

**FEED MY PEOPLE, INC.**  
**COMPARATIVE FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**  
**YEARS ENDED JUNE 30, 2024 AND 2023**



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## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Feed My People, Inc. (a nonprofit corporation), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Feed My People, Inc. as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

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

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Feed My People, Inc.'s ability to continue as a going concern for one year after the date the financial statements are available to be issued.

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Feed My People, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Feed My People, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



**CliftonLarsonAllen LLP**

Eau Claire, Wisconsin  
December 2, 2024

**FEED MY PEOPLE, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

	2024	2023
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 543,426	\$ 334,865
Accounts Receivable - Trade	123,336	154,835
Pledges Receivable	160,891	112,231
Inventory	1,159,718	1,352,162
Prepaid Expenses	21,045	20,918
Total Current Assets	2,008,416	1,975,011
<b>PROPERTY AND EQUIPMENT</b>	4,235,364	4,362,750
<b>INVESTMENTS</b>	2,159,157	1,704,624
<b>RIGHT OF USE ASSET - FINANCING</b>	493,877	658,502
<b>OTHER ASSETS</b>		
Pledges Receivable - Noncurrent	253,461	94,552
Total Assets	\$ 9,150,275	\$ 8,795,439
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 122,523	\$ 112,436
Accrued Expenses	135,516	150,324
Current Lease Liability - Finance	166,982	161,840
Funds Held for Others	55,690	54,175
Total Current Liabilities	480,711	478,775
<b>LONG-TERM LIABILITIES</b>		
Long-Term Lease Liability - Finance, Net	350,050	517,032
Total Long-Term Liabilities	350,050	517,032
Total Liabilities	830,761	995,807
<b>NET ASSETS</b>		
Net Assets Without Donor Restrictions	7,905,162	7,583,685
Net Assets With Donor Restrictions	414,352	215,947
Total Net Assets	8,319,514	7,799,632
Total Liabilities and Net Assets	\$ 9,150,275	\$ 8,795,439

See accompanying Notes to Financial Statements.

**FEED MY PEOPLE, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

	2024			2023		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Totals	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Totals
<b>REVENUES AND OTHER SUPPORT</b>						
Grants	\$ 758,472	\$ -	\$ 758,472	\$ 1,294,511	\$ -	\$ 1,294,511
Contributions	2,388,818	425,000	2,813,818	2,337,745	9,664	2,347,409
Donated Inventory	12,539,753	-	12,539,753	11,729,612	-	11,729,612
Investment Income (Loss)	164,854	-	164,854	101,446	-	101,446
Program Revenues:						
Purchased Product	1,860,456	-	1,860,456	1,571,291	-	1,571,291
Shared Maintenance and Delivery Fees	193,876	-	193,876	218,354	-	218,354
Miscellaneous	2,393	-	2,393	(308)	-	(308)
Restrictions Satisfied by Use Restrictions	9,164	(9,164)	-	250,000	(250,000)	-
Restrictions Satisfied by Time Restrictions	217,431	(217,431)	-	187,524	(187,524)	-
Total Revenues and Other Support	<u>18,135,217</u>	<u>198,405</u>	<u>18,333,622</u>	<u>17,690,175</u>	<u>(427,860)</u>	<u>17,262,315</u>
<b>EXPENSES</b>						
Program	16,679,663	-	16,679,663	16,481,701	-	16,481,701
Management and General	586,549	-	586,549	517,497	-	517,497
Fundraising	547,528	-	547,528	533,521	-	533,521
Total Expenses	<u>17,813,740</u>	<u>-</u>	<u>17,813,740</u>	<u>17,532,719</u>	<u>-</u>	<u>17,532,719</u>
<b>CHANGE IN NET ASSETS</b>	321,477	198,405	519,882	157,456	(427,860)	(270,404)
Net Assets - Beginning of Year	<u>7,583,685</u>	<u>215,947</u>	<u>7,799,632</u>	<u>7,426,229</u>	<u>643,807</u>	<u>8,070,036</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 7,905,162</u>	<u>\$ 414,352</u>	<u>\$ 8,319,514</u>	<u>\$ 7,583,685</u>	<u>\$ 215,947</u>	<u>\$ 7,799,632</u>

See accompanying Notes to Financial Statements.

