Runners for facility usage. IFFS paid Food Runners \$136,851 and \$127,092 in facility costs for the years ended June 30, 2022 and 2021, respectively, and it owed Food Runners \$11,616 and \$10,811 at June 30, 2022 and 2021, respectively.

8. Investments

Dividend and interest income for the years ended June 30, 2022 and 2021 were \$27,671 and \$19,177, respectively. Unrealized losses totaled \$318,274 for the year ended June 30, 2022. Unrealized gains totaled \$274,557 for the year ended June 30, 2021.

Investments are reported at fair value at June 30, 2022 as follows:

	Fair Market Value	Cost	Unrealized Gain (Loss)
Equity Funds	\$ 967,860	\$ 872,047	\$ 95,813
Bond Funds	1,237,005	1,364,249	(127,244)
	<u>\$ 2,204,865</u>	<u>\$ 2,236,296</u>	<u>\$ (31,431)</u>

Investments are reported as fair value at June 30, 2021 as follows:

	Fair Market Value	Cost	Unrealized Gain (Loss)
Equity Funds	\$ 1,186,938	\$ 857,058	\$ 329,880
Bond Funds	1,309,917	1,310,229	(312)
	<u>\$ 2,496,855</u>	<u>\$ 2,167,287</u>	<u>\$ 329,568</u>

9. Disclosure about Fair Value of Financial Instruments

Fair value is defined as the price that would be received for an asset or the exit price that would be paid to transfer a liability in an orderly transaction between market participants on the measurement date. IFFS utilizes market data or assumptions that market participants would use in pricing the asset or liability. A three-tier fair value hierarchy is used to prioritize the inputs used in measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; Level 3, defined as unobservable inputs about which little or no market data exists, therefore requiring an entity to make its own assumptions.

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9. Disclosure about Fair Value of Financial Instruments (Continued)

The following tables set forth the financial assets and liabilities as of June 30, 2022 and 2021 that were measured at fair value on a recurring basis by level within the fair value hierarchy. Assets and liabilities measured at fair value are classified in their entirety based on the lowest level of input that is significant to their fair value measurement:

		Fair Value Measurements Using			
		Level 1	Level 2	Level 3	
		Quoted Prices in	Significant	Significant	
		Active Markets	Other	Unobservable	
		for Identical	Observable	Inputs	
		Assets	Inputs	Inputs	
		Balance at			
		June 30,			
		2022			
Equity Funds		\$ 967,860	\$ 967,860	\$	\$
Bond Funds		1,237,005	1,237,005		
		\$ 2,204,865	\$ 2,204,865	\$	\$
Fair Value Measurements Using					
		Level 1	Level 2	Level 3	
		Quoted Prices in	Significant	Significant	
		Active Markets	Other	Unobservable	
		for Identical	Observable	Inputs	
		Assets	Inputs	Inputs	
		Balance at			
		June 30,			
		2021			
Equity Funds		\$ 1,186,938	\$ 1,186,938	\$	\$
Bond Funds		1,309,917	1,309,917		
		\$ 2,496,855	\$ 2,496,855	\$	\$

10. Line of Credit

IFFS has a \$250,000 line of credit with First Horizon. Interest is due monthly at the rate of prime plus .75%. IFFS did not have an outstanding balance on the line of credit at June 30, 2022 and 2021.

11. Leases

IFFS leases its operating facilities, warehouse and a copier under operating leases. The facilities are leased from Food Runners Collaborative, Inc., a related party. Total rent expense for the copier, warehouse and facility costs totaled \$247,421 and \$243,476 for the years ended June 30, 2022 and 2021, respectively. The following is a schedule of minimum lease payments required under these leases:

Years Ending June 30	
2023	\$ 206,559
2024	121,419
2025	53,023
2026	23,908
2027	3,565
	\$ 408,474

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12. Employee Benefit Plan

IFFS has a Simple IRA plan covering all full-time employees meeting plan requirements. Under the plan, IFFS matches dollar for dollar up to 3% of each eligible employee's salary. Plan expenses incurred by IFFS were \$53,188 and \$41,359 for the years ended June 30, 2022 and 2021, respectively.

13. Subsequent Events

Management evaluated subsequent events through September 14, 2022, which is the date the financial statements were available to be issued. As a result of the COVID-19 pandemic, economic uncertainties have arisen which negatively impact investment earnings, investment balances, and contributions. Other financial impact could occur though such potential impact is unknown at this time.

