NOURISH.NJ, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

NOURISH.NJ, INC.

DECEMBER 31, 2022 AND 2021

CONTENTS

INDEPENDENT AUDITORS' REPORT

Board of Trustees
nourish.NJ, Inc.
Morristown, New Jersey

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of nourish.NJ, Inc. which comprise the statement of financial position as of December 31, 2022, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year 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 nourish.NJ, Inc. as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of nourish.NJ, 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.

Change in Accounting Principle

As discussed in Note 2 to the financial statements, in 2022, nourish.NJ, Inc. adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-of-use asset and corresponding liability for all operating and finance leases with lease terms greater than one year. Our opinion is not modified with respect to this matter.

Other Matter

The financial statements of nourish.NJ, Inc. as of December 31, 2021, were audited by Sobel & Co., LLC, whose shareholders and professional staff joined CliftonLarsonAllen LLP as of February 1, 2023, and has subsequently ceased operations. Sobel & Co., LLC's report dated May 27, 2022, expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about nourish.NJ, Inc.'s ability to continue as a going concern within one year after the date that 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 generally accepted auditing standards 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, including omissions, 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 generally accepted auditing standards, 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 nourish.NJ, 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 nourish.NJ, 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

CliftonLarsonAllen LLP

Livingston, New Jersey
July 14, 2023

NOURISH.NJ, INC.
STATEMENTS OF FINANCIAL POSITION

	December 31, 2022	2021
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 2,520,306	$ 3,121,725
Pledges receivable, net	262,427	174,700
Prepaid expenses	66,081	57,905
Investments	65,616	-
Total Current Assets	2,914,430	3,354,330
OTHER ASSETS:		
Deposits	123,528	1,387
Pledges receivable, long term	93,837	230,020
Total Other Assets	217,365	231,407
PROPERTY AND EQUIPMENT, Net	2,039,208	1,111,882
Operating Right-of-Use Asset	78,374	-
Total Assets	$ 5,249,377	$ 4,697,619
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	$ 471,679	$ 77,355
Short-term lease liability - Operating	67,838	-
Financing loan	-	886,942
Total Current Liabilities	539,517	964,297
LONG-TERM LIABILITIES:		
Long-term lease liability - Operating	11,364	-
Total Liabilities	550,881	964,297
NET ASSETS:		
Without donor restrictions:		
Operations	2,405,915	2,051,455
Board-designated	250,000	250,000
	2,655,915	2,301,455
With donor restrictions	2,042,581	1,431,867
Total Net Assets	4,698,496	3,733,322
Total Liabilities and Net Assets	$ 5,249,377	$ 4,697,619

NOURISH.NJ, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

	Year Ended December 31, 2022			Year Ended December 31, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT:						
Donations	$ 1,645,724	$ 1,574,324	$ 3,220,048	$ 2,185,348	$ 486,171	$ 2,671,519
In-kind donations	701,006	-	701,006	471,342	-	471,342
Special events	267,496	-	267,496	149,878	-	149,878
Released from restriction	963,610	(963,610)	-	193,750	(193,750)	-
Total Support	3,577,836	610,714	4,188,550	3,000,318	292,421	3,292,739
REVENUE:						
Investment income, net	1,378	-	1,378	432	-	432
TOTAL SUPPORT AND REVENUE	3,579,214	610,714	4,189,928	3,000,750	292,421	3,293,171
EXPENSES:						
Program services	2,545,226	-	2,545,226	1,810,960	-	1,810,960
Management and general	281,345	-	281,345	258,461	-	258,461
Fundraising	398,183	-	398,183	534,665	-	534,665
Total Expenses	3,224,754	-	3,224,754	2,604,086	-	2,604,086
CHANGES IN NET ASSETS	354,460	610,714	965,174	396,664	292,421	689,085
NET ASSETS:						
Beginning of year	2,301,455	1,431,867	3,733,322	1,904,791	1,139,446	3,044,237
End of year	$ 2,655,915	$ 2,042,581	$ 4,698,496	$ 2,301,455	$ 1,431,867	$ 3,733,322

