

Christian Cupboard Emergency Food Shelf
dba Open Cupboard
Oakdale, Minnesota

Financial Statements
Auditor's Report
For the Years Ended
September 30, 2024 and 2023



CERTIFIED PUBLIC ACCOUNTANTS

CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT.....	1-2
EXHIBIT A: Statements of Activities – For the Years Ended September 30, 2024 and 2023	3
EXHIBIT B: Statement of Functional Expense – For the Year Ended September 30, 2024 with Comparative Totals for 2023.....	4
EXHIBIT C: Statement of Functional Expense – For the Year Ended September 30, 2023	5
EXHIBIT D: Statements of Financial Position – September 30, 2024 and 2023	6
EXHIBIT E: Statements of Cash Flows – For the Years Ended September, 2024 and 2023	7
NOTES TO FINANCIAL STATEMENTS	8-15



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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Christian Cupboard Emergency Food Shelf dba Open Cupboard
Oakdale, Minnesota

Opinion

We have audited the accompanying financial statements of Christian Cupboard Emergency Food Shelf dba Open Cupboard (a nonprofit organization), which comprise the statements of financial position as of September 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 Christian Cupboard Emergency Food Shelf dba Open Cupboard as of September 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 audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of our report. We are required to be independent of Christian Cupboard Emergency Food Shelf dba Open Cupboard and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Christian Cupboard Emergency Food Shelf dba Open Cupboard's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's 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 and *Government 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 and *Government 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 Christian Cupboard Emergency Food Shelf dba Open Cupboard'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 Christian Cupboard Emergency Food Shelf dba Open Cupboard'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.

Certified Public Accountants

Minneapolis, Minnesota
March 25, 2025

CHRISTIAN CUPBOARD EMERGENCY FOOD SHELF dba OPEN CUPBOARD

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:						
Contributions of Nonfinancial Assets	\$ 15,461,002	\$ -	\$ 15,461,002	\$ 11,808,548	\$ -	\$ 11,808,548
Grants and Contributions of Financial Assets	1,089,392	539,000	1,628,392	1,139,405	135,000	1,274,405
Government Grants	524,506	-	524,506	-	-	-
Program Service Fees	57,209	-	57,209	94,229	-	94,229
Investment Income	20,807	-	20,807	8,741	-	8,741
Net Assets Released from Restrictions:						
Satisfaction of Capital Restrictions	120,465	(120,465)	-	19,279	(19,279)	-
Satisfaction of Purpose and Time Restrictions	123,867	(123,867)	-	47,264	(47,264)	-
Total Support and Revenue	17,397,248	294,668	17,691,916	13,117,466	68,457	13,185,923
Expense:						
Program Services:						
Total Program Services	16,947,660	-	16,947,660	13,127,862	-	13,127,862
Support Services:						
Management and General Fundraising	72,926	-	72,926	70,115	-	70,115
	116,827	-	116,827	67,581	-	67,581
Total Support Services	189,753	-	189,753	137,696	-	137,696
Total Expense	17,137,413	-	17,137,413	13,265,558	-	13,265,558
Change in Net Assets	259,835	294,668	554,503	(148,092)	68,457	(79,635)
Net Assets - Beginning of Year	1,553,959	104,784	1,658,743	1,702,051	36,327	1,738,378
Net Assets - End of Year	\$ 1,813,794	\$ 399,452	\$ 2,213,246	\$ 1,553,959	\$ 104,784	\$ 1,658,743

The accompanying Notes to Financial Statements
are an integral part of these statements.

CHRISTIAN CUPBOARD EMERGENCY FOOD SHELF dba OPEN CUPBOARD

STATEMENT OF FUNCTIONAL EXPENSE

FOR THE YEAR ENDED SEPTEMBER 30, 2024

WITH COMPARATIVE TOTALS FOR 2023

	2024				2023
	Support Services				
	Total Program Services	Management & General	Fund- raising	Total Support Services	Total All Services
Salaries	\$ 536,959	\$ 47,152	\$ 69,350	\$ 116,502	\$ 503,777
Payroll Taxes	40,511	3,557	5,232	8,789	40,523
Employee Benefits	47,114	4,137	6,085	10,222	18,719
Total Personnel Costs	624,584	54,846	80,667	135,513	563,019
Purchased and Donated Food	15,729,699	-	-	-	12,157,867
Program Supplies and Delivery	166,763	-	-	-	131,696
Occupancy	83,608	3,543	7,087	10,630	71,498
Professional Fees	81,338	3,447	6,894	10,341	92,332
Marketing and Advertising	69,342	2,939	5,877	8,816	55,002
Equipment Rental and Maintenance	42,118	1,785	3,570	5,355	19,214
Insurance	23,068	978	1,955	2,933	27,247
Office Expenses	17,731	751	1,503	2,254	14,917
Miscellaneous	13,945	591	1,182	1,773	10,869
Depreciation and Amortization	95,464	4,046	8,092	12,138	121,897
Total Expense	\$ 16,947,660	\$ 72,926	\$ 116,827	\$ 189,753	\$ 13,265,558

The accompanying Notes to Financial Statements
are an integral part of this statement.

