



**JUST FOOD OF DOUGLAS COUNTY, KANSAS, INC.**

**FINANCIAL STATEMENTS  
WITH INDEPENDENT AUDITOR'S REPORT**

**DECEMBER 31, 2023 and 2022**

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## Independent Auditor's Report

To the Board of Directors  
Just Food of Douglas County, Kansas, Inc.

### Opinion

We have audited the accompanying financial statements of Just Food of Douglas County, Kansas, Inc., (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, 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 Just Food of Douglas County, Kansas, Inc. as of December 31, 2023 and 2022, 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Just Food of Douglas County, Kansas, Inc. 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.

### Emphasis of Matter

As discussed in Note 11 to the financial statements, the 2022 financial statements have been restated to reflect a \$61,157 increase in grants receivable and contributions of cash and other financial assets. Our opinion is not modified with respect to this matter.

### 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 the Organization'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 will always detect a material misstatement when it exists. The risk of not detecting a material

misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with 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 the Just Food of Douglas County 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 Just Food of Douglas County, Kansas, 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.

Handwritten signature in blue ink that reads "SSC CPAs, P.A." with a stylized logo to the left.

SSC CPAs, P.A.  
Lawrence, Kansas

November 7, 2024

**JUST FOOD OF DOUGLAS COUNTY, KANSAS, INC.**  
**STATEMENTS OF FINANCIAL POSITION**

December 31,	2023	2022 (restated)
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 980,975	\$ 1,045,773
Grants receivable	-	61,257
Inventory	87,377	125,827
<b>Total current assets</b>	<b>1,068,352</b>	<b>1,232,857</b>
<b>Other assets</b>		
Property and equipment, net	581,694	586,759
Operating lease right-of-use assets	114,337	113,405
Beneficial interest in assets held by others	1,171,019	995,288
<b>Total other assets</b>	<b>1,867,050</b>	<b>1,695,452</b>
<b>TOTAL ASSETS</b>	<b>\$ 2,935,402</b>	<b>\$ 2,928,309</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 41,053	\$ 31,467
Accrued payroll tax liabilities	14,097	10,944
Operating lease payable, current	31,915	82,211
Refundable advances	92,500	98,500
<b>Total current liabilities</b>	<b>179,565</b>	<b>223,122</b>
<b>Long-term liabilities</b>		
Operating lease payable, noncurrent	83,089	31,378
<b>Total long-term liabilities</b>	<b>83,089</b>	<b>31,378</b>
<b>TOTAL LIABILITIES</b>	<b>262,654</b>	<b>254,500</b>
<b>Net assets</b>		
Without donor restrictions		
Undesignated	2,644,352	2,662,249
<b>Total net assets without donor restrictions</b>	<b>2,644,352</b>	<b>2,662,249</b>
With donor restrictions		
Purpose restrictions	28,396	11,560
<b>Total net assets with donor restrictions</b>	<b>28,396</b>	<b>11,560</b>
<b>Total net assets</b>	<b>2,672,748</b>	<b>2,673,809</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 2,935,402</b>	<b>\$ 2,928,309</b>

**JUST FOOD OF DOUGLAS COUNTY, KANSAS, INC.**  
**STATEMENTS OF ACTIVITIES**

For the year ended December 31,

2023

	Foodbank and Education	Contributed Food	Total Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and revenue</b>					
Contributions of cash and other financial assets	\$ 1,392,552	\$ -	\$ 1,392,552	\$ 25,000	\$ 1,417,552
Contributed food received	-	1,745,714	1,745,714	-	1,745,714
Contributions of non financial assets other than food	54,673	-	54,673	-	54,673
Change in beneficial interest in assets held by others	175,731	-	175,731	-	175,731
Amounts released from restriction - purpose restriction met	8,164	-	8,164	(8,164)	-
<b>Total support and revenue</b>	<b>1,631,120</b>	<b>1,745,714</b>	<b>3,376,834</b>	<b>16,836</b>	<b>3,393,670</b>
<b>Expenses</b>					
Foodbank and education	1,190,260	-	1,190,260	-	1,190,260
Contributed food distributed	-	1,784,164	1,784,164	-	1,784,164
Management and general	202,631	-	202,631	-	202,631
Fundraising	217,676	-	217,676	-	217,676
<b>Total expenses</b>	<b>1,610,567</b>	<b>1,784,164</b>	<b>3,394,731</b>	<b>-</b>	<b>3,394,731</b>
<b>CHANGE IN NET ASSETS</b>	<b>20,553</b>	<b>(38,450)</b>	<b>(17,897)</b>	<b>16,836</b>	<b>(1,061)</b>
<b>Net assets, beginning of year</b>	<b>2,536,422</b>	<b>125,827</b>	<b>2,662,249</b>	<b>11,560</b>	<b>2,673,809</b>
<b>Net assets, end of year</b>	<b>\$ 2,556,975</b>	<b>\$ 87,377</b>	<b>\$ 2,644,352</b>	<b>\$ 28,396</b>	<b>\$ 2,672,748</b>