NOURISH.NJ, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2022

	Program Services	Management and General	Fundraising	Total
Salaries	$ 983,736	$ 113,647	$ 249,514	$ 1,346,897
Payroll taxes	71,566	10,597	16,359	98,522
Employee benefits	66,720	10,466	22,966	100,152
	1,122,022	134,710	288,839	1,545,571
Food supplies	455,338	-	-	455,338
Donated food	701,006	-	-	701,006
Professional fees	9,560	53,771	15,584	78,915
Dues	159	965	965	2,089
Insurance	18,164	7,033	-	25,197
Occupancy	45,644	48,224	-	93,868
Office expenses	13,212	14,003	1,685	28,900
Telephone	6,549	2,254	1,867	10,670
Postage and printing	510	6,093	39,354	45,957
Information technology	10,978	10,225	14,926	36,129
Paper supplies	37,712	88	-	37,800
Travel	27,971	53	411	28,435
Program expenses	44,458	-	-	44,458
Bank and merchant fees	24	1,188	7,249	8,461
Depreciation	42,893	2,258	-	45,151
Repairs and maintenance	9,026	480	-	9,506
Special event expenses	-	-	27,303	27,303
Total Expenses	$ 2,545,226	$ 281,345	$ 398,183	$ 3,224,754

NOURISH.NJ, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021

	Program Services	Management and General	Fundraising	Total
Salaries	$ 759,751	$ 158,154	$ 286,549	$ 1,204,454
Payroll taxes	56,294	11,363	20,085	87,742
Employee benefits	63,566	8,821	21,200	93,587
	879,611	178,338	327,834	1,385,783
Food supplies	264,971	-	-	264,971
Donated food	443,064	-	-	443,064
Donated services	28,279	-	-	28,279
Professional fees	13,561	40,234	36,917	90,712
Dues	128	617	180	925
Insurance	7,707	5,944	664	14,315
Occupancy	78,682	7,821	10,010	96,513
Office expenses	7,768	7,733	70,362	85,863
Telephone	5,434	1,067	1,856	8,357
Postage and printing	255	6,639	43,598	50,492
Information technology	6,974	5,468	12,854	25,296
Paper supplies	19,354	74	-	19,428
Travel	14,129	-	1,850	15,979
Program expenses	15,875	746	-	16,621
Bank and merchant fees	201	1,674	14,594	16,469
Depreciation	19,757	1,987	-	21,744
Repairs and maintenance	5,210	119	-	5,329
Special event expenses	-	-	13,946	13,946
Total Expenses	$ 1,810,960	$ 258,461	$ 534,665	$ 2,604,086

NOURISH.NJ, INC.
STATEMENTS OF CASH FLOWS

	Year Ended December 31, 2022	2021
CASH FLOWS PROVIDED BY (USED FOR) :		
OPERATING ACTIVITIES:		
Changes in net assets	$ 965,174	$ 689,085
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Discount on pledges receivable	(2,717)	1,063
Realized and unrealized gain on investments	(975)	-
Contribution for long-term investment	(1,574,324)	(379,921)
Depreciation expense	45,151	21,744
Amortization of right-of-use asset	828	-
Changes in certain assets and liabilities:		
Pledges receivable	234,572	174,663
Prepaid expenses	(8,176)	(32,106)
Deposits	(122,141)	-
Accounts payable and accrued expenses	394,324	64,831
Net Cash Provided by Operating Activities	(68,284)	539,359
INVESTING ACTIVITIES:		
Purchases of investments	(64,641)	-
Purchase of property and equipment	(972,477)	(989,216)
Net Cash Used for Investing Activities	(1,037,118)	(989,216)
FINANCING ACTIVITIES:		
Proceeds for contribution of long-term investment	1,390,925	196,421
Proceeds from mortgage payable	-	886,942
Repayment of mortgage payable	(886,942)	-
Net Cash (Used for) Provided by Financing Activities	503,983	1,083,363
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(601,419)	633,506
CASH AND CASH EQUIVALENTS:		
Beginning of year	3,121,725	2,488,219
End of year	$ 2,520,306	$ 3,121,725
SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION:		
Cash paid during the year for:		
Interest expense	$ 35,256	$ 2,482
Interest capitalized	$ 35,256	$ -

