

Financial Statements

FEAST, INC.
(a nonprofit organization)
Year Ended December 31, 2019



Table of Contents

Independent Accountants' Review Report	3
Financial Statements	
Statement of Financial Position	4
Statement of Activities	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to Financial Statements	8

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors
FEAST, INC.
Los Angeles, California

We have reviewed the accompanying financial statements of FEAST, INC. (a nonprofit organization) which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Harris CPAs

Meridian, Idaho
September 4, 2020



FEAST, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2019

ASSETS

Assets

Cash and cash equivalents	\$ 175,439
Accounts receivable	15,000
Prepaid expenses	<u>5,488</u>
Total Current Assets	<u>195,927</u>
Total Assets	<u>\$ 195,927</u>

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable	\$ 4,277
------------------	----------

Net Assets

Without donor restrictions	155,922
With donor restrictions	<u>35,728</u>
Total Net Assets	<u>191,650</u>
Total Liabilities and Net Assets	<u>\$ 195,927</u>

See accompanying notes and independent accountants' review report.

FEAST, INC.
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Support			
Contributions	\$ 197,741	\$ 15,236	\$ 212,977
Fundraising events	69,009	0	69,009
less cost of direct benefit to donors	(20,729)	(20,729)	0
Grant revenue	68,073	100,000	168,073
In-kind contributions	19,097	0	19,097
Service fees	30,004	0	30,004
Other income	4,431	0	4,431
Investment income	490	0	490
	<hr/>	<hr/>	<hr/>
Net assets released from restrictions	368,116	115,236	483,352
	<hr/>	<hr/>	<hr/>
Total Revenue and Support	115,236	(115,236)	0
	<hr/>	<hr/>	<hr/>
	483,352	0	483,352
Expenses			
Program services			
Community	196,994	0	196,994
Curriculum	121,656	0	121,656
Training	5,232	0	5,232
	<hr/>	<hr/>	<hr/>
Total Program Services	323,882	0	323,882
Supporting services			
Administrative	55,929	0	55,929
Fundraising	70,337	0	70,337
	<hr/>	<hr/>	<hr/>
Total Supporting Services	126,266	0	126,266
	<hr/>	<hr/>	<hr/>
Total Expenses	450,148	0	450,148
	<hr/>	<hr/>	<hr/>
Change in Net Assets	33,204	0	33,204
	<hr/>	<hr/>	<hr/>
Net Assets			
Beginning of Year	122,718	35,728	158,446
	<hr/>	<hr/>	<hr/>
End of Year	<u>\$ 155,922</u>	<u>\$ 35,728</u>	<u>\$ 191,650</u>

See accompanying notes and independent accountants' review report.

FEAST, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2019

	Program Services			Supporting Services			Total
	Community	Curriculum	Training	Admin	Fundraising		
Wages and benefits	\$ 111,252	\$ 62,962	\$ 4,063	\$ 27,242	\$ 54,977	\$ 260,496	
Supplies	27,476	34,788	336	105	1,035	63,740	
Contract services	5,608	19,848			8,268	33,724	
Rent	33,279					33,279	
Professional services				27,623		27,623	
Travel and conference	5,056	3,743	753	244	1,645	11,441	
Office supplies	6,790		80	498	632	8,000	
Utilities	4,801			177	500	5,478	
Training	327	315			700	1,342	
Advertising	2,019					2,019	
Other expenses	386			40	2,580	3,006	
Total Expenses	\$ 196,994	\$ 121,656	\$ 5,232	\$ 55,929	\$ 70,337	\$ 450,148	

See accompanying notes and independent accountants' review report.

FEAST, INC.
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2019

Cash Flows From Operating Activities

Change in net assets	\$ 33,204
Adjustments to reconcile change in net assets to net	
Cash provided (used) by operating activities:	
Realized gain	(128)
Unrealized gain	(308)
Changes in operating assets and liabilities:	
Accounts receivable	(15,000)
Prepaid expenses	(5,488)
Accounts payable	<u>(6,689)</u>
Net Cash Provided (Used) by Operating Activities	5,591

Cash Flows From Investing Activities

Proceeds from sale of investments	<u>10,132</u>
Net Cash Provided (Used) by Investing Activities	<u>10,132</u>
Net Change in Cash and Cash Equivalents	15,723
Cash and Cash Equivalents - Beginning of Year	<u>159,225</u>
Cash and Cash Equivalents - End of Year	<u>\$ 174,948</u>

See accompanying notes and independent accountants' review report.

FEAST, INC.
NOTES TO FINANCIAL STATEMENTS

Note A – Significant Accounting Policies

Nature of Organization

FEAST is an independent nonprofit organization with the intention to address the health disparities affecting families throughout the U.S., largely stemming from a broken food system. Starting in 2013, the founders and a team of advisors understood that a healthy life has three main ingredients whole foods, whole people, and whole communities. The team created a holistic program combining practical skills like nutrition education and healthy cooking with a support-group structure that builds deep bonds of friendship and social connection. This integrative approach promotes wellness by harnessing the power of healthy foods and human connection. The program they developed has proven to be incredibly effective with powerful results.

The organization has had an impact on thousands of individuals and families in the Los Angeles area and is continuing to expand its work to the national level by starting programs in New York in the fall of 2018.

Basis of Accounting

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.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions. Net assets without donor restrictions are available for use at the discretion of the Board of Directors and/or management for general operating purposes. Net asset with donor restrictions consist of assets whose use is limited by donor imposed, time and/or purpose restrictions.

Accounting Pronouncements Adopted

For the year ended December 31, 2019, the Organization adopted Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. Subsequent to May 2014, the FASB has issued six ASUs to clarify certain matters related to Topic 606. Topic 606 supersedes the revenue recognition requirements in FASB ASC 605, *Revenue Recognition*, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The updates address the complexity and understandability of revenue recognition and provide sufficient information to enable financial statements users to understand the nature, timing, and uncertainty of revenue and cash flow arising from contracts with customers.