**JUST FOOD OF DOUGLAS COUNTY, KANSAS, INC.**  
**STATEMENTS OF ACTIVITIES**

For the year ended December 31,

2022 (restated)

	Foodbank and Education	Contributed Food	Total Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and revenue</b>					
Contributions of cash and other financial assets	\$ 1,493,139	\$ -	\$ 1,493,139	\$ 50,000	\$ 1,543,139
Contributed food received	-	2,305,467	2,305,467	-	2,305,467
Contributions of non financial assets other than food	60,269	-	60,269	-	60,269
Change in beneficial interest in assets held by others	9,761	-	9,761	-	9,761
Amounts released from restriction - purpose restriction met	63,440	-	63,440	(63,440)	-
<b>Total support and revenue</b>	<b>1,626,609</b>	<b>2,305,467</b>	<b>3,932,076</b>	<b>(13,440)</b>	<b>3,918,636</b>
<b>Expenses</b>					
Foodbank and education	1,149,202	-	1,149,202	-	1,149,202
Contributed food distributed	-	2,237,264	2,237,264	-	2,237,264
Management and general	177,884	-	177,884	-	177,884
Fundraising	310,712	-	310,712	-	310,712
<b>Total expenses</b>	<b>1,637,798</b>	<b>2,237,264</b>	<b>3,875,062</b>	<b>-</b>	<b>3,875,062</b>
<b>Other income</b>					
Gain on sale of assets	175	-	175	-	175
<b>Total other income</b>	<b>175</b>	<b>-</b>	<b>175</b>	<b>-</b>	<b>175</b>
<b>CHANGE IN NET ASSETS</b>	<b>(11,014)</b>	<b>68,203</b>	<b>57,189</b>	<b>(13,440)</b>	<b>43,749</b>
<b>Net assets, beginning of year</b>	<b>2,547,436</b>	<b>57,624</b>	<b>2,605,060</b>	<b>25,000</b>	<b>2,630,060</b>
<b>Net assets, end of year</b>	<b>\$ 2,536,422</b>	<b>\$ 125,827</b>	<b>\$ 2,662,249</b>	<b>\$ 11,560</b>	<b>\$ 2,673,809</b>

**JUST FOOD OF DOUGLAS COUNTY, KANSAS, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**

For the years ended December 31,	2023				2022			
	Foodbank and Education	Management and general	Fundraising	Total	Foodbank and Education	Management and general	Fundraising	Total
Compensation	\$ 524,911	\$ 157,473	\$ 67,491	\$ 749,875	\$ 467,464	\$ 140,239	\$ 60,104	\$ 667,807
Food purchased	390,768	-	-	390,768	427,676	-	-	427,676
Insurance	9,063	2,719	1,165	12,947	6,849	2,055	880	9,784
Office supplies, printing and postage	6,090	580	22,329	28,999	8,801	838	42,250	51,889
Marketing	-	-	17,482	17,482	-	-	91,474	91,474
Services and staff support	51,517	-	-	51,517	56,193	-	-	56,193
Professional fees	-	26,510	-	26,510	-	21,445	-	21,445
Rent	78,005	9,177	4,588	91,770	67,457	7,936	3,969	79,362
Utilities and telephone	43,648	5,135	2,567	51,350	37,817	4,449	2,224	44,490
Equipment	11,149	-	-	11,149	10,541	-	-	10,541
Vehicle cost and freight	39,234	-	-	39,234	33,752	-	-	33,752
Special events	-	-	102,054	102,054	-	-	109,811	109,811
Bank fees	-	1,037	-	1,037	-	922	-	922
<b>Total expenses before depreciation and contributed food distributed</b>	<b>1,154,385</b>	<b>202,631</b>	<b>217,676</b>	<b>1,574,692</b>	<b>1,116,550</b>	<b>177,884</b>	<b>310,712</b>	<b>1,605,146</b>
Depreciation	35,875	-	-	35,875	32,652	-	-	32,652
Contributed food distributed	1,784,164	-	-	1,784,164	2,237,264	-	-	2,237,264
<b>TOTAL EXPENSES</b>	<b>\$ 2,974,424</b>	<b>\$ 202,631</b>	<b>\$ 217,676</b>	<b>\$ 3,394,731</b>	<b>\$ 3,386,466</b>	<b>\$ 177,884</b>	<b>\$ 310,712</b>	<b>\$ 3,875,062</b>