NOTE 1 - NATURE OF ORGANIZATION:

nourish.NJ, Inc. (“Organization”), formerly The Community Soup Kitchen and Outreach Center, Inc., is a nonprofit organization working to address issues of hunger, poverty, and homelessness. The Organization provides free food; housing, employment, mental health, and case management services; and connects people to additional community resources. The Organization creates lasting solutions to the problems of hunger, homelessness, and poverty. The Organization offers food, housing, work readiness, medical, social, and educational services 365 days a year in a warm, safe, and caring environment, free of charge, no questions asked. The Organization prides itself on tackling the issues of hunger, homelessness, and poverty in a unique and comprehensive way. The Organization was founded more than 35 years ago as an emergency food provider, and since then has expanded to provide the comprehensive services people need to live independent, stable, healthy lives. The Organization helps people secure safe, stable housing; to train for and obtain steady employment; to address mental health and medical needs; and to address other challenges they may be experiencing. Originally serving the Morristown, NJ population, their services now extend throughout Morris County.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting:
The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Financial Statement Presentation:
Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions - Net assets not subject to donor-imposed stipulations.

Net Assets with Donor Restrictions - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time, and other net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions.

Cash and Cash Equivalents:
Cash and cash equivalents include short-term, highly liquid investments with original maturities of three months or less on the date of acquisition.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Pledges Receivable:
The Organization recognizes contributions into revenue when received, including those received in the form of unconditional promises to give ("pledges"). Pledges receivable are reported in the statements of financial position net of any necessary allowance of uncollectible amounts and unamortized discounts related to multiyear pledges. The Organization utilizes the reserve method of accounting for uncollectible pledges. The reserve is based on historical experience and management evaluation of outstanding pledges receivable at the end of each year. At December 31, 2022 and 2021, the Organization has determined that an allowance was not necessary.

Fair Value:
The Organization utilizes three levels of inputs to measure the fair value of (a) nonfinancial assets and liabilities that are recognized or disclosed at fair value in the Organization's financial statements on a recurring basis (at least annually) and (b) all financial assets and liabilities. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs.

The first two inputs are considered observable and the last is considered unobservable. The levels of inputs are as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Investments:
Investments are reported at fair value based on quoted prices in active markets with gains and losses included in the statements of activities and changes in net assets.

Gains and losses, both realized and unrealized, resulting from increases or decreases in fair value of investments, are reflected net of fees, in the statements of activities and changes in net assets as increases or decreases in net assets without donor restrictions unless the use was restricted by explicit donor stipulations or by law.

The fair value of investments are as follows:

Equity securities – valued at the fair value of shares held by the Organization at year end

Mutual Funds – valued at the fair value on the closing price reported in the active market in which the individual securities are traded.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Property and Equipment:
Property and equipment are recorded at cost on the date of acquisition, or at the fair value of the asset, based on values of comparable assets at the date of gift for donated assets. The Organization capitalizes assets with a cost or fair value exceeding $1,000 and a useful life of more than one year. Depreciation is computed on a straight-line basis over the estimated useful life as follows:

Building and improvements	15-39 years
Leasehold improvements	10 years
Equipment and office equipment	7 years
Vehicles	7 years

In the absence of donor-imposed restrictions on the use of the asset, gifts of long-lived assets are reported as support without donor restrictions. When an asset is sold or retired, the cost and accumulated depreciation are removed from the respective accounts. Maintenance, repairs, and minor renewals are charged to operations as incurred. Significant renewals and betterments that extend the useful life of the assets are capitalized.

Revenue Recognition – Contributions:
Contributions, including unconditional pledges, are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor or explicitly waived. Conditional pledges are recognized when the conditions on which they depend are substantially met. Gifts of cash and other assets are reported as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets.

Revenue from government grants is considered a conditional contribution and is not recognized until the conditions related to this revenue are substantially met or explicitly waived.

Contributed Services and Donations:
The Organization is financially dependent upon receiving the donated support of the public and its member congregations to continue its programs. The public donates food and time.

The Organization records the value of food donated by the pound and by the number of meals served. During the year ended December 31, 2022, the Organization recorded 268,970 pounds of food at $1.92 per pound and 15,382 meals valued at $12 per meal. During the year ended December 31, 2021, the Organization recorded 25,038 pounds of food at $1.68 per pound and 40,100 meals valued at $10 per meal.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Contributed Services and Donations: (Continued)
The Organization also regularly receives services from volunteers who are not acting in a professional capacity. During the years ended December 31, 2022 and 2021, the Organization recorded 6,400 volunteer hours, respectively. Such volunteer services do not meet the criteria for financial statement recognition and are not recognized in the consolidated financial statements.