**FEED MY PEOPLE, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

	2024			2023				
	Program	Management and General	Fundraising	Total	Program	Management and General	Fundraising	Total
Salaries	815,000	282,474	252,134	\$ 1,349,608	\$ 764,425	\$ 283,787	\$ 252,392	\$ 1,300,604
Payroll Taxes	62,494	21,660	19,334	103,488	60,046	22,292	19,826	102,164
Health Insurance	118,007	40,901	36,507	195,415	87,684	32,553	28,951	149,188
Retirement Plan	36,126	12,522	11,176	59,824	36,741	13,640	12,131	62,512
	<u>1,031,627</u>	<u>357,557</u>	<u>319,151</u>	<u>1,708,335</u>	<u>948,896</u>	<u>352,272</u>	<u>313,300</u>	<u>1,614,468</u>
Donated Inventory	12,471,363	-	-	12,471,363	11,998,886	-	-	11,998,886
Purchased Product Costs	2,011,702	-	-	2,011,702	1,514,122	-	-	1,514,122
Grant Expense	24,049	-	-	24,049	902,412	-	-	902,412
Depreciation	177,631	19,737	-	197,368	146,503	16,278	-	162,781
Direct Services Expenses	314,679	-	-	314,679	257,245	-	-	257,245
Vehicle Expense	116,558	-	-	116,558	134,454	-	-	134,454
Equipment Maintenance	87,149	-	-	87,149	163,931	-	-	163,931
Building Expansion	-	-	-	-	3,041	338	-	3,379
Fundraising Expenses	-	-	177,032	177,032	-	-	160,810	160,810
Utilities	65,453	7,273	-	72,726	75,072	8,341	-	83,413
Outreach	15,420	-	15,420	30,840	31,095	-	31,096	62,191
Professional Fees	-	142,855	-	142,855	-	91,097	-	91,097
Office Expense	18,119	6,280	5,606	30,005	15,026	5,579	4,961	25,566
Garbage	24,503	2,722	-	27,225	22,731	2,526	-	25,257
Dues and Subscriptions	28,289	3,536	3,536	35,361	19,675	2,459	2,459	24,593
Delivery Expense	32,040	-	-	32,040	7,050	-	-	7,050
Insurance	42,324	7,942	4,255	54,521	26,855	6,168	4,041	37,064
Bank and Credit Card Charges	-	30,339	-	30,339	-	22,790	-	22,790
Miscellaneous	19,397	4,213	3,672	27,282	22,932	5,832	4,575	33,339
Postage	2,330	2,330	18,638	23,298	1,493	1,493	11,944	14,930
Telephone	10,011	1,112	-	11,123	11,860	1,318	-	13,178
Investment Fees	-	8,132	-	8,132	-	8,657	-	8,657
Interest Expense	18,952	-	-	18,952	23,937	-	-	23,937
Travel	3,485	653	218	4,356	5,364	1,006	335	6,705
Amortization	164,625	-	-	164,625	164,623	-	-	164,623
Bad Debt Expense	(43)	-	-	(43)	(15,502)	-	-	(15,502)
	<u>16,679,663</u>	<u>594,681</u>	<u>547,528</u>	<u>17,821,872</u>	<u>16,481,701</u>	<u>526,154</u>	<u>533,521</u>	<u>17,541,376</u>
Less: Expenses Netted Against Revenue on the Statement of Activities: Investment Fees	-	8,132	-	8,132	-	8,657	-	8,657
<b>Total</b>	<u><u>\$ 16,679,663</u></u>	<u><u>\$ 586,549</u></u>	<u><u>\$ 547,528</u></u>	<u><u>\$ 17,813,740</u></u>	<u><u>\$ 16,481,701</u></u>	<u><u>\$ 517,497</u></u>	<u><u>\$ 533,521</u></u>	<u><u>\$ 17,532,719</u></u>

See accompanying Notes to Financial Statements.