**JUST FOOD OF DOUGLAS COUNTY, KANSAS, INC.****STATEMENTS OF CASH FLOWS**

	2022	
For the years ended December 31,	2023	(Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (1,061)	\$ 43,749
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Net contributed food activity	38,450	(68,203)
Depreciation	35,875	32,652
Change in beneficial interest in assets held by others	(175,731)	(9,761)
Contribution of property and equipment	(21,000)	-
Amortization of operating lease right-of-use asset	83,756	70,856
Cash paid on operating leases	(83,273)	(70,672)
(Increase) decrease in operating assets:		
Grants receivable	61,257	(61,257)
Increase (decrease) in operating liabilities:		
Accounts payable	4,586	24,806
Accrued payroll tax liabilities	3,153	(6,413)
Refundable advances	(6,000)	94,260
<b>NET CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>(59,988)</b>	<b>50,017</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property and equipment	(4,810)	(7,876)
Transfer to beneficial interest in assets held by others	-	(835,000)
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>	<b>(4,810)</b>	<b>(842,876)</b>
Net decrease in cash and cash equivalents	(64,798)	(792,859)
Cash and cash equivalents, beginning of year	1,045,773	1,838,632
<b>Cash and cash equivalents, end of year</b>	<b>\$ 980,975</b>	<b>\$ 1,045,773</b>
<b>Supplemental disclosure of cash flow information</b>		
Additions to property and equipment in accounts payable	\$ 5,000	\$ -

# **JUST FOOD OF DOUGLAS COUNTY, KANSAS, INC.**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **1. DESCRIPTION OF BUSINESS AND OWNERSHIP**

#### **Organization and nature of operations**

Just Food of Douglas County, Kansas, Inc. (the Organization) is a 501(c)(3), nonprofit organization which was incorporated under the laws of the State of Kansas. The Organization is a central food distribution facility for persons and organizations in Douglas County, Kansas needing food and nutritional assistance. The Organization is primarily supported by contributions from businesses, foundations and individuals.

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Basis of accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

#### **Net assets**

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

#### **Use of estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. On an ongoing basis, management evaluates the estimates and assumptions based on new information. Management believes that the estimates and assumptions are reasonable in the circumstances; however, actual results could differ from those estimates.

#### **Revenue recognition**

Contributions are recognized when cash, or other assets, or an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction.

## JUST FOOD OF DOUGLAS COUNTY, KANSAS, INC.

### NOTES TO THE FINANCIAL STATEMENTS

The Organization receives funding from local, county, and federal grants and contracts. A portion of this funding is derived from cost-reimbursable grants and contracts, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualified expenditures or meeting certain requirements are recorded as refundable advances in the Statements of Financial position. Refundable advances totaled \$92,500 and \$98,500 at December 31, 2023 and 2022, respectively. In addition, the Organization has elected the simultaneous release option for contributions and grants that are also subject to purpose restrictions. Under this option, net assets without donor restrictions will include the revenues from these transactions in the same reporting period as the revenue recognized.

#### Revenue with and without donor restrictions

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. Contributions of property and equipment are reported as net assets with donor restrictions if the donor restricted the use of the property or equipment to a particular program, as are contributions of cash restricted to the purchase of property and equipment unless they are spent within the same reporting period. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets with donor restrictions and reported in the Statement of Activities as net assets released from restriction.

