

FEED MY PEOPLE, INC.

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED DECEMBER 31, 2020 AND 2019



CLAconnect.com

WEALTH ADVISORY
OUTSOURCING
AUDIT, TAX, AND
CONSULTING

**FEED MY PEOPLE, INC.
TABLE OF CONTENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES	4
STATEMENTS OF FUNCTIONAL EXPENSES	5
STATEMENTS OF CASH FLOWS	6
NOTES TO FINANCIAL STATEMENTS	7
INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION	16
SUPPLEMENTARY INFORMATION	
STATEMENTS OF ACTIVITIES WITHOUT DONATED INVENTORY SHOWING ACTUAL COST PER POUND OF FOOD DISTRIBUTED	17



INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of Feed My People, Inc., which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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 misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors
Feed My People, Inc.

Opinion

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 December 31, 2020 and 2019, 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Eau Claire, Wisconsin
May 21, 2021

FEED MY PEOPLE, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019

	2020	2019
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 990,775	\$ 552,606
Accounts Receivable - Trade	98,333	62,602
Pledges Receivable	341,397	271,024
Inventory	1,234,011	942,051
Prepaid Expenses	2,246	1,536
Total Current Assets	2,666,762	1,829,819
PROPERTY AND EQUIPMENT	3,927,583	3,710,092
INVESTMENTS	1,740,036	1,641,372
OTHER ASSETS		
Pledges Receivable - Noncurrent	377,480	714,624
Total Assets	\$ 8,711,861	\$ 7,895,907
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 178,877	\$ 286,204
Accrued Expenses	75,429	61,184
Funds Held for Others	82,767	37,995
Total Current Liabilities	337,073	385,383
LONG-TERM LIABILITIES		
Notes Payable	-	703,919
Total Liabilities	337,073	1,089,302
NET ASSETS		
Net Assets Without Donor Restrictions	7,661,333	5,814,957
Net Assets With Donor Restrictions	713,455	991,648
Total Net Assets	8,374,788	6,806,605
Total Liabilities and Net Assets	\$ 8,711,861	\$ 7,895,907

See accompanying Notes to Financial Statements.

FEED MY PEOPLE, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020			2019		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Totals	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Totals
REVENUES AND OTHER SUPPORT						
Grants	\$ 671,313	\$ -	\$ 671,313	\$ 178,412	\$ 135,000	\$ 313,412
Contributions	2,616,215	25,834	2,642,049	936,864	1,104,132	2,040,996
Donated Inventory	13,338,543	-	13,338,543	9,383,382	-	9,383,382
Investment Income	98,604	-	98,604	154,527	-	154,527
In-Kind Contributions	28,515	-	28,515	30,936	-	30,936
Program Revenues:						
Purchased Product	1,123,473	-	1,123,473	975,670	-	975,670
Shared Maintenance and Delivery Fees	266,238	-	266,238	303,818	-	303,818
Program Fees	10,325	-	10,325	10,525	-	10,525
Miscellaneous	1,787	-	1,787	803	-	803
Gain on Sale of Assets	3,834	-	3,834	-	-	-
Restrictions Satisfied by Use Restrictions	304,027	(304,027)	-	1,338,531	(1,338,531)	-
Total Revenues and Other Support	18,462,874	(278,193)	18,184,681	13,313,468	(99,399)	13,214,069
EXPENSES						
Program	15,974,673	-	15,974,673	11,532,876	-	11,532,876
Management and General	350,267	-	350,267	189,631	-	189,631
Fundraising	291,558	-	291,558	223,516	-	223,516
Total Expenses	16,616,498	-	16,616,498	11,946,023	-	11,946,023
CHANGE IN NET ASSETS	1,846,376	(278,193)	1,568,183	1,367,445	(99,399)	1,268,046
Net Assets - Beginning of Year	5,814,957	991,648	6,806,605	4,447,512	1,091,047	5,538,559
NET ASSETS - END OF YEAR	<u>\$ 7,661,333</u>	<u>\$ 713,455</u>	<u>\$ 8,374,788</u>	<u>\$ 5,814,957</u>	<u>\$ 991,648</u>	<u>\$ 6,806,605</u>

See accompanying Notes to Financial Statements.