**FEED MY PEOPLE, INC.**  
**STATEMENT OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 519,882	\$ (270,404)
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided by Operating Activities:		
Depreciation	197,368	162,781
Amortization on Financing Leases	164,625	164,623
Change in Value of Holdings at Community Foundation	(6,568)	(4,387)
Realized and Unrealized (Gains) Losses on Investments	(83,618)	(30,702)
Donated Inventory	68,390	-
Bad Debt Expense	(43)	(15,502)
Amortization of Discount on Promises to Give	13,833	-
(Increase) Decrease in:		
Accounts Receivable	31,499	(55,856)
Pledges Receivable	(251,846)	187,024
Grants Receivable	-	360,166
Inventories	124,054	(400,355)
Prepaid Expenses	(127)	(3,789)
Increase (Decrease) in:		
Accounts Payable	10,087	(60,585)
Accrued Expenses	(14,808)	(18,859)
Funds Held for Others	1,515	(5,356)
Net Cash Provided by Operating Activities	774,243	8,799
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Investments	(1,219,851)	(766,462)
Proceeds from Sale of Investments	855,504	1,197,475
Purchase of Property and Equipment	(69,982)	(993,298)
Net Cash Used by Investing Activities	(434,329)	(562,285)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments from Capital Campaign	30,487	-
Payments on Financing Leases	(161,840)	(143,969)
Net Cash Used by Financing Activities	(131,353)	(143,969)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	208,561	(697,455)
Cash and Cash Equivalents - Beginning of Year	334,865	1,032,320
<b>CASH AND CASH EQUIVALENTS - END OF Year</b>	\$ 543,426	\$ 334,865

See accompanying Notes to Financial Statements.



**FEED MY PEOPLE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

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

**Basis of Presentation**

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

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

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

**Use of Estimates**

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

**Contributions and Grants**

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

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

**FEED MY PEOPLE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Conditional Contributions**

A portion of the FMP's revenue is derived from cost-reimbursable contracts and grants. Amounts received are recognized as earned and are reported as revenue when FMP has incurred expenditures in compliance with specific contract or grant provisions. Amounts received but not yet earned are reported as a refundable advance in the statement of financial position. Expenditures under government contracts are subject to review by the granting authority. To the extent, if any, that such a review reduces expenditures allowable under these contracts, the FMP will record such disallowance at the time the final assessment is made. FMP received cost-reimbursable grants of \$-0-, for which qualifying expenditures have not yet been incurred as of June 30, 2024, with no refundable advances.

**Contributed Services**

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

**Cash and Cash Equivalents**

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

**Accounts Receivable - Trade**

Agencies are invoiced, without requiring collateral, upon FMP's delivery of product with payment due 30 days after invoicing. Trade accounts receivable are stated at original invoice amount less an estimated valuation allowance for potential credit losses. This allowance is based on management judgment considering historical information and accounts with balances past due more than 90 days are individually analyzed for collectability. At June 30, 2024 and 2023, no allowance for credit losses was recorded.

**Pledges Receivable**

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

**Grants Receivable**

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

**FEED MY PEOPLE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Inventory**

Inventory is valued at cost or fair value as determined by the FIFO (first-in, first-out) method, which assumes the first unit obtained of a particular product is the first unit distributed. Purchased product is valued at cost. Donated product is valued at its fair market value when it is received, which is estimated to equal Feeding America's annually determined national weighted-average wholesale price per pound of donated product. During the years ended June 30, 2024 and 2023, that value was \$1.97 and \$1.93, respectively. Donated inventory is invoiced to recipients at a "shared maintenance" fee of no greater than \$0.16 per pound. The vast majority of inventory is donated so the nature, including nutritional content, of the products received by FMP is determined by the donor. FMP also purchases products to provide agencies with a reliable source of economical high protein food, fruits, vegetables, and cereal.

**Donated Assets**

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

**Property, Equipment, and Depreciation**

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

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

**Funds Held for Others**

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

**Revenue Recognition**

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

**Functional Expense Allocation**

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

**FEED MY PEOPLE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Leases**

FMP leases vehicles. FMP determines if an arrangement is a lease at inception. Finance leases are included in property and equipment, other current liabilities, and other long-term liabilities on the statements of financial position.

ROU assets represent FMP's right to use an underlying asset for the lease term and lease liabilities represent FMP's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. FMP uses the implicit rate provided from the lease agreements. The lease terms may include options to extend or terminate the lease when it is reasonably certain that FMP will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. FMP has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the balance sheet.