CHRISTIAN CUPBOARD EMERGENCY FOOD SHELF dba OPEN CUPBOARD
STATEMENT OF FUNCTIONAL EXPENSE
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Total Program Services	Management & General	Support Services		Total All Services
			Fund- raising	Support Services	
Salaries	\$ 414,155	\$ 47,343	\$ 42,279	\$ 89,622	\$ 503,777
Payroll Taxes	36,391	1,957	2,175	4,132	40,523
Employee Benefits	16,810	904	1,005	1,909	18,719
Total Personnel Costs	467,356	50,204	45,459	95,663	563,019
Purchased and Donated Food	12,157,867	-	-	-	12,157,867
Program Supplies and Delivery	131,696	-	-	-	131,696
Occupancy	64,208	3,453	3,837	7,290	71,498
Professional Fees	82,917	4,460	4,955	9,415	92,332
Marketing and Advertising	49,393	2,657	2,952	5,609	55,002
Equipment Rental and Maintenance	17,255	928	1,031	1,959	19,214
Insurance	24,469	1,316	1,462	2,778	27,247
Office Expenses	13,378	729	810	1,539	14,917
Miscellaneous	9,856	480	533	1,013	10,869
Depreciation	109,467	5,888	6,542	12,430	121,897
Total Expense	\$ 13,127,862	\$ 70,115	\$ 67,581	\$ 137,696	\$ 13,265,558

The accompanying Notes to Financial Statements
are an integral part of this statement.

CHRISTIAN CUPBOARD EMERGENCY FOOD SHELF dba OPEN CUPBOARD
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
Current Assets:		
Cash	\$ 89,112	\$ 51,193
Accounts Receivable	24,761	19,305
Grants and Contributions Receivable	202,398	3,004
Investments - CDs	263,342	352,630
Inventory	108,958	55,500
Prepaid Expense	18,496	31,520
Total Current Assets	<u>707,067</u>	<u>513,152</u>
Noncurrent Assets:		
Investments - Board Designated	11,042	8,873
Intangible Asset - Net	8,250	11,250
Property and Equipment - Net	1,864,683	1,213,637
Right-Of-Use Asset	663,680	60,209
Total Noncurrent Assets	<u>2,547,655</u>	<u>1,293,969</u>
 TOTAL ASSETS	 <u>\$ 3,254,722</u>	 <u>\$ 1,807,121</u>
 <u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts Payable	\$ 325,570	\$ 54,377
Accrued Payroll Expenses	52,226	33,792
Operating Lease Liability - Current	92,010	18,000
Total Current Liabilities	<u>469,806</u>	<u>106,169</u>
 Operating Lease Liability	 <u>571,670</u>	 <u>42,209</u>
Total Liabilities	<u>1,041,476</u>	<u>148,378</u>
Net Assets:		
Without Donor Restrictions:		
Undesignated	1,471,252	1,213,586
Board Designated Fund	11,042	8,873
Board Designated Operating Reserve	331,500	331,500
Total Without Donor Restrictions	<u>1,813,794</u>	<u>1,553,959</u>
 With Donor Restrictions	 <u>399,452</u>	 <u>104,784</u>
Total Net Assets	<u>2,213,246</u>	<u>1,658,743</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 3,254,722</u>	 <u>\$ 1,807,121</u>

The accompanying Notes to Financial Statements
are an integral part of these statements.