FEAST, INC.
NOTES TO FINANCIAL STATEMENTS

Note A – Significant Accounting Policies (Continued)

Accounting Pronouncements Adopted (Continued)

The consolidated financial statements reflect the application of ASC 606 guidance beginning in 2019. No cumulative-effect adjustment in net assets was recorded as the adoption of ASU 2014-09 did not significantly impact the Organization's reported historical revenue.

Implementation of the new standard did not require reclassification or restatement of any opening balances related to the prior period. Net assets presented as temporary or permanently restricted assets are now reported as net assets with donor restrictions. Net assets reported as unrestricted are now reported as net assets without donor restrictions.

Use of Estimates

The Organization uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers its short-term, highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Concentration of Credit Risk

Financial instruments that potentially subject the Organization to significant concentrations of credit risk consist of cash and investments and are held at a number of financial institutions. Accounts at certain financial institutions are insured by the Federal Deposit Insurance Corporation for up to \$250,000. Investment accounts are insured by the Securities Investor Protection Corporation for up to \$500,000. At December 31, 2019 the Organization had no uninsured amounts.

Accounts Receivable

The amount in accounts receivable consist of donations for events. All receivables are non-interest bearing. As of December 31, 2019, management determined all accounts are collectible and there is no need for an allowance for doubtful accounts.

FEAST, INC.
NOTES TO FINANCIAL STATEMENTS

Note A – Significant Accounting Policies (Continued)

Fair Value

The Organization uses fair value for reporting financial assets and liabilities. A hierarchy for reporting the reliability of input measurements is used to assess fair value for all assets and liabilities. Fair Value is defined as the selling price that would be received for an asset, or paid to transfer a liability, in the principal or most advantageous market on the measurement date. The hierarchy established prioritizes fair value measurements based on the types of inputs used in the valuation technique. Certain financial instruments are carried at cost on the statements of financial position, which approximates fair value due to their short term, highly liquid nature.

Revenue Recognition

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Revenue is recognized when persuasive evidence of an arrangement exists, delivery has occurred, the fee is fixed or determinable, and collectability is probable. Revenue generally is recognized net of allowances for returns and any taxes collected from customers and subsequently remitted to governmental authorities. Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

Special Events and Fundraising

Special events are shown net of costs that are direct benefits related to the ambassador dinner, a special event held annually. These are shown on the statement of activities. The remaining costs are shown in fundraising for donor development and general fundraising

Contributions and Donor Imposed Restrictions

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for specific purposes are reported as contributions with donor restrictions that increases that net asset class. When donor restrictions expire, that is, when a time restriction ends and/or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restriction.

FEAST, INC.
NOTES TO FINANCIAL STATEMENTS

Note A – Significant Accounting Policies (Continued)

Donated Investments

The Organization receives stock donations to a brokerage account. The stock is then sold and the money is transferred to an operating bank account. There is a small amount of cash retained in the brokerage account to keep it open and has been included as cash in the statement of financial position.

Contributed Services

A number of volunteers have contributed significant amounts of their time to the Organization's programs and activities. No amounts have been reflected in the financial statements for those services.

In-kind Contributions

The Organization receives in-kind contributions consisting of locally sourced produce. In-kind contributions are recognized as revenue when received and as expenditures when the resources are consumed.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. The expenses that are allocated are compensation and benefits, which are allocated on the basis of estimates of time and effort, occupancy costs and depreciation, which are directly allocated based on their use. General and administration expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Internal Revenue Code Section 501(c)(3), and comparable state law. Accordingly, no provision for income taxes is made in the financial statements.

FEAST, INC.
NOTES TO FINANCIAL STATEMENTS

Note A – Significant Accounting Policies (Continued)

Uncertain Tax Positions

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Organization may recognize tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for fiscal year 2019.

The Organization files Form 990 in the U.S. federal jurisdiction. The Organization is generally no longer subject to examination by the Internal Revenue Service for years before 2016.

Subsequent Events

The Company has evaluated subsequent events through September 4 2020, which is the date the financial statements were available to be issued. As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which are likely to negatively impact operations; however the related financial impact and duration cannot be reasonably estimated at this time.

Note B – Liquidity and Availability

The Organization's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

Cash and cash equivalents	\$ 175,439
Accounts receivable	<u>15,000</u>
Total financial assets available within one year	190,439
Less amounts unavailable for general expenditures within one year, due to:	
Restricted by donors with purpose and time restrictions	<u>(35,728)</u>
Total amounts unavailable for general expenditures within one year	<u>(35,728)</u>
Total financial assets available within one year after restriction	\$ 154,711

FEAST, INC.
NOTES TO FINANCIAL STATEMENTS

Note B – Liquidity and Availability (Continued)

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. At December 31, 2019, all net assets without donor restrictions are available for payment of any major expenditures incurred, except for contributions receivable which are available when the receivable is collected which is expected within one year of the statement of financial position date.

Note C – Operating Leases

The Organization also leases a building under a non-cancellable agreement. The lease expired in April 2020, but the Organization has remained month to month making monthly payments of the original lease agreement amount of \$2,779, until a new lease agreement is originated. Total rent for the year ended December 31, 2019 was \$33,279.

Note D – Net Assets

The detail of the Organization's net asset categories at December 31, 2019, is as follows:

Without donor restrictions:

Net assets without donor restrictions	\$	155,922
---------------------------------------	----	---------

With donor restrictions:

Restricted for curriculum purposes	<u>35,728</u>
------------------------------------	---------------

Total net assets	\$ <u>191,650</u>
------------------	-------------------