FMP's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

In evaluating contracts to determine if they qualify as a lease, FMP considers factors such as if FMP has obtained substantially all of the rights to the underlying asset through exclusivity, if FMP can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

In allocating consideration in the contract to the separate lease components and the non-lease components, FMP uses the standalone prices of the lease and non-lease components. Observable standalone prices are used, if available. If the standalone price for a component has a high level of variability or uncertainty, this allocation may require significant judgment.

In determining the discount rate used to measure the right-of-use asset and lease liability, FMP uses rates implicit in the lease.

**Income Tax Status**

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

FMP has evaluated its tax positions and determined it has no uncertain tax positions as of June 30, 2024 and 2023.

**FEED MY PEOPLE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fair Value Measurements**

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

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

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

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

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

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

**FEED MY PEOPLE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Adoption of New Accounting Standards:**

The Organization has adopted the current expected credit losses (CECL) methodology for estimating credit losses on financial assets, effective January 1, 2023, utilizing the modified retrospective transition method. The adoption of CECL resulted in changes to the Organization's accounting policies, including the recognition of credit losses based on expected future credit losses rather than incurred credit losses. The Organization also updated its accounting policies for determining the recoverability of trade receivables, loans, and other financial assets. The adoption of this Standard did not have a material impact on the Organization's financial statements but did change how the allowance for credit losses is determined.

The Organization uses a combination of historical loss experience, current economic conditions, and forward-looking information to estimate credit losses for financial assets. The Organization considers various factors such as borrower creditworthiness and collateral values to estimate credit losses.

**Subsequent Events**

In preparing these financial statements, FMP has evaluated events and transactions for potential recognition or disclosure through December 2, 2024, the date the financial statements were available to be issued.

**NOTE 2 PLEDGES RECEIVABLE**

Pledges receivable are recorded at net realizable value. Pledges receivable that are expected to be collected in future years are recorded at the present value of their estimated future cash flows, using three-year treasury rate which was 4.58% and 4.82% as of June 30, 2024 and 2023, respectively. These pledges receivable are due as follows:

	2024	2023
Within One Year	\$ 160,891	\$ 112,231
One to Five Years	284,509	111,767
Adjustments to Net Realizable Value:		
Unamortized Discount on Pledges Receivable	(21,048)	(7,215)
Allowance for Doubtful Accounts	(10,000)	(10,000)
Net Pledges Receivable	\$ 414,352	\$ 206,783

**FEED MY PEOPLE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

**NOTE 3 LIQUIDITY AND AVAILABILITY**

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

	<u>2024</u>	<u>2023</u>
Cash and Cash Equivalents	\$ 543,426	\$ 334,865
Accounts Receivable	123,336	154,835
Operating Investments	2,159,157	1,704,624
Pledges Receivable	160,891	112,231
Total Financial Assets	<u>2,986,810</u>	<u>2,306,555</u>
Donor Imposed Restrictions:		
Funds Subject to Time and Purpose Restrictions	<u>(160,891)</u>	<u>(112,231)</u>
Expenditures Within One Year	<u>\$ 2,825,919</u>	<u>\$ 2,194,324</u>

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

**NOTE 4 PROPERTY AND EQUIPMENT**

Property and equipment as of June 30, 2024 and 2023, consisted of the following:

	<u>2024</u>	<u>2023</u>
Land	\$ 112,750	\$ 112,750
Building and Improvements	4,822,798	4,488,738
Equipment	453,480	730,016
Vehicles	47,747	47,747
	<u>5,436,775</u>	<u>5,379,251</u>
Less: Accumulated Depreciation	<u>(1,201,411)</u>	<u>(1,016,501)</u>
Total Property and Equipment	<u>\$ 4,235,364</u>	<u>\$ 4,362,750</u>

