



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

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

**DECEMBER 31, 2020 AND 2019**

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# Independent Auditor's Report

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

We have audited the accompanying financial statements of Just Food of Douglas County, Kansas, Inc. (a nonprofit organization) which comprise the statements of assets, liabilities, and net assets - modified cash basis as of December 31, 2020 and 2019, and the related statements of support, revenue, and expenses – modified cash basis, functional expenses – modified cash basis, and cash flows – modified cash basis 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 the modified cash basis of accounting as described in Note 2; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

## **Auditor's 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 auditor's 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.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of Just Food of Douglas County, Kansas, 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 the modified cash basis of accounting as described in Note 2.

### **Basis of Accounting**

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified in respect to this matter.

SSC CPAs PA

SSC CPAs, P.A.  
Lawrence, Kansas

July 20, 2021

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

## STATEMENTS OF ASSETS, LIABILITIES, AND NET ASSETS – MODIFIED CASH BASIS

December 31,	2020	2019
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 1,628,002	\$ 331,447
Investments, at fair value	-	22,892
Inventory	130,149	35,190
<b>Total current assets</b>	<b>1,758,151</b>	<b>389,529</b>
<b>Other assets</b>		
Property and equipment, net	71,153	54,932
Leasehold improvements in process	338,101	-
Beneficial interest in assets held by others	105,890	-
<b>Total other assets</b>	<b>515,144</b>	<b>54,932</b>
<b>TOTAL ASSETS</b>	<b>\$ 2,273,295</b>	<b>\$ 444,461</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Accrued payroll tax liabilities	\$ 5,541	\$ 7,840
Refundable advances	66,393	50,000
<b>Total current liabilities</b>	<b>71,934</b>	<b>57,840</b>
<b>Net assets</b>		
Without donor restrictions		
Undesignated	2,110,189	351,921
<b>Total net assets without donor restrictions</b>	<b>2,110,189</b>	<b>351,921</b>
With donor restrictions		
Purpose restrictions	91,172	34,700
<b>Total net assets with donor restrictions</b>	<b>91,172</b>	<b>34,700</b>
<b>Total net assets</b>	<b>2,201,361</b>	<b>386,621</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 2,273,295</b>	<b>\$ 444,461</b>

**JUST FOOD OF DOUGLAS COUNTY, KANSAS, INC.****STATEMENTS OF SUPPORT, REVENUE, AND EXPENSES – MODIFIED CASH BASIS**

For the year ended December 31,

2020

	Foodbank and Education	Contributed Food	Total Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and revenue</b>					
Contributions received and other revenue	\$ 2,830,824	\$ -	\$ 2,830,824	\$ 90,000	\$ 2,920,824
Contributed food received	-	1,744,221	1,744,221	-	1,744,221
Amounts released from restrictions - purpose restriction met	33,528	-	33,528	(33,528)	-
<b>Total support and revenue</b>	<b>2,864,352</b>	<b>1,744,221</b>	<b>4,608,573</b>	<b>56,472</b>	<b>4,665,045</b>
<b>Expenses</b>					
Foodbank and education	922,388	-	922,388	-	922,388
Contributed food distributed	-	1,649,262	1,649,262	-	1,649,262
Management and general	160,343	-	160,343	-	160,343
Fundraising	183,012	-	183,012	-	183,012
<b>Total expenses</b>	<b>1,265,744</b>	<b>1,649,262</b>	<b>2,915,006</b>	<b>-</b>	<b>2,915,006</b>
<b>Other income</b>					
Paycheck Protection Program loan forgiveness	64,700	-	64,700	-	64,700
<b>Total other income</b>	<b>64,700</b>	<b>-</b>	<b>64,700</b>	<b>-</b>	<b>64,700</b>
<b>CHANGE IN NET ASSETS</b>	<b>1,663,309</b>	<b>94,959</b>	<b>1,758,268</b>	<b>56,472</b>	<b>1,814,740</b>
<b>Net assets, beginning of year</b>	<b>316,731</b>	<b>35,190</b>	<b>351,921</b>	<b>34,700</b>	<b>386,621</b>
<b>Net assets, end of year</b>	<b>\$ 1,980,040</b>	<b>\$ 130,149</b>	<b>\$ 2,110,189</b>	<b>\$ 91,172</b>	<b>\$ 2,201,361</b>