CHRISTIAN CUPBOARD EMERGENCY FOOD SHELF dbaOPEN CUPBOARD
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
<u>Increase (Decrease) in Cash</u>		
Cash Flows from Operating Activities:		
Change in Net Assets	\$ 554,503	\$ (79,635)
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided (Used) by Operating Activities		
Depreciation and Amortization	107,602	121,897
Unrealized (Gain) on Investments	(2,169)	(3,668)
Intangible Asset - Net	3,000	3,000
Increases (Decreases) in Liabilities:		
Accounts Payable	271,193	6,409
Accrued Payroll Expenses	18,434	(3,013)
(Increases) Decreases in Assets:		
Accounts Receivable	(5,456)	-
Grants and Contributions Receivable	(199,394)	(9,041)
Inventory	(53,458)	(19,704)
Prepaid Expenses	13,024	(8,103)
Net Cash Provided by Operating Activities	<u>707,279</u>	<u>8,142</u>
Cash Flows from Investing Activities:		
Purchases and Disposals of Property and Equipment	(769,673)	(26,880)
Purchases and Redemptions of Investments	100,313	(350,000)
Net Cash (Used) by Investing Activities	<u>(669,360)</u>	<u>(376,880)</u>
Cash Flows from Financing Activities:		
None	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash	37,919	(368,738)
Cash - Beginning of Year	<u>51,193</u>	<u>419,931</u>
Cash - End of Year	<u>\$ 89,112</u>	<u>\$ 51,193</u>

The accompanying Notes to Financial Statements
are an integral part of these statements.

CHRISTIAN CUPBOARD EMERGENCY FOOD SHELF dba OPEN CUPBOARD
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

1. Summary of Significant Accounting Policies

Organizational Purpose

Christian Cupboard Emergency Food Shelf dba Open Cupboard (the Organization) provides nutritious food to their neighbors in a respectful manner while engaging the community in the fight against hunger. They believe that access to nutritious food is a basic human right, and they are committed to responding to the needs of the community by providing food distribution and support services with dignity and respect.

Fund Accounting

In order to observe the limitation and restrictions placed on resources available to the Organization, the accounts are maintained in accordance with the principles of fund accounting. This is the procedure whereby resources are classified for accounting and reporting purposes into net asset groupings established according to their nature and restrictions. A description of the groupings is as follows:

Net Assets without Donor Restrictions – Net assets that are not subject to donor imposed stipulations. The governing board has designated, from net assets without donor restrictions, net assets for a board-designated endowment

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. The Organization reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

Property and Equipment

All major expenditures over \$2,500 for property are capitalized at cost. Depreciation is provided through the use of the straight-line method. Donated property is recorded at fair market value at the date of the donation.

Accounts Receivable and Allowance for Credit Losses

The Organization extends credit to its customers on terms it establishes for individual customers and grantors. Receivables are recorded at amounts billed and are generally due when billed. Receivables are generally uncollateralized and the Organization does not charge interest on accounts receivable balances. No allowance for credit losses has been provided as accounts receivable are considered collectable.

CHRISTIAN CUPBOARD EMERGENCY FOOD SHELF dba OPEN CUPBOARD
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

1. Summary of Significant Accounting Policies (continued)

Promises-To-Give (Grants and Contributions Receivable)

Unconditional promises-to-give are recognized in the period the promises are made. Conditional promises-to-give are recognized when the conditions on which they depend are substantially met, that is, when the conditional promise becomes unconditional.

Revenue and Revenue Recognition

The Organization recognizes revenue from program services when the performance obligations of transferring the products and providing the services are met.

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

A portion of our revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when we have incurred expenditures in compliance with specific contract or grant provisions.

The Organization records contributions of nonfinancial assets at fair market value at date of donation. The Organization's policy related to contributions of nonfinancial assets 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 as determined by appraisal or specialist.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of 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.

Income Tax

The Organization has a tax-exempt status under Section 501(c)(3) of the Internal Revenue Code. The Organization's policy is to evaluate uncertain tax positions, at least annually, for the potential for income tax exposure from unrelated business income or from loss of nonprofit status. The Organization continues to operate consistent with its original exemption application and each year takes the necessary actions to maintain its exempt status. It has been classified as an organization that is not a private foundation under the Internal Revenue Code and charitable contributions by donors are tax deductible. In compliance with its exempt status, the Organization annually files a Return of Organization Exempt From Income Tax (Form 990).

CHRISTIAN CUPBOARD EMERGENCY FOOD SHELF dba OPEN CUPBOARD
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

1. Summary of Significant Accounting Policies (continued)

Inventory

Inventory consists of donated food. Inventory is valued based on management prepared cost studies and estimates.

Intangible Asset

The Organization spent \$15,000 on branding and development of a potential new name for the organization. Client is carrying asset at book value on the statement of financial position, which includes accumulated amortization. The Organization tests asset for impairment each year.

Functional Allocation of Expense

Expenses are recorded in functional categories. Certain expenses are allocated directly to functional categories. In other cases, allocations between categories must be made. When allocations are required, they are based on the best estimates of management.

Leases

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

Subsequent Events

The Organization has evaluated the effect that subsequent events would have on the financial statements through March 25, 2025, which is the date financial statements were available to be issued.