#### Cash and cash equivalents

The Organization considers all investments with original maturities of three months or less to be cash equivalents.

#### Inventory

Contributed food is valued on a first-in, first-out basis using a weighted average wholesale price per pound as determined by the Feeding America national food bank network.

#### Property and equipment

Property and equipment are recorded at cost, if purchased. Donated property and equipment are reported at estimated fair value at the date of contribution. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support. Depreciation is recorded on the straight-line method over the estimated useful lives of the assets as follows:

	<b>Life</b>
Computers and software	5 years
Equipment	5-7 years
Leasehold improvements	7-39 years
Vehicles	5 years

#### Fair value measurements

The Organization has adopted the provisions of FASB ASC 820-10. Under this standard, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date.

## **JUST FOOD OF DOUGLAS COUNTY, KANSAS, INC.**

### **NOTES TO THE FINANCIAL STATEMENTS**

In determining fair value, the Organization uses various valuation approaches. FASB ASC 820-10 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Organization.

Unobservable inputs are inputs that reflect the Organization's assumption about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The hierarchy is broken down into three levels based on the observability of inputs as follows:

Level 1 - Valuations based on quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access. Valuation adjustments and block discounts are not applied to Level 1 instruments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

Level 2 - Valuations based on one or more quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

#### **Beneficial interest in assets held by others**

The Organization established a fund held by Douglas County Community Foundation (DCCF). The balance consists of the funds allocation of the pooled investment account held by DCCF. The Organization granted variance power to DCCF, which allows DCCF to modify any condition or restriction on its distributions for any specified charitable purpose or to any specified organization if, in the sole judgment of the DCCF's Board of Directors, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community. The fund is held and invested by DCCF for the benefit of the Organization and is reported at fair value in the Statements of Financial Position, with distributions and changes in fair value recognized in the Statements of Activities.

#### **Income taxes**

The Organization is exempt from income tax under Internal Revenue Code Section 501(c)(3) as provided by a determination letter from the Internal Revenue Service.

The Organization has adopted the provisions of FASB ASC 740-10, *Accounting for Income Taxes*. This standard clarifies the accounting for uncertainty in income taxes recognized in an organization's financial statements. The standard prescribes recognition and the measurement of tax positions taken or expected to be taken on a tax return that are not certain to be realized. The Organization has not identified any uncertain tax positions for the years ended December 31, 2023 and 2022. The Organization's income tax returns are subject to review and examination by federal authorities. The Organization is not aware of any activities that are subject to tax on unrelated business income or excise or other taxes.

## JUST FOOD OF DOUGLAS COUNTY, KANSAS, INC.

### NOTES TO THE FINANCIAL STATEMENTS

#### Recently adopted accounting pronouncements

In June 2016, FASB issued ASU 2016-13, *Financial Instruments – Credit losses*, which, among other things, requires the measurement of credit losses on financial instruments. ASU 2016-13 is effective for not-for-profit entities for fiscal years beginning after December 15, 2022. The Organization adopted and retrospectively applied ASU 2016-13 as of January 1, 2023. No significant changes were necessary for the adoption of ASU 2016-13.

### 3. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following as of December 31:

	2023	2022
Cash and grants receivable available within one year of the statement of financial position for general expenditures	\$ 980,975	\$ 1,107,030
Less those generally unavailable for expenditure due to:		
Refundable advances	(92,500)	(98,500)
Donor-imposed purpose restrictions	(28,396)	(11,560)
Financial assets available to meet cash needs for general expenditures with one year	\$ 860,079	\$ 996,970

In addition to financial assets available to meet general expenditures over the next twelve months, the Organization operates with a surplus budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

### 4. PROPERTY AND EQUIPMENT, NET

The cost and related accumulated depreciation of property and equipment at December 31, are as follows:

	2023	2022
Computers and software	\$ 4,400	\$ 4,400
Equipment	88,509	88,509
Leasehold improvements	554,761	544,951
Vehicles	77,974	56,974
<b>Total cost</b>	<b>725,644</b>	<b>694,834</b>
Less accumulated depreciation	(143,950)	(108,075)
<b>Net property and equipment</b>	<b>\$ 581,694</b>	<b>\$ 586,759</b>

Depreciation expense charged to operations is \$35,875 and \$32,652 for the years ended December 31, 2023 and 2022, respectively.