Income Taxes:
The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and, accordingly, is not liable for federal and state income taxes. The Organization follows standards that provide clarification on accounting for uncertainty in income taxes recognized in the Organization's financial statements. The guidance prescribes a recognition threshold and measurement attribute for the recognition and measurement of a tax position taken, or expected to be taken, in a tax return, and provides guidance on derecognition, classification, interest and penalties, disclosure and transition. The Organization's policy is to recognize interest and penalties on unrecognized tax benefits in income tax expense. No interest and penalties were recorded during the years ended December 31, 2022 and 2021. At December 31, 2022 and 2021, there were no significant income tax uncertainties.

Use of Estimates:
In preparing the financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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.

Adoption of New Accounting Standard—Leases:
In July 2020, the Financial Accounting Standards Board ("FASB") issued an accounting standard update ("ASU"), Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets, intended to increase the transparency of contributed nonfinancial assets for not-for-profit entities through enhancements to presentation and disclosure. This ASU requires organizations to present contributed nonfinancial assets as a separate line item in the statements of activities and changes in net assets apart from contributions of cash or other financial assets. Additional disclosure is required regarding the valuation techniques used, as well as any donor restrictions for the contributed nonfinancial assets.

In February 2016, the Financial Accounting Standards Board issued accounting Standards Update 2016-02, *Leases (ASC 842).* The new standard increases transparency and comparability among organizations requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statements of financial position. Most prominent of the changes is the recognition of ROU asset and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of the financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Adoption of New Accounting Standard—Leases: (continued)
The Organization adopted the requirements of the guidance effective January 1, 2022, and has elected to apply the provision of this standard to the beginning of the period of adoption, through a cumulative effect adjustment, with certain practical expedients available. Lease disclosures for the year needed December 31, 2021, are made under prior lease guidance in FASB ASC 840.

The Organization has elected to adopt the package of practical expedients available in the year of adoption. The Organization has not elected to adopt the available practical expedient to use hindsight in determining the lease term and in assessing impairment of the Organization's ROU assets.

The Organization elected the available practical expedients to account for existing capital leases and operating leases as finance leases and operating leases, respectively, under the new guidance without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classificational of capital leases or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

As a result of the adoption of the new lease accounting guidance, the Organization recognized on January 1, 2022, a lease liability of $79,220, which represents the present value of the remaining operating lease payments of $79,202, discounted using the Organization's risk-free discount rate comparable to the corresponding lease terms, and a right of use-asset of $134,334.

The standard had a material impact on the statements of financial position but did not have an impact on the statements of activities and changes in net assets, nor the statements of cash flows. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases.

Leases:
The Organization leases office space. The Organization determines if an arrangement is a lease at inception. Operating leases are included in the operating lease right-of-use assets, other current liabilities, and operating leases on the statements of financial position.

ROU assets represent the Organization's right to use an underlying asset for the lease term and the lease liabilities present the Organization'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. As most leases do not provide an implicit rate, the Organization uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. The lease expense for lease payments is recognized on a straight-line basis over the lease term. The Organization has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and the leases are not included as lease liabilities or right of use assets on the statements of financial position.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Leases: (continued)
In evaluating contracts to determine if they qualify as a lease, the Organization considers factors such as if the Organization obtained substantially all of the rights to the underlying asset through exclusivity, if the Organization 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 substation rights. This evaluation may require significant judgment.

Reclassifications:
Certain reclassifications have been made to prior year amounts to conform to the current year presentation.

Subsequent Events:
The Organization has evaluated its subsequent events and transactions occurring after December 31, 2022 through July 14, 2023, the date the financial statements were available to be issued.

NOTE 3 - PLEDGES RECEIVABLE:

Pledges receivable are summarized as follows:

	December 31, 2022	December 31, 2021
Gross pledges receivable	$ 358,627	$ 409,800
Less: Discount	(2,363)	(5,080)
Pledges Receivable, net	$ 356,264	$ 404,720
Amounts due in:		
Less than one year	$ 262,427	$ 174,700
One to five years	96,200	235,100
	$ 358,627	$ 409,800

Pledges receivable due in more than one year were discounted using the applicable long-term Treasury rate in the year the pledge was given, which was 1.26%.