FEED MY PEOPLE, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020				2019			
	Program	Management and General	Fundraising	Total	Program	Management and General	Fundraising	Total
Salaries	\$ 576,596	\$ 176,760	\$ 144,316	\$ 897,672	\$ 499,383	\$ 93,133	\$ 108,075	\$ 700,591
Payroll Taxes	45,415	13,922	11,367	70,704	37,923	7,073	8,207	53,203
Health Insurance	52,336	16,045	13,099	81,480	54,737	10,208	11,847	76,792
Retirement Plan	27,241	8,351	6,818	42,410	25,280	4,715	5,471	35,466
	<u>701,588</u>	<u>215,078</u>	<u>175,600</u>	<u>1,092,266</u>	<u>617,323</u>	<u>115,129</u>	<u>133,600</u>	<u>866,052</u>
Donated Inventory	13,092,538	-	-	13,092,538	9,213,305	-	-	9,213,305
Purchased Product Costs	1,177,606	-	-	1,177,606	884,363	-	-	884,363
Direct Services Expenses	253,744	-	-	253,744	206,941	-	-	206,941
Depreciation	211,656	23,517	-	235,173	158,792	17,644	-	176,436
Vehicle Expense	93,483	-	-	93,483	88,201	-	-	88,201
Donated Product Costs	119,797	-	-	119,797	87,988	-	-	87,988
Building Expansion	4,806	600	601	6,007	57,157	6,806	4,092	68,055
Fundraising Expenses	-	-	92,376	92,376	-	-	63,384	63,384
Equipment Maintenance	148,076	-	-	148,076	54,279	-	-	54,279
Utilities	45,645	5,072	-	50,717	43,157	4,795	-	47,952
Insurance	19,790	3,684	1,503	24,977	18,931	2,401	1,368	22,700
Outreach	10,820	-	10,820	21,640	11,235	-	11,235	22,470
Office Expense	16,450	5,044	4,117	25,611	15,857	2,957	3,432	22,246
Professional Fees	-	47,199	-	47,199	-	21,763	-	21,763
Delivery Expense	23,890	-	-	23,890	20,250	-	-	20,250
Dues and Subscriptions	12,602	1,575	1,576	15,753	12,839	1,605	1,605	16,049
Postage	4,616	5,129	3,077	12,822	4,511	5,012	3,007	12,530
Travel	3,986	748	249	4,983	9,129	1,712	571	11,412
Garbage	14,208	1,579	-	15,787	9,351	1,039	-	10,390
Miscellaneous	19,278	8,400	1,639	29,317	7,428	1,734	1,222	10,384
Interest Expense	13,849	1,539	-	15,388	8,071	897	-	8,968
Investment Fees	-	6,064	-	6,064	-	6,352	-	6,352
Bank and Credit Card Charges	-	30,409	-	30,409	-	5,725	-	5,725
Telephone	6,245	694	-	6,939	3,712	412	-	4,124
Bad Debt Expense	(20,000)	-	-	(20,000)	56	-	-	56
	<u>15,974,673</u>	<u>356,331</u>	<u>291,558</u>	<u>16,622,562</u>	<u>11,532,876</u>	<u>195,983</u>	<u>223,516</u>	<u>11,952,375</u>
Less: Expenses Netted Against Revenue on the Statement of Activities:								
Investment Fees	-	6,064	-	6,064	-	6,352	-	6,352
Total	<u>\$ 15,974,673</u>	<u>\$ 350,267</u>	<u>\$ 291,558</u>	<u>\$ 16,616,498</u>	<u>\$ 11,532,876</u>	<u>\$ 189,631</u>	<u>\$ 223,516</u>	<u>\$ 11,946,023</u>

See accompanying Notes to Financial Statements.

FEED MY PEOPLE, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 1,568,183	\$ 1,268,046
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	235,173	176,435
Change in Value of Holdings at Community Foundation	(5,135)	(8,907)
Realized and Unrealized (Gains) Losses on Investments	(50,312)	(88,765)
Bad Debt Expense	(20,000)	56
(Increase) Decrease in:		
Accounts Receivable	(15,731)	13,615
Pledges Receivable	266,771	(274,867)
Inventories	(291,960)	(181,051)
Prepaid Expenses	(710)	19,303
Increase (Decrease) in:		
Accounts Payable	(107,327)	163,232
Accrued Expenses	14,245	7,440
Funds Held for Others	44,772	(24,985)
Net Cash Provided by Operating Activities	1,634,135	1,069,552
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(700,846)	(1,149,876)
Proceeds from Sale of Investments	657,629	1,609,332
Proceeds on Sale of Fixed Assets	1,202	-
Purchase of Property and Equipment	(450,032)	(2,453,551)
Net Cash Used by Investing Activities	(492,047)	(1,994,095)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Long Term Debt	(703,919)	-
Proceeds from Long Term Debt	-	703,919
Net Cash Provided (Used) by Financing Activities	(703,919)	703,919
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	438,169	(220,624)
Cash and Cash Equivalents - Beginning of Year	552,606	773,230
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 990,775	\$ 552,606
NONCASH INVESTING AND FINANCING TRANSACTIONS		
Trade-In Value of Vehicle Exchanged for New Vehicle	\$ 92,499	\$ -

See accompanying Notes to Financial Statements.

FEED MY PEOPLE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

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 8 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.

Contributions

Contributions 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 are recognized when the donor makes a promise to give to FMP that is, in substance, unconditional. Contributions 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 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.

