

Financial Statements

FEAST, Inc.
(a nonprofit organization)
Years Ended December 31, 2023 and 2022



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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 not-for-profit organization) which comprise the statement of financial position as of December 31, 2023, 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, 2022, financial statements and in our report dated June 2, 2023 stated that based on our procedures, we were not aware of any material modifications that should be made to the December 31, 2022 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, 2022 for it to be consistent with the reviewed financial statements from which it has been derived.

Harris CPAs P.C.

Meridian, Idaho
April 29, 2024



FEAST, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2023
With Comparative Totals as of December 31, 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 198,833	\$ 937,523
Accounts receivable	50,068	0
Prepaid expenses	<u>750</u>	<u>3,942</u>
Total Current Assets	249,651	941,465
Furniture and Equipment, net	<u>4,904</u>	<u>0</u>
Total Assets	<u>\$ 254,555</u>	<u>\$ 941,465</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 20,160	\$ 10,479
Other accrued liabilities	18,376	50
Refundable advance	20,800	0
Current portion of long-term debt	<u>1,176</u>	<u>580</u>
Total Current Liabilities	60,512	11,109
Long-Term Debt, Net of Current Portion	<u>23,824</u>	<u>24,420</u>
Total Liabilities	84,336	35,529
Net Assets		
Without donor restrictions	<u>170,219</u>	<u>905,936</u>
Total Liabilities and Net Assets	<u>\$ 254,555</u>	<u>\$ 941,465</u>

See accompanying notes and independent accountants' review report.

FEAST, INC.
STATEMENTS OF ACTIVITIES
For the Year Ended December 31, 2023
With Comparative Totals for the Year Ended December 31, 2022

	<u>Unrestricted</u>	
	<u>2023</u>	<u>2022</u>
Revenues and Support		
Contributions	\$ 91,810	\$ 168,166
Grant revenue	328,690	120,033
In-kind contributions	125,242	52,459
Special events	139	(1,032)
Service fees	46,731	27,144
Other income	9,135	8,080
Investment income	<u>0</u>	<u>181</u>
Total Revenue and Support	601,747	375,031
Expenses		
Program services		
Community	710,027	486,797
Curriculum	232,429	173,004
Training	<u>28,359</u>	<u>23,526</u>
Total Program Services	970,815	683,327
Supporting services		
Administrative	187,320	164,174
Fundraising	<u>179,329</u>	<u>52,675</u>
Total Supporting Services	<u>366,649</u>	<u>216,849</u>
Total Expenses	<u>1,337,464</u>	<u>900,176</u>
Change in Net Assets	(735,717)	(525,145)
Net Assets		
Beginning of Year	<u>905,936</u>	<u>1,431,081</u>
End of Year	<u>\$ 170,219</u>	<u>\$ 905,936</u>

See accompanying notes and independent accountants' review report.

FEAST, INC.**STATEMENTS OF FUNCTIONAL EXPENSES**

For the Year Ended December 31, 2023

With Comparative Totals for the Year Ended December 31, 2022

	<u>Program Services</u>			<u>Supporting Services</u>		<u>2023</u>	<u>2022</u>
	<u>Community</u>	<u>Curriculum</u>	<u>Training</u>	<u>Admin</u>	<u>Fundraising</u>	<u>Total</u>	<u>Total</u>
Wages and benefits	\$ 377,390	\$ 154,304	\$ 25,584	\$ 69,016	\$ 103,251	\$ 729,545	\$ 550,226
Contract services	70,086	35,602			67,345	173,033	75,678
Supplies	140,364	3,631	1,239	1,040	648	146,922	120,262
Professional services				101,641		101,641	67,565
Other program specific expenses	25,469	27,585	298			53,352	0
Office supplies	23,056	1,450	1,238	8,609	4,389	38,742	11,948
Rent	29,350	6,010				35,360	36,111
Utilities	23,631	777				24,408	6,066
Travel & conferences	11,013	1,943		940	112	14,008	11,320
Training	4,812			2,013		6,825	2,015
Insurance	3,976	911				4,887	4,241
Advertising				1,192	116	1,308	901
Depreciation and amortization	588					588	0
Grant and direct assistance						0	3,500
Other expenses	292	216		2,869	3,468	6,845	10,343
Total Expenses	<u>\$ 710,027</u>	<u>\$ 232,429</u>	<u>\$ 28,359</u>	<u>\$ 187,320</u>	<u>\$ 179,329</u>	<u>\$ 1,337,464</u>	<u>\$ 900,176</u>

See accompanying notes and independent accountants' review report.