2. Financial Instruments

Significant Concentrations of Credit Risk

The Organization provides services in Minnesota. Grants and contributions receivable are primarily from local residents or institutions, with a handful of out-of-state grants and contributions receivable.

Concentrations of Credit Risk Arising from Cash Deposits in Excess of Insured Limits

At September 30, 2024 and 2023, the Organization held funds in a financial institution in excess of federally insured limits.

CHRISTIAN CUPBOARD EMERGENCY FOOD SHELF dba OPEN CUPBOARD
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

3. Property and Equipment

The Organization owned the following as of September 30:

	<u>2024</u>	<u>2023</u>	<u>Estimated Useful Lives</u>
Equipment, Furniture, Tech	\$ 66,713	\$ 60,127	3-10 years
Building	1,053,158	1,053,158	39 years
Dry Storage	22,121	22,121	5 years
Refrigeration	148,579	150,938	5 years
Vehicles	188,996	188,996	5 years
Leasehold Improvements	<u>905,487</u>	<u>179,797</u>	3 Years
	2,385,054	1,655,137	
Less Accumulated Depreciation	<u>520,371</u>	<u>441,500</u>	
	<u>\$ 1,864,683</u>	<u>\$ 1,213,637</u>	

Depreciation and Amortization expense of \$107,602 and \$121,897 was recorded for the years ended September 30, 2024 and 2023, respectively.

4. Contributions of Nonfinancial Assets

The Organization records contributions of nonfinancial assets at fair market value at date of donation. Contributions of Nonfinancial Assets include the following as of September 30:

	<u>2024</u>	<u>2023</u>
Food	\$15,401,950	\$11,792,552
Goods and Other Items	14,052	15,996
Rent	<u>45,000</u>	<u>-</u>
Total In-Kind Contributions	<u>\$15,461,003</u>	<u>\$11,808,548</u>

Contributions of Nonfinancial Assets were utilized for programming during the years ended September 30, 2024 and 2023. Contributions of Nonfinancial Assets had no donor restrictions. Values were used based on the current market rates the Organization would have paid for the items if they were not donated.

5. Investments

Investments were comprised of the following at September 30:

	<u>2024</u>	<u>2023</u>
	<u>Market</u>	<u>Market</u>
Funds Held at St. Croix Valley Foundation	\$ 11,042	\$ 8,873
Certificates of Deposit	<u>263,342</u>	<u>352,630</u>
	<u>\$ 274,384</u>	<u>\$ 361,503</u>

CHRISTIAN CUPBOARD EMERGENCY FOOD SHELF dba OPEN CUPBOARD
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

5. Investments (Continued)

Investment income included the following as of September 30:

	<u>2024</u>	<u>2023</u>
Unrealized Gain (Loss)	\$ (344)	\$ 3,668
Interest Income	<u>21,151</u>	<u>5,073</u>
Total Investment Change	<u>\$ 20,807</u>	<u>\$ 8,741</u>

6. Fair Value

Fair Value is defined as the price that an organization would receive upon selling an investment in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment. Various inputs are used in determining the value of investments. A three-tier hierarchy of inputs establishes a classification of fair value measurements for disclosure purposes. The three-tier hierarchy of inputs is summarized in the three broad levels listed as follows:

- Level 1 – Quoted prices in active markets for identical investments.
- Level 2 – Other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 – Significant unobservable inputs.

The following is a summary of the inputs used to determine the fair value of the investments at September 30, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Funds Held at St. Croix Foundation	\$ -	\$ -	\$ 11,042	\$ 11,042
Certificates of Deposit	<u>-</u>	<u>263,342</u>	<u>-</u>	<u>263,342</u>
	<u>\$ -</u>	<u>\$ 263,342</u>	<u>\$ 11,042</u>	<u>\$ 274,384</u>

The following is a summary of the inputs used to determine the fair value of the investments at September 30, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Funds Held at St. Croix Foundation	\$ -	\$ -	\$ 8,873	\$ 8,873
Certificates of Deposit	<u>-</u>	<u>352,630</u>	<u>-</u>	<u>352,630</u>
	<u>\$ -</u>	<u>\$ 352,630</u>	<u>\$ 8,873</u>	<u>\$ 361,503</u>

Fund is held at the St. Croix Valley Foundation and is valued by inputs that are determined by the foundation. It was transferred to level 3 of the fair value hierarchy due to a change in the interpretation of observable inputs.