NOTE 4 - INVESTMENTS:

Investments, reported at fair value at December 31, 2022, consist of the following:

	Cost	Fair Value
Equities	$ 5,937	$ 56,198
Mutual funds	8,398	9,418
	$ 14,335	$ 65,616

The following table sets forth by level, within the fair value hierarchy, the Organization's investments at fair value as of December 31, 2022:

	Level 1	Level 2	Level 3	Total
Equities	$ 56,198	$ -	$ -	$ 56,198
Mutual funds	9,418	-	-	9,418
	$ 65,616	$ -	$ -	$ 65,616

Investment income is summarized as follows:

	December 31, 2022	2021
Interest and dividend income	$ 468	$ 432
Unrealized loss on investments	(3,024)	-
Realized gain on investments	3,999	-
Investment fees	(65)	-
	$ 1,378	$ 432

NOTE 5 - PROPERTY AND EQUIPMENT:

Property and equipment consists of the following:

	December 31, 2022	2021
Land	$ 288,500	$ 288,500
Building	700,717	700,717
Leasehold improvements	324,306	324,306
Kitchen and office equipment	287,641	277,311
Vehicles	72,670	72,670
Construction in progress	962,147	-
	2,635,981	1,663,504
Less: Accumulated depreciation	(572,228)	(551,622)
Property and Equipment, Net	$ 2,063,753	$ 1,111,882

NOTE 6 - FINANCING:

On November 5, 2021, the Organization obtained a financing loan from a bank for a maximum amount of $1,250,000, to purchase and renovate a building in Victory Gardens, New Jersey. As of December 31, 2021, the Organization had drawn down $886,942 of the loan to purchase the building. The remaining funds were drawn down once the renovation process began in 2022. In December 2022, the Organization paid off the mortgage.

NOTE 7 - FUNCTIONAL EXPENSES:

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Salaries, payroll taxes, and employee benefits are allocated based on time studies. All other expenses are direct costs.

NOTE 8 - EMPLOYEE BENEFIT PLAN:

The Organization maintains a 403(b) retirement plan in which all employees are eligible to participate after completing one full year of service. For employees who complete five years of continuous service with the Organization, the Organization matches up to 50% of all eligible employee contributions. For the years ended December 31, 2022 and 2021, the amount contributed was $6,812 and $9,953, respectively. These amounts are recorded in employee benefits on the statements of functional expenses.

NOTE 9 - BOARD-DESIGNATED NET ASSETS:

The Organization's Board of Trustees has restricted $250,000 of the Organization's net assets without donor restrictions as an operating reserve. These Board-designated net assets cannot be expended without approval of the Board of Trustees.

NOTE 10 - NET ASSETS WITH DONOR RESTRICTIONS:

The following net assets with donor restrictions are available for the following purposes:

	Year Ended December 31, 2022	Year Ended December 31, 2021
Capital campaign – timing	$ 356,264	$ 404,720
Capital campaign – purpose	724,170	1,012,147
Farmers Market	-	15,000
Construction in progress	962,147	-
Total net assets with donor restrictions	$ 2,042,581	$ 1,431,867

Net assets with donor restrictions released consisted of:

	Year Ended December 31, 2022	Year Ended December 31, 2021
Capital campaign – purpose	$ 948,610	$ 102,500
Farmers Market	15,000	51,250
Food Program	-	30,000
Wellness and Outreach for Seniors	-	10,000
Total releases from net assets with donor restrictions	$ 963,610	$ 193,750

NOTE 11 - LEASES—ASC 842:

The Organization leases office space for various terms under long-term, non-cancelable lease agreements. The leases expire at various dates through 2024. In the normal course of business, it is expected that the leases will be renewed or replaced by similar leases. Certain facility leases provide for increases in future minimum annual rental payments based on defined increases in the Consumer Price Index, subject to certain minimum increases. Additionally, the agreements usually require the Organization to pay real estate taxes, insurance, and repairs.