FEAST, INC.
STATEMENTS OF CASH FLOWS
For the Year Ended December 31, 2023
With Comparative Totals for the Year Ended December 31, 2022

	<u>2023</u>	<u>2022</u>
Cash Flows From Operating Activities		
Change in net assets	\$ (735,717)	\$ (525,145)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	588	0
Changes in operating assets and liabilities:		
Accounts receivable	(50,068)	8,730
Prepaid expenses	3,192	(802)
Accounts payable	9,681	3,478
Accrued expense	18,326	(873)
Deferred Revenue	<u>20,800</u>	<u>0</u>
Net Cash Provided (Used) by Operating Activities	(733,198)	(514,612)
Cash Flows From Investing Activities		
Purchase of equipment	<u>(5,492)</u>	<u>0</u>
Net Cash Used in Investing Activities	(5,492)	0
Net Change in Cash and Cash Equivalents	(738,690)	(514,612)
Cash and Cash Equivalents - Beginning of Year	<u>937,523</u>	<u>1,452,135</u>
Cash and Cash Equivalents - End of Year	<u>\$ 198,833</u>	<u>\$ 937,523</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, 2023 and 2022 the Organization had uninsured amounts of \$0 and \$658,225, respectively.

Accounts Receivable

The amount in accounts receivable consist of event registration fees. All receivables are non-interest bearing. As of December 31, 2023 and 2022, 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.

Furniture and Equipment

Furniture and Equipment is stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets.

FEAST, INC.

NOTES TO FINANCIAL STATEMENTS

Note A – Significant Accounting Policies (Continued)

Revenue Recognition

Service fees consists primarily of contracts for some safety repairs and modifications carried out on a fee for services basis. The Organization recognizes revenue on such activities as the related performance obligations are completed. There were no remaining unperformed performance obligations as of December 31, 2023 and 2022.

Refundable Advance

The Organization recognizes conditional contributions as a refundable advance until the conditions have been substantially met.

Leases

FEAST determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities in the balance sheet. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. FEAST does not report ROU assets and leases liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

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 include as cash in the statement of financial position.

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. Total in-kind contributions recognized in contributions were \$125,242 and \$52,459 for the years ended December 31, 2023 and 2022, respectively.

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.

Advertising

Advertising costs are expensed as incurred. Total advertising expense was \$1,308 and \$901 for the years ended December 31, 2023 and 2022, respectively.

FEAST, INC.
NOTES TO FINANCIAL STATEMENTS

Note A – Significant Accounting Policies (Continued)

Comparative Data

The amounts shown for the year ended December 31, 2022 in the accompanying financial statements are included to provide a basis for comparison with 2023 and present summarized totals only. Accordingly, the 2022 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, 2022, from which the summarized information was derived.

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 2023.

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 2020.

Subsequent Events

The Organization has evaluated subsequent events through April 29, 2024, 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	\$ 198,833
Receivables	<u>50,068</u>
Total financial assets available within one year after restriction	<u>\$ 248,901</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, 2023, 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 – Long-Term Debt

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

	<u>2023</u>	<u>2022</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. During 2021, this payable had an additional deferment of 6 months. The monthly payments will start January 2023.	\$ 25,000	\$ 25,000
Less current portion	<u>1,176</u>	<u>580</u>
	<u>\$ 23,824</u>	<u>\$ 24,420</u>

FEAST, INC.
NOTES TO FINANCIAL STATEMENTS

Note C – Long-Term Debt (Continued)

Maturities of long-term debt as of December 31, 2023 are as follows:

2024	\$	1,176
2025		613
2026		630
2027		647
2028		665
Thereafter		<u>21,269</u>
	\$	<u>25,000</u>

Note D – Operating Leases

The Organization leases a building under a non-cancellable agreement. The lease expired in March 2022, but the Organization has a renewal term that has continued this lease until December 31, 2024. The Organization was making monthly payments of the original lease agreement amount of \$2,945. Total rent for the years ended December 31, 2023 and 2022 was \$35,360 and \$36,111, respectively.

Note E – Contributed Nonfinancial Assets

For the years ended December 31, 2023 and 2022, contributed nonfinancial assets recognized within the statement of activities included:

	<u>2023</u>	<u>2022</u>
Food	\$ <u>125,242</u>	\$ <u>52,459</u>

The Organization recognized contributed nonfinancial assets within revenue, including food donated and used in the Organization's programs. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions. The goods were valued based on estimated fair market value if the Organization had to pay for the food. This value was determined by management.

FEAST, INC.
NOTES TO FINANCIAL STATEMENTS

Note F – Retirement Plan

The Organization has a 403(b) plan available to all eligible employees. During the year ended December 31, 2023, the Organization made matching contributions equal to 3% of employee contributions. For the year ended December 31, 2023, the Organization contributed \$2,541 to the plan.