**JUST FOOD OF DOUGLAS COUNTY, KANSAS, INC.****NOTES TO THE FINANCIAL STATEMENTS****5. CONTRIBUTED NONFINANCIAL ASSETS**

Contributed nonfinancial assets recognized within the Statements of Activities include the following for the years ended December 31:

	2023	2022
Food	\$ 1,745,714	\$ 2,305,467
Services	18,967	36,724
Vehicle	21,000	-
Rent	6,000	6,000
Auction items	29,706	17,545
Total	\$ 1,821,387	\$ 2,365,736

The Organization recognized contributed nonfinancial assets within support and revenue, including contributed food, rent, vehicle, services and auction items. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Contributed food received, as well as the related food distributed expense and the contributed food inventory accounts, are computed by valuing the Organization's respective pounds of food at a weighted average wholesale price per pound as determined by the Feeding America's national food bank network. For the years ended December 31, 2023 and 2022, contributed food was valued at \$1.93 and \$1.92 per pound, respectively. Contributed food was used at the food distribution facility of the Organization.

Contributed services recognized comprise professional services utilized by the Organization in their fundraising activities. Contributed services are valued and are reported at the estimated fair value in the financial statements based on current rates for these services.

The contributed vehicle is related to the donation of a vehicle to be used in general operations. The value of the vehicle was calculated based on Kelly Blue Book value of the vehicle.

Contributed rent is related to the use of the warehouse for general operations. The value of the contributed rent was calculated based on the explicit terms in the lease agreement.

For the auction items, the Organization utilized the estimates of values that would be received for selling similar items in the United States utilizing various online and published resources. These items were used in fundraising activities of the Organization.

**JUST FOOD OF DOUGLAS COUNTY, KANSAS, INC.****NOTES TO THE FINANCIAL STATEMENTS****6. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consists of the following at December 31:

	<b>2023</b>	<b>2022</b>
<b>Subject to expenditures for specified purpose:</b>		
Pots & Pan-try Program	\$ 8,345	\$ 11,560
Chop Shop	20,051	-
<b>Total</b>	<b>\$ 28,396</b>	<b>\$ 11,560</b>

Net assets were released from donor restrictions by satisfying the restricted purpose or by occurrence of the passage of time or other evidence specified by the donors as follows during the years ended December 31:

	<b>2023</b>	<b>2022</b>
<b>Satisfaction of purpose restrictions:</b>		
Forklift	\$ -	\$ 15,000
Just Basics	-	10,000
Chop Shop	4,949	-
Pots & Pan-try Program	3,215	38,440
<b>Total</b>	<b>\$ 8,164</b>	<b>\$ 63,440</b>

**7. FAIR VALUE DISCLOSURE**

As discussed in Note 2, the Organization has a beneficial interest in the DCCF pooled investment fund and recorded it during 2023 and 2022. The investment policy governing the underlying investments is established by the Board of the Douglas County Community Foundation. These assets are measured at fair value on a recurring basis, and at December 31, 2023 and 2022 are classified as Level 3 in the fair value hierarchy.

Unobservable inputs reflect DCCF's assumptions that market participants would use in pricing the pooled investments, developed on the best information available in the circumstances, including assumptions about risk. Inputs may include market price information, volatility statistics, specific broad credit data, liquidity statistics, and other factors.

Fair value of assets measured on a recurring basis as of December 31, 2023 are as follows:

	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>	<u>Total</u>
Beneficial interest in assets held by others	\$ -	\$ -	\$ 1,171,019	\$ 1,171,019

Fair value of assets measured on a recurring basis as of December 31, 2022 are as follows:

	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>	<u>Total</u>
Beneficial interest in assets held by others	\$ -	\$ -	\$ 995,288	\$ 995,288

**JUST FOOD OF DOUGLAS COUNTY, KANSAS, INC.****NOTES TO THE FINANCIAL STATEMENTS**

The following is a reconciliation of the activity related to the Level 3 investments for the year ended December 31, 2023 and 2022:

	<b>2023</b>	<b>2022</b>
Beginning balance	\$ 995,288	\$ 150,527
Total dividend income and gains and losses	139,099	(26,954)
Contributions	84,516	103,192
Transfer in	-	835,000
Fees	(10,394)	(5,220)
Total grants approved	(37,490)	(61,257)
Ending balance	\$ 1,171,019	\$ 995,288

**8. FUNCTIONAL ALLOCATION OF EXPENSES**

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function and allocated on a reasonable basis that is consistently applied. Compensation, insurance, and office supplies, printing and postage expenses are allocated on the basis of estimates of time and effort while rent and utilities and telephone expenses are allocated on the basis of the square footage of the Organization's facility.

