

Financial Statements

FEAST, Inc.
(a nonprofit organization)
Years Ended December 31, 2020 and 2019



Table of Contents

Independent Accountants' Review Report	3
Financial Statements	
Statements of Financial Position	5
Statements of Activities	6
Statements of Functional Expenses	7
Statements of Cash Flows	8
Notes to Financial Statements	9

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, 2020, 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.

We are required to be independent of FEAST, INC. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

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.





Summarized Comparative Information

We previously reviewed FEAST, INC.'s December 31, 2019 financial statements in our report dated September 4, 2020, stated that based on our procedures, we were not aware of any material modifications that should be made to the December 31, 2019 financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America. We are not aware of any material modifications that should be made to the summarized comparative information presented herein as of and for the year ended December 31, 2019 for it to be consistent with the reviewed financial statements from which it has been derived

Harris CPAs

Meridian, Idaho
May 6, 2021



FEAST, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2020
With Comparative Totals as of December 31, 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 325,027	\$ 174,948
Investments	19,109	491
Accounts receivable	8,730	15,000
Prepaid expenses	<u>5,016</u>	<u>5,488</u>
Total Current Assets	<u>357,882</u>	<u>195,927</u>
Total Assets	<u>\$ 357,882</u>	<u>\$ 195,927</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	<u>\$ 16,917</u>	<u>\$ 4,277</u>
Total Current Liabilities	16,917	4,277
Long-Term Debt	<u>25,000</u>	<u>0</u>
Total Liabilities	41,917	4,277
Net Assets		
Without donor restrictions	280,237	155,922
With donor restrictions	<u>35,728</u>	<u>35,728</u>
Total Net Assets	<u>315,965</u>	<u>191,650</u>
Total Liabilities and Net Assets	<u>\$ 357,882</u>	<u>\$ 195,927</u>

See accompanying notes and independent accountants' review report.

FEAST, INC.
STATEMENTS OF ACTIVITIES
For the Year Ended December 31, 2020
With Comparative Totals for the Year Ended December 31, 2019

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>2020</u> <u>Total</u>	<u>2019</u> <u>Total</u>
Revenues and Support				
Contributions	\$ 198,678	\$ 18,738	\$ 217,416	\$ 212,977
Fundraising events	0		0	69,009
less cost of direct benefit to donors	0		0	(20,729)
Grant revenue	196,100	98,632	294,732	168,073
In-kind contributions	28,920		28,920	19,097
Service fees	35,399		35,399	30,004
Paycheck Protection Program	50,557		50,557	0
Other income	5,165		5,165	4,431
Investment income	1,016		1,016	490
	<u>515,835</u>	<u>117,370</u>	<u>633,205</u>	<u>483,352</u>
Net assets released from restrictions	<u>117,370</u>	<u>(117,370)</u>	<u>0</u>	<u>0</u>
 Total Revenue and Support	 633,205	 0	 633,205	 483,352
Expenses				
Program services				
Community	169,292		169,292	196,994
Curriculum	197,665		197,665	121,656
Training	18,950		18,950	5,232
	<u>385,907</u>	<u>0</u>	<u>385,907</u>	<u>323,882</u>
Supporting services				
Administrative	62,917		62,917	55,929
Fundraising	60,066		60,066	70,337
	<u>122,983</u>	<u>0</u>	<u>122,983</u>	<u>126,266</u>
 Total Expenses	 <u>508,890</u>	 <u>0</u>	 <u>508,890</u>	 <u>450,148</u>
 Change in Net Assets	 124,315	 0	 124,315	 33,204
Net Assets				
Beginning of Year	<u>155,922</u>	<u>35,728</u>	<u>191,650</u>	<u>158,446</u>
End of Year	<u>\$ 280,237</u>	<u>\$ 35,728</u>	<u>\$ 315,965</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, 2020