The following table provides quantitative information concerning the Organization's leases:

Lease costs:	
Operating lease costs	$ 55,994

NOTE 11 - LEASES—ASC 842:

Other information:		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$	55,169
Right-of-use assets obtained in exchange for new operating lease liabilities:	$	134,334
Weighted-average remaining lease term - finance leases		N/A
Weighted-average remaining lease term - operating leases		1.1 years
Weighted-average discount rate - finance leases		N/A
Weighted-average discount rate - operating leases		.04%

The Organization classifies the total undiscounted lease payments that are use in the next 12 months as current. A maturity analysis of annual undiscounted cash flows for lease liabilities as of December 31, 2022 is as follows:

Year		
2023	$	67,885
2024		11,364
Undiscounted cash flows		79,220
(Less) Imputed interest		(17)
Total present value	$	79,202

NOTE 12 - OPERATING LEASE AGREEMENTS—ASC 840:

The Organization elected to apply the provisions of FASB ASC 842 at the beginning of the period of adoption through a cumulative effect adjustment, with certain practical expedients available. The disclosures for the year ended December 31, 2021, are made under the prior lease guidance in FASB ASC 840.

The Organization leases office space and equipment under long-term noncancelable operational leases. The total rent expense under the operating leases was $72,936 for the year ended December 31, 2021 for these leases. Future minimum rent commitments under these leases were as follows:

Year Ended December 31,		
2022	$	65,879
2023		67,855
2024		11,364
	$	145,098

The Organization rents certain dining rooms and office space from two of its member congregations under short-term rental arrangements. Rent expense under these operating leases was $3,600 for the year ended December 31, 2022.

NOTE 13 - CONCENTRATIONS:

The Organization had one donor that represented approximately 24% of total support for the year ended December 31, 2022. There were no such concentrations during the year ended December 31, 2021.

NOTE 14 - SIGNIFICANT RISKS AND UNCERTAINTIES:

Financial instruments that potentially expose the Organization to concentrations of credit risk and market risk consist of cash and cash equivalents. The Organization maintains its cash and cash equivalents in accounts with federally insured institutions. At times, the balances in these accounts may be in excess of federally insured limits.

NOTE 15 - LIQUIDITY AND AVAILABILITY:

The following represents the Organization's financial assets reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions or internal designations.

	December 31,	
	2022	**2021**
Cash and cash equivalents	$ 2,520,306	$ 3,121,725
Pledges receivable	356,264	404,720
Investments	65,616	-
Total financial assets	2,942,186	3,526,445
Less: amounts not available for general use within one year:		
Board-designated net assets	(250,000)	(250,000)
Net assets with donor restrictions	(2,042,581)	(1,431,867)
Net assets estimated to be released within one year	262,427	174,700
Financial assets available to meet general expenditures over the next 12 months	$ 912,032	$ 2,019,278

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the board has $250,000 in a board designated net assets that can be released for general operating use with a board vote.

NOTE 16 - CONTRIBUTED NONFINANCIAL ASSETS:

Contributed nonfinancial assets received during the years ended December 31, 2022 and 2021 consisted of the following:

	Year Ended December 31, 2022	Year Ended December 31, 2021
Meals and food	$ 701,006	$ 443,063
Other in-kind services	-	28,279
	$ 701,006	$ 471,342

Valuation techniques and inputs utilized in valuing these contributed nonfinancial assets are as follows:

Contributed Nonfinancial Asset	Valuation Techniques and Inputs
Meals and food	Estimated based on estimates of retail values for similar products

The Organization's mission to end hunger, poverty, and homelessness in Morris County is supported through securing pro-bono or in-kind goods and services for clients. The Organization's policy related to gifts-in-kind is to utilize the assets given to carry out the mission of the Organization. If an asset is provided that does not allow the Organization to utilize it in its normal course of business, the asset will be sold at its fair market value. Additionally, the office lease was negotiated at less than fair market value. The difference between the fair market rental and the rent paid is included in contributed nonfinancial assets in the statements of activities and changes in net assets.

All gifts-in-kind received by the Organization for the years ended December 31, 2022 and 2021 were without donor restrictions and were available to be used by the Organization as determined by management.

The Organization also received donated services from volunteers, which are not reflected in the accompanying financial statements because the criteria for recognition under accounting principles generally accepted in the United States of America has not been satisfied. Volunteers worked approximately 6,400 hours in the years ended December 31, 2022 and 2021, respectively.

The administrative effort needed to coordinate the logistics of such programs must be considered when attempting to understand the functioning of the Organization.