**9. OPERATING LEASES**

During 2019, the Organization entered into an operating lease agreement for its office and warehouse space. The lease was renewed through December 31, 2023 and has continued on a month to month basis since that date. During 2022, the Organization entered into an operating lease agreement for 805 Vermont Street, Lawrence, Kansas. The lease was renewed through July 31, 2028. In 2019, the Organization entered into an operating lease agreement for a truck. The lease expires in June 2025. The following summarizes the line items in the Statements of Financial Position which include amounts for operating leases as of December 31:

	<b>2023</b>	<b>2022</b>
<b>Operating lease</b>		
Operating lease right-of-use assets	\$ 114,337	\$ 113,405
Operating lease liabilities, current portion	31,915	82,211
Operating lease liabilities, noncurrent portion	83,089	31,378
Total operating lease liabilities	\$ 115,004	\$ 113,589

The following summarizes the weighted average remaining lease term and discount rate as of December 31:

	<b>2023</b>	<b>2022</b>
<b>Weighted average remaining lease term</b>		
Operating lease	4.07 years	1.57 years
<b>Weighted average discount rate</b>		
Operating lease	2.61%	1.46%



**JUST FOOD OF DOUGLAS COUNTY, KANSAS, INC.****NOTES TO THE FINANCIAL STATEMENTS**

The maturity of the lease liability as of December 31, 2023 is as following:

		<b>2023</b>
2024	\$	34,522
2025		28,536
2026		22,450
2027		22,800
2028		13,300
Total lease payments		121,608
Less: interest		(6,604)
Present value of lease liabilities	\$	115,004

The following summarizes the line items in the Statements of Activities which include the components of lease expense for the year ended December 31:

	<b>2023</b>	<b>2022</b>
Operating lease expense included in general and administrative expenses	\$ 91,769	\$ 79,361

The following summarizes cash flow information related to the operating lease for the year ended December 31:

	<b>2023</b>	<b>2022</b>
<b>Cash paid for amounts included in the measurement of lease liabilities:</b>		
Operating cash flows paid for operating lease	\$ 83,273	\$ 70,672
<b>Lease assets obtained in exchange for lease obligations:</b>		
Operating lease	\$ 168,218	\$ 182,912

**10. CONCENTRATIONS OF CREDIT AND MARKET RISKS**

Primarily all of the Organization's revenues and receivables are from businesses and individuals located in the Douglas County area in the state of Kansas.

The Organization maintains cash and investments in bank and brokerage accounts which at times may exceed federally insured limits of \$250,000 set by the Federal Deposit Insurance Corporation (FDIC). There was \$130,967 and \$202,764 in excess of this limit as of December 31, 2023 and 2022, respectively. The accounts are held by banks and brokerage firms that are well established and highly regarded. The Organization has not experienced any losses in these accounts and believes it is not exposed to any significant credit risk on these balances.

**11. PRIOR PERIOD ADJUSTMENT**

During 2023, it was determined that a grant and corresponding grant receivable was not properly recorded in the amount of \$61,257 during the year ended December 31, 2022. As such, grants receivable and net assets without donor restriction were understated by \$61,257 as of December 31, 2022 on the Statement of Financial Position. In addition, contributions of cash and other financial assets and change in net assets were understated by \$61,257 on the Statement of Activities for the year ended December 31, 2022. These amounts have been restated in these statements as of and for the year ended December 31, 2022.

**JUST FOOD OF DOUGLAS COUNTY, KANSAS, INC.**  
NOTES TO THE FINANCIAL STATEMENTS

**12. SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through November 7, 2024 the date which the financial statements were available to be issued.