With Comparative Totals for the Year Ended December 31, 2019

	Program Services			Supporting Services		2020	2019
	Community	Curriculum	Training	Admin	Fundraising	Total	Total
Wages and benefits	\$ 92,699	\$ 105,312	\$ 15,891	\$ 44,853	\$ 41,615	\$ 300,370	\$ 260,496
Supplies	6,071	80,378	1,321		281	88,051	63,740
Rent	28,904					28,904	33,279
Professional services				17,028		17,028	27,623
Contract services	3,192	7,615			4,900	15,707	33,724
Advertising	6,025	902		111	6,584	13,622	2,019
Office supplies	10,173	440		116	238	10,967	8,000
Grants and direct assistance	8,963					8,963	0
Insurance	6,770	1,333				8,103	0
Utilities	2,122	18				2,140	5,478
Training	1,445	70			3,250	4,765	1,342
Travel and conferences	701	1,520	1,738	406	318	4,683	11,441
Other expenses	2,227	77		403	2,880	5,587	3,006
Total Expenses	<u>\$ 169,292</u>	<u>\$ 197,665</u>	<u>\$ 18,950</u>	<u>\$ 62,917</u>	<u>\$ 60,066</u>	<u>\$ 508,890</u>	<u>\$ 450,148</u>

See accompanying notes and independent accountants' review report.

FEAST, INC.
STATEMENTS OF CASH FLOWS
For the Year Ended December 31, 2020
With Comparative Totals for the Year Ended December 31, 2019

	<u>2020</u>	<u>2019</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 124,315	\$ 33,204
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Realized gain	0	(128)
Unrealized gain	663	(308)
Changes in operating assets and liabilities:		
Accounts receivable	6,270	(15,000)
Prepaid expenses	472	(5,488)
Accounts payable	<u>12,640</u>	<u>(6,689)</u>
Net Cash Provided (Used) by Operating Activities	144,360	5,591
Cash Flows From Investing Activities		
Proceeds from sale of investments	<u>(19,281)</u>	<u>10,132</u>
Net Cash Provided (Used) by Investing Activities	(19,281)	10,132
Cash Flows From Financing Activities		
Long-term debt	<u>25,000</u>	<u>0</u>
Net Cash Provided (Used) by Financing Activities	25,000	0
Net Change in Cash and Cash Equivalents	150,079	15,723
Cash and Cash Equivalents - Beginning of Year	<u>174,948</u>	<u>159,225</u>
Cash and Cash Equivalents - End of Year	<u>\$ 325,027</u>	<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.

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.

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.

FEAST, INC.
NOTES TO FINANCIAL STATEMENTS

Note A – Significant Accounting Policies (Continued)

Marketable Securities and Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by donors are reported as increases in unrestricted net assets if the restrictions are met (either stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

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, 2020 and 2019 the Organization had uninsured amounts of \$71,268 and \$0, respectively.

Accounts Receivable

The amount in accounts receivable consist of donations for events. All receivables are non-interest bearing. As of December 31, 2020 and 2019, management determined all accounts are collectible and there is no need for an allowance for doubtful accounts.

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.

FEAST, INC.

NOTES TO FINANCIAL STATEMENTS

Note A – Significant Accounting Policies (Continued)

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.

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 include as investments in the statement of financial position.

FEAST, INC.
NOTES TO FINANCIAL STATEMENTS

Note A – Significant Accounting Policies (Continued)

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.

Comparative Data

The amounts shown for the year ended December 31, 2019 in the accompanying financial statements are included to provide a basis for comparison with 2020 and present summarized totals only. Accordingly, the 2019 totals are not intended to present all information necessary for a fair presentation in conformity with accounting principles generally accepted in the United States of America. Such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2019, from which the summarized information was derived.

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 2020.

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 2017.

Reclassifications

Certain amounts for the year ended December 31, 2019 have been reclassified to conform to the current year presentation. The reclassifications have no effect on net assets for the year ended December 31, 2019.

Subsequent Events

The Organization has evaluated subsequent events through May 6, 2021, which is the date the financial statements were available to be issued.

FEAST, INC.
NOTES TO FINANCIAL STATEMENTS

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	\$ 325,027
Investments	19,109
Accounts receivable	<u>8,730</u>
Total financial assets available within one year	352,866
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	<u>\$ 317,138</u>

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, 2020, 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 – Investments

Investments as of December 31, are summarized as follows:

	<u>2020</u>	<u>2019</u>
Cost	\$ 18,093	\$ 138
Unrealized gain	<u>1,016</u>	<u>353</u>
Total	<u>\$ 19,109</u>	<u>\$ 491</u>

FEAST, INC.
NOTES TO FINANCIAL STATEMENTS

Note C – Investments (Continued)

Investment income consists of the following for the years ended December 31:

	<u>2020</u>	<u>2019</u>
Interest and dividends	\$ 353	\$ 54
Realized gain	0	128
Unrealized gain	<u>663</u>	<u>308</u>
Total	<u>\$ 1,016</u>	<u>\$ 490</u>

The Organization receives stock donations to a brokerage account. The stock is typically sold shortly after it is received and the money is then transferred to an operating bank account. Only a small amount of cash is usually retained in the brokerage account to keep it open and has been included as investments in the statement of financial position in prior years. However in 2020 the Organization did not sell the stocks prior to year-end, resulting in an investment balance as December 31, 2020 with minimal income recognized. The Organization’s investments are held in stocks, the stocks are valued based on identical quoted market prices and considered Level 1 assets.

Note D – Long-Term Debt

Long-term debt consisted of the following at December 31:

	<u>2020</u>	<u>2019</u>
Loan payable to U.S. Small Business Administration, payable in monthly installments of \$108 beginning September 2022, including interest at 2.75%. Matures August 2052 with a lump sum payment due.	\$ 25,000	\$ 0
Less current portion	<u>0</u>	<u>0</u>
	<u>\$ 25,000</u>	<u>\$ 0</u>

FEAST, INC.
NOTES TO FINANCIAL STATEMENTS

Note D – Long-Term Debt (Continued)

Maturities of long-term debt as of December 31, 2020 are as follows:

2021	\$	0
2022		1,222
2023		580
2024		596
2025		613
Thereafter		<u>21,989</u>
	<u>\$</u>	<u>25,000</u>

Note E – 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 years ended December 31, 2020 and 2019 was \$28,904 and \$33,279, respectively.

Note F – Net Assets

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

	<u>2020</u>	<u>2019</u>
Without donor restrictions:		
Net assets without donor restrictions	\$ 280,237	\$ 155,922
With donor restrictions:		
Restricted for curriculum purposes	<u>35,728</u>	<u>35,728</u>
Total net assets	<u>\$ 315,965</u>	<u>\$ 191,650</u>

FEAST, INC.
NOTES TO FINANCIAL STATEMENTS

Note G – Risks and Uncertainties

The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. The extent of the impact of COVID-19 on the Organization’s operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on the Organization’s customers, employees, and vendors, all of which at present, cannot be determined. In March of 2020 the spread of the COVID-19 coronavirus required the Camp to move to a virtual format for the entirety of 2020. Accordingly, the extent to which COVID-19 may impact the Organization’s financial position and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. The Organization obtained a \$49,800 loan under the Paycheck Protection Program to supplement payroll and other costs. See Note H for additional information.

Note H – Paycheck Protection Program Loan

On April 14, 2020 the Organization received loan proceeds in the amount of \$49,800 under the Paycheck Protection Program (“PPP”). The PPP was established under the Coronavirus Aid, Relief and Economic Security Act, as amended (“CARES Act”) and is administered by the U.S. Small Business Administration (“SBA”). Under the terms of the CARES Act, PPP loan recipients can apply for loan forgiveness. The potential loan forgiveness for all or a portion of PPP loans is determined, subject to limitations, based on the use of loan proceeds over the 24-weeks after the loan proceeds are disbursed for payment of payroll costs and any payments of mortgage interest, rent, and utilities. The amount of loan forgiveness will be reduced if PPP loan recipients terminate employees or reduce salaries during the covered period.

Generally accepted accounting principles allow entities to apply nonauthoritative guidance by analogy when guidance for a transaction is not specified within U.S. GAAP. Management has elected to account for a PPP loan as a government grant by applying the guidance of International Accounting Standard 20, *Accounting for Government Grants and Disclosure of Government Assistance*.

FEAST, INC.
NOTES TO FINANCIAL STATEMENTS

Note H – Paycheck Protection Program Loan (Continued)

Management has determined that it meets both the eligibility criteria and the loan forgiveness criteria for all or substantially all of the PPP loan. As a result, the Organization has accounted for the PPP loan as an income-related grant and initially recognized the loan as a deferred income liability. The liability has been recognized as income over the 24 week covered period which the Organization recognized the expenses that the PPP loan was intended to offset.

On October 21, 2020, the Organization was notified that its application for loan forgiveness had been accepted, and that no payments on the loan would be required. The PPP loan was recognized as income in the year ended December 31, 2020.