**FEED MY PEOPLE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

**NOTE 5 INVESTMENTS**

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

	2024		
	Fair Value	Original Value	Unrealized Gain (Loss)
Funds Held at Eau Claire			
Community Foundation	\$ 66,362	\$ - **	\$ -
Mutual Funds - Equities	729,322	648,954	80,368
Mutual Funds - Fixed Income	1,363,473	1,386,874	(23,401)
Total	\$ 2,159,157	\$ 2,035,828	\$ 56,967
	2023		
	Fair Value	Original Value	Unrealized Gain (Loss)
Funds Held at Eau Claire			
Community Foundation	\$ 59,794	\$ - **	\$ -
Mutual Funds - Equities	646,025	592,617	53,408
Mutual Funds - Fixed Income	998,805	1,058,752	(59,947)
Total	\$ 1,704,624	\$ 1,651,369	\$ (6,539)

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

**NOTE 6 FUNDS HELD AT EAU CLAIRE COMMUNITY FOUNDATION**

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

**NOTE 7 NET ASSETS**

Net assets with donor restrictions consisted of the following at June 30, 2024 and 2023:

	2024	2023
Building Expansion - Pledges Receivable	\$ 414,352	\$ 206,783
Y on the Fly	-	9,164
Total	\$ 414,352	\$ 215,947



**FEED MY PEOPLE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

**NOTE 8 FOOD BANK PARTNER DISTRIBUTION ORGANIZATION RELATIONSHIP**

FMP has a food bank partner distribution organization (PDO) relationship with Second Harvest Heartland (SHH), a Feeding America member food bank. Under this contractual agreement, exclusive authority is conveyed to FMP for performance of food banking activities in FMP's 14 county service area in west-central Wisconsin. FMP is obligated to conduct its food banking activities in compliance with Feeding America operating standards, including safe handling and storage of food. FMP obtains the vast majority of its grocery products from SHH and reports to SHH its independently sourced food donations. FMP obligated itself to pay \$1,284,067 and \$1,234,126 respectively during the years ended June 30, 2024 and 2023 and for products and services received from SHH. At June 30, 2024 and 2023, FMP owed \$78,299 and \$62,639 to SHH for products and services. Donated inventory from SHH was estimated to be \$4,710,298 and \$3,919,690 during the years ended June 30, 2024 and 2023.

**NOTE 9 RETIREMENT PLAN**

On January 1, 2015, FMP established a 401(k) plan for all employees who are least 21 years of age. Eligible employees who elect to participate in FMP's 401(k) retirement savings plan can contribute up to the maximum allowed by the Internal Revenue Service. FMP contributes a match of up to 3% of each employee's gross wage. FMP may also make nonelective contributions at its discretion to employees who have worked at least 1,000 hours during the plan year and were employed as of the last day of the plan year. Employee portions of the contributions vest immediately, while employer match and profit sharing vest over a period of six years. Contributions for the years ended June 30, 2024 and 2023 were \$59,824 and \$62,512, respectively.

**NOTE 10 CONTRIBUTED NONFINANCIAL ASSETS**

For the years ending June 30, 2024 and 2023, contributed nonfinancial assets recognized within the statements of activities included:

	2024	2023
Donated Inventory	\$ 12,539,753	\$ 11,729,612
Total	\$ 12,539,753	\$ 11,729,612

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

**FEED MY PEOPLE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

**NOTE 11 FAIR VALUE MEASUREMENTS**

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

The following table presents the fair value hierarchy for the balances of the assets and liabilities of FMP measured at fair value on a recurring basis as of June 30, 2024 and 2023:

	2024			Total
	Level 1	Level 2	Level 3	
Assets:				
Funds Held at Eau Claire Community Foundation	\$ -	\$ -	\$ 66,362	\$ 66,362
Mutual Funds - Equity	729,322	-	-	729,322
Mutual Funds - Fixed	1,363,473	-	-	1,363,473
Total	<u>\$ 2,092,795</u>	<u>\$ -</u>	<u>\$ 66,362</u>	<u>\$ 2,159,157</u>
	2023			
	Level 1	Level 2	Level 3	Total
Assets:				
Funds Held at Eau Claire Community Foundation	\$ -	\$ -	59,794	\$ 59,794
Mutual Funds - Equity	646,025	-	-	646,025
Mutual Funds - Fixed	998,805	-	-	998,805
Total	<u>\$ 1,644,830</u>	<u>\$ -</u>	<u>\$ 59,794</u>	<u>\$ 1,704,624</u>

The investment at Eau Claire Community Foundation is measured on a recurring basis using the percentage of the Feed My People fund's contributions compared to the total pool of investments held at the Foundation. The investments held at the Eau Claire Community Foundation are readily marketable. Contributions made to Level 3 funds for the years ended June 30, 2024 and 2023 were \$0 and \$10,156, respectively.