CHRISTIAN CUPBOARD EMERGENCY FOOD SHELF dba OPEN CUPBOARD
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

6. Fair Value (Continued)

Level 3 Fund Reconciliation:

Balance – December 31, 2022	\$ 7,835
Contributions	-
Change in Value	<u>1,038</u>
Balance – September 30, 2023	\$ 8,873
Contributions	-
Change in Value	<u>2,169</u>
Balance – September 30, 2024	<u>\$ 11,042</u>

7. Liquidity and Availability

The following represents the Organization's financial assets as of September 30:

Financial Assets:	<u>2024</u>	<u>2023</u>
Cash and Cash Equivalents	\$ 89,112	\$ 51,193
Accounts Receivable	24,761	19,305
Grants and Contributions Receivable	202,398	3,004
Investments	<u>263,342</u>	<u>352,630</u>
Total Financial Assets	\$ 579,613	426,132
Less assets not available for general expenditures within one year:		
Net Assets with Donor Restrictions	399,452	104,784
Board Designated Net Assets	331,500	331,500
Net Assets with Donor Restrictions to be met within a year	<u>(399,452)</u>	<u>(104,784)</u>
Total assets not available for general expenditures within one year:	<u>331,500</u>	<u>331,500</u>
Financial assets available for general expenditures within one year	<u>\$ 248,113</u>	<u>\$ 94,632</u>

As part of the Organization's liquidity plan, the Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

8. Board Designated Net Assets

The Organization's Board of Directors has designated funds for the following as of September 30:

	<u>2024</u>	<u>2023</u>
Funds Held at St. Croix Foundation	\$ 11,042	\$ 8,873
Operating Reserve	<u>331,500</u>	<u>331,500</u>
	<u>\$ 342,542</u>	<u>\$ 340,373</u>

CHRISTIAN CUPBOARD EMERGENCY FOOD SHELF dba OPEN CUPBOARD
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

9. Net Assets with Donor Restrictions

Net assets with donor restrictions consisted of amounts for the following as of September 30:

	<u>2024</u>	<u>2023</u>
Subject to expenditures for specified purpose:		
Today's Harvest Expansion	\$ 293,535	\$ 68,871
Capacity Building	101,307	-
Food Delivery	4,610	35,300
Local Farmers and Field	-	613
Total Net Assets with Donor Restrictions	<u>\$ 399,452</u>	<u>\$ 104,784</u>

10. Operating Leases

The Organization is a party to operating leases for space and a vehicle. The right-of-use (ROU) assets represent the Organization's right to use underlying assets for the lease term, and the lease liabilities represent the Organization's obligation to make lease payments arising from these leases. The ROU assets and lease liabilities were calculated based on the present value of future lease payments over the lease terms. The Organization has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments.

The following summarizes the line items in the statements of financial position which include amounts for operating leases as of:

	<u>September 30,</u> <u>2024</u>	<u>2023</u>
Operating Leases:		
Operating Lease Right of Use Asset	<u>\$ 663,680</u>	<u>\$ 60,209</u>
Operating Lease Liabilities - Current	\$ 23,490	\$ 18,000
Operating Lease Liabilities - Noncurrent	<u>571,670</u>	<u>42,209</u>
Total Operating Lease Liabilities	<u>\$ 663,680</u>	<u>\$ 60,209</u>

The following summarizes the weighted average remaining lease term and discount rate as of:

	<u>September 30,</u> <u>2024</u>	<u>2023</u>
Weighted Average Remaining Lease Term:		
Operating Leases	8.07 years	3.6 years
Weighted Average Discount Rate:		
Operating Leases	4.53%	2.55%

CHRISTIAN CUPBOARD EMERGENCY FOOD SHELF dba OPEN CUPBOARD
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

10. Operating Leases (continued)

Maturities of lease liabilities were as of September 30, 2024 were as follows:

2025	\$ 115,500
2026	115,500
2027	106,500
2028	97,500
2029	78,750
2030 and beyond	<u>285,000</u>
Total Lease Payments	798,750
Less: Present Value Discount	<u>(135,070)</u>
Present Value of Lease Liabilities	<u>\$ 663,680</u>

The following summarizes the line items in the statements of activities which include the components of lease expense for the year ended:

	<u>September 30,</u>	
	<u>2024</u>	<u>2023</u>
Operating lease expense included in Occupancy	<u>\$ 91,750</u>	<u>\$ 18,000</u>

The following summarizes cash flow information related to leases for the year ended:

	<u>September 30,</u>	
	<u>2024</u>	<u>2023</u>
Cash paid for amounts included in the measurement of Lease liabilities:		
Operating cash flows from operating leases	<u>\$ 68,260</u>	<u>\$ 16,239</u>

Lease assets obtained in exchange for lease obligations in the year ending September 30, 2024:

Operating leases	<u>\$ 827,500</u>
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