Contributed Services

During the years ended December 31, 2020 and 2019, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

FEED MY PEOPLE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 December 31, 2020 and 2019, 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.

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 2020 and 2019, that value was \$1.74 and \$1.62 per pound, respectively. Donated inventory is invoiced to recipients at a "shared maintenance" fee of no greater than \$.19 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.

FEED MY PEOPLE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Functional Expense Allocation

Shared functional expenses have been allocated between program, management and general, and fundraising activities based on an analysis of personnel time and space utilized for the related activities.

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 December 31, 2020.

FEED MY PEOPLE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

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.

Subsequent Events

In preparing these financial statements, FMP has evaluated events and transactions for potential recognition or disclosure through May 21, 2021, the date the financial statements were available to be issued.

FEED MY PEOPLE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

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 0.17% and 1.62% as of December 31, 2020 and 2019. These pledges receivable are due as follows:

	<u>2020</u>	<u>2019</u>
Within One Year	\$ 341,397	\$ 348,390
One to Five Years	404,190	714,624
Adjustments to Net Realizable Value:		
Unamortized Discount on Pledges Receivable	(1,710)	(32,366)
Allowance for Doubtful Accounts	<u>(25,000)</u>	<u>(45,000)</u>
Net Pledges Receivable	<u>\$ 718,877</u>	<u>\$ 985,648</u>

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>2020</u>	<u>2019</u>
Cash and Cash Equivalents	\$ 990,775	\$ 552,606
Accounts Receivable	98,333	62,602
Operating Investments	1,740,036	1,641,372
Pledges Receivable	<u>341,397</u>	<u>271,024</u>
Total Financial Assets	3,170,541	2,527,604
Donor Imposed Restrictions:		
Funds Subject to Time and Purpose Restrictions	<u>(341,997)</u>	<u>(277,024)</u>
Financial Assets Available to Meet General Expenditures Within One Year	<u>\$ 2,828,544</u>	<u>\$ 2,250,580</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.

FEED MY PEOPLE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2020 and 2019 consisted of the following:

	2020	2019
Land	\$ 112,750	\$ 112,750
Building and Improvements	3,496,663	3,488,791
Equipment	597,191	356,207
Vehicles	642,265	576,426
	<u>4,848,869</u>	<u>4,534,174</u>
Less: Accumulated Depreciation	(921,286)	(824,082)
Total Property and Equipment	<u>\$ 3,927,583</u>	<u>\$ 3,710,092</u>

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.

	2020		
	Fair Value	Original Value	Unrealized Gain (Loss)
Mutual Funds - Equities	\$ 322,760	\$ 233,479	\$ 89,281
Mutual Funds - Fixed Income	1,356,489	1,321,941	34,548
Funds Held at Community Foundation	60,787	-	** -
Total	<u>\$ 1,740,036</u>	<u>\$ 1,555,420</u>	<u>\$ 123,829</u>
	2019		
	Fair Value	Original Value	Unrealized Gain (Loss)
Mutual Funds - Equities	\$ 280,924	\$ 220,967	\$ 59,957
Mutual Funds - Fixed Income	1,304,796	1,300,136	4,660
Funds Held at Community Foundation	55,652	-	** -
Total	<u>\$ 1,641,372</u>	<u>\$ 1,521,103</u>	<u>\$ 64,617</u>

** 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.

FEED MY PEOPLE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

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 LONG-TERM DEBT

FMP had a note payable with Northwestern Bank where they can borrow up to \$1,500,000. Balance outstanding at December 31, 2020 and 2019 was \$-0- and \$703,919, respectively. The note required monthly interest payments at 4.0% and final payment of principle and interest is due June 4, 2022. The loan was paid off in 2020.

NOTE 8 PAYROLL PROTECTION PROGRAM LOAN

On April 14, 2020, FMP received a loan from Charter Bank totaling \$168,200 to fund payroll, rent, utilities, and interest on mortgages and existing debt through the Paycheck Protection Program (the "PPP Loan"). The PPP Loan bears interest at a fixed rate of 1.0% per annum, has a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration (SBA). Payment of principal and interest is deferred until the date on which the amount of forgiveness is remitted by the SBA to the lender or, if FMP fails to apply for forgiveness within 10 months after the covered period, then payment of principal and interest shall begin on that date. These amounts are subject to forgiveness based on compliance with program requirements and approval by the SBA. The covered period from 04/14/2020-09/29/2020, is the time that FMP had to spend their PPP Loan funds.

FMP is following ASC 470, Debt, to account for the initial receipts related to the PPP Loan. On November 10, 2020, the SBA processed FMP's PPP Loan forgiveness application and notified Charter Bank the PPP Loan qualified for full forgiveness. Loan proceeds were received by the bank from the SBA on this date. Therefore, FMP was legally released from the debt and the loan forgiveness has been recorded as a contribution, which is included in income during the year ended December 31, 2020.