**FEED MY PEOPLE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

**NOTE 12 LEASES – ASC 842**

FMP leases vehicles under long-term, non-cancelable lease agreements. The leases expire in 2027 and provide no renewal options. In the normal course of business, it is expected that these leases will be replaced by similar leases. The agreements generally require FMP to pay insurance.

The following table provides quantitative information concerning FMP's leases.

	<u>2024</u>	<u>2023</u>
Lease Costs [Grouped with]		
Finance lease costs:		
Amortization of right-of-use assets	\$ 164,625	\$ 164,623
Interest on lease liabilities	18,952	23,936
Short-term lease costs	1,162	-
 Total lease costs	 <u>\$ 184,739</u>	 <u>\$ 188,559</u>
 Other information:		
Operating cash flows from financing leases	18,952	23,936
Financing cash flows from finance leases	161,840	156,856
Weighted-average remaining lease term - financing leases	2.9 years	3.9 years
Weighted-average discount rate - financing leases	3.13%	3.13%

FMP classifies the total undiscounted lease payments that are due in the next 12 months as current. A maturity analysis of annual undiscounted cash flows for lease liabilities as of June 30, 2024, is as follows:

<u>Year Ending June 30,</u>	<u>Financing Leases</u>
2025	\$ 180,792
2026	180,792
2027	180,792
Total Lease Payments	<u>542,376</u>
Less: Interest	<u>(25,344)</u>
Present Value of Lease Liabilities	<u>\$ 517,032</u>



## INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

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

We have audited the financial statements of Feed My People, Inc. as of and for the year ended June 30, 2024 and 2023, and have issued our report thereon dated December 2, 2024 which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on the following pages is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Eau Claire, Wisconsin  
December 2, 2024

**FEED MY PEOPLE, INC.**  
**STATEMENT OF ACTIVITIES WITHOUT DONATED INVENTORY**  
**SHOWING ACTUAL COST PER POUND OF FOOD DISTRIBUTED**  
**YEARS ENDED JUNE 30, 2024 AND 2023**  
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

	2024	2023
<b>REVENUES AND OTHER SUPPORT</b>		
Grants	\$ 758,472	\$ 1,294,511
Contributions	2,813,818	2,347,409
Investment Income (Loss)	164,854	101,446
Net Revenue on Purchased Products	-	57,169
Shared Maintenance and Delivery Fees	193,876	218,354
Miscellaneous	2,393	(308)
Total Revenues and Other Support	3,933,413	4,018,581
Salaries	1,349,608	1,300,604
Payroll Taxes	103,488	102,164
Health Insurance	195,415	149,188
Retirement Plan	59,824	62,512
Grant Expense	24,049	902,412
Depreciation	197,368	162,781
Direct Services Expenses	314,679	257,245
Vehicle Expense	116,558	134,454
Equipment Maintenance	87,149	163,931
Building Expansion	-	3,379
Fundraising Expenses	177,032	160,810
Utilities	72,726	83,413
Outreach	30,840	62,191
Professional Fees	142,855	91,097
Office Expense	30,005	25,566
Garbage	27,225	25,257
Dues and Subscriptions	35,361	24,593
Delivery Expense	32,040	7,050
Insurance	54,521	37,064
Bank and Credit Card Charges	30,339	22,790
Miscellaneous	27,282	33,339
Postage	23,298	14,930
Telephone	11,123	13,178
Interest Expense	18,952	23,937
Travel	4,356	6,705
Amortization	164,625	164,623
Bad Debt Expense	(43)	(15,502)
Net Expense on Purchased Products	151,246	-
Total Expenses	3,481,921	4,019,711
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>\$ 451,492</b>	<b>\$ (1,130)</b>
Total Expenses	\$ 3,481,921	\$ 4,019,711
Pounds of Food Distributed	8,168,499	7,999,269
<b>COST PER POUND</b>	<b>\$ 0.43</b>	<b>\$ 0.50</b>



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