The SBA may review funding eligibility and usage of funds for compliance with program requirements based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on FMP's financial position.

FEED MY PEOPLE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 9 NET ASSETS

Net assets with donor restrictions consisted of the following at December 31, 2020 and 2019:

	2020	2019
Building Expansion Pledges Receivable	\$ 711,878	\$ 984,321
Pop Up Pantries	-	6,000
Chippewa Falls Library Planning	600	-
Other Pledges Receivable	977	1,327
Total	\$ 713,455	\$ 991,648

NOTE 10 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 \$1,003,101 and \$718,881 during the years ended December 31, 2020 and 2019, respectively, for products and services received from SHH. At December 31, 2020 and 2019, FMP owed \$126,871 and \$73,367 to SHH for products and services, respectively. Donated inventory from SHH was estimated to be \$4,107,446 and \$4,398,083, respectively during December 31, 2020 and 2019.

NOTE 11 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 December 31, 2020 and 2019 were \$42,410 and \$35,466, respectively.

NOTE 12 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.

FEED MY PEOPLE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 12 FAIR VALUE MEASUREMENTS (CONTINUED)

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 December 31, 2020 and 2019:

	2020			
	Level 1	Level 2	Level 3	Total
Assets:				
Funds Held at Eau Claire Community Foundation	\$ -	\$ -	\$ 60,787	\$ 60,787
Mutual Funds - Equity	322,760	-	-	322,760
Mutual Funds - Fixed	-	1,356,489	-	1,356,489
Total	<u>\$ 322,760</u>	<u>\$ 1,356,489</u>	<u>\$ 60,787</u>	<u>\$ 1,740,036</u>
	2019			
	Level 1	Level 2	Level 3	Total
Assets:				
Funds Held at Eau Claire Community Foundation	\$ -	\$ -	\$ 55,652	\$ 55,652
Mutual Funds - Equity	280,924	-	-	280,924
Mutual Funds - Fixed	-	1,304,796	-	1,304,796
Total	<u>\$ 280,924</u>	<u>\$ 1,304,796</u>	<u>\$ 55,652</u>	<u>\$ 1,641,372</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.

<u>Funds Held at Eau Claire Community Foundation</u>	2020	2019
January 1	\$ 55,652	\$ 46,745
Change in Fair Value of Investment at Eau Claire Community Foundation	5,135	8,907
December 31	<u>\$ 60,787</u>	<u>\$ 55,652</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 years ended December 31, 2020 and 2019, and have issued our report thereon dated May 21, 2021 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
May 21, 2021

FEED MY PEOPLE, INC.
STATEMENTS OF ACTIVITIES WITHOUT DONATED INVENTORY
SHOWING ACTUAL COST PER POUND OF FOOD DISTRIBUTED
YEARS ENDED DECEMBER 31, 2020 AND 2019
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

	2020	2019
REVENUES AND OTHER SUPPORT		
Grants	\$ 671,313	\$ 313,412
Contributions	2,642,049	2,040,996
Investment Income	98,604	154,527
In-Kind Contributions	28,515	30,936
Net Revenue on Purchased Products	-	91,307
Shared Maintenance and Delivery Fees	266,238	303,818
Program Fees	10,325	10,525
Miscellaneous	1,787	803
Gain on Sale of Assets	3,834	-
Total Revenues and Other Support	3,722,665	2,946,324
EXPENSES		
Salaries	897,672	700,591
Payroll Taxes	70,704	53,203
Health Insurance	81,480	76,792
Retirement Plan	42,410	35,466
Direct Services Expenses	253,744	206,941
Depreciation	235,173	176,436
Vehicle Expense	93,483	88,201
Donated Product Costs	119,797	87,988
Building Expansion	6,007	68,055
Fundraising Expenses	92,376	63,384
Equipment Maintenance	148,076	54,279
Utilities	50,717	47,952
Insurance	24,977	22,700
Outreach	21,640	22,470
Office Expense	25,611	22,246
Professional Fees	47,199	21,763
Delivery Expense	23,890	20,250
Dues and Subscriptions	15,753	16,049
Postage	12,822	12,530
Travel	4,983	11,412
Garbage	15,787	10,390
Miscellaneous	29,317	10,384
Interest Expense	15,388	8,968
Bank and Credit Card Charges	30,409	5,725
Telephone	6,939	4,124
Bad Debt Expense	(20,000)	56
Net Expense on Purchased Products	54,133	-
Total Expenses	2,400,487	1,848,355
EXCESS OF REVENUES OVER EXPENSES	\$ 1,322,178	\$ 1,097,969
Total Expenses	\$ 2,400,487	\$ 1,848,355
Pounds of Food Distributed	9,297,492	7,323,418
COST PER POUND	\$ 0.26	\$ 0.25