**JUST FOOD OF DOUGLAS COUNTY, KANSAS, INC.****STATEMENTS OF SUPPORT, REVENUE, AND EXPENSES – MODIFIED CASH BASIS**

For the year ended December 31,

2019

	Foodbank and Education	Contributed Food	Total Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and revenue</b>					
Contributions received and other revenue	\$ 879,955	\$ -	\$ 879,955	\$ 35,000	\$ 914,955
Contributed food received	-	1,740,011	1,740,011	-	1,740,011
Amounts released from restriction - purpose restriction met	20,300	-	20,300	(20,300)	-
<b>Total support and revenue</b>	<b>900,255</b>	<b>1,740,011</b>	<b>2,640,266</b>	<b>14,700</b>	<b>2,654,966</b>
<b>Expenses</b>					
Foodbank and education	526,077	-	526,077	-	526,077
Contributed food distributed	-	1,758,147	1,758,147	-	1,758,147
Management and general	115,142	-	115,142	-	115,142
Fundraising	187,305	-	187,305	-	187,305
<b>Total expenses</b>	<b>828,524</b>	<b>1,758,147</b>	<b>2,586,671</b>	<b>-</b>	<b>2,586,671</b>
<b>CHANGE IN NET ASSETS</b>	<b>71,731</b>	<b>(18,136)</b>	<b>53,595</b>	<b>14,700</b>	<b>68,295</b>
<b>Net assets, beginning of year</b>	<b>245,000</b>	<b>53,326</b>	<b>298,326</b>	<b>20,000</b>	<b>318,326</b>
<b>Net assets, end of year</b>	<b>\$ 316,731</b>	<b>\$ 35,190</b>	<b>\$ 351,921</b>	<b>\$ 34,700</b>	<b>\$ 386,621</b>

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

**STATEMENTS OF FUNCTIONAL EXPENSES – MODIFIED CASH BASIS**

For the years ended December 31,	2020				2019			
	Foodbank and Education	Management and general	Fundraising	Total	Foodbank and Education	Management and general	Fundraising	Total
Compensation	\$ 317,361	\$ 129,829	\$ 33,660	\$ 480,850	\$ 198,235	\$ 85,446	\$ 58,103	\$ 341,784
Food purchased	405,782	-	-	405,782	137,030	-	-	137,030
Insurance	4,479	1,832	475	6,786	4,787	2,064	1,403	8,254
Office supplies, printing and postage	12,788	1,237	25,714	39,739	12,788	1,237	14,051	28,076
Marketing	-	-	19,087	19,087	-	-	8,392	8,392
Services and staff support	14,423	-	-	14,425	33,562	-	-	33,562
Professional fees	-	16,778	-	16,778	-	18,201	-	18,201
Rent	63,962	7,525	3,763	75,250	46,750	5,500	2,750	55,000
Utilities and telephone	24,185	2,845	1,424	28,454	19,634	2,310	1,155	23,099
Equipment	44,921	-	-	44,922	28,561	-	-	28,561
Vehicle cost and freight	17,517	-	-	17,515	29,924	-	-	29,924
Special events	-	-	96,975	96,975	-	-	99,838	99,838
Bank fees	-	-	1,914	1,914	-	-	1,613	1,613
Miscellaneous	-	297	-	297	-	384	-	384
<b>Total expenses before depreciation and contributed food distributed</b>	<b>905,418</b>	<b>160,343</b>	<b>183,012</b>	<b>1,248,774</b>	<b>511,271</b>	<b>115,142</b>	<b>187,305</b>	<b>813,718</b>
Depreciation	16,970	-	-	16,970	14,806	-	-	14,806
Contributed food distributed	1,649,262	-	-	1,649,262	1,758,147	-	-	1,758,147
<b>TOTAL EXPENSES</b>	<b>\$ 2,571,650</b>	<b>\$ 160,343</b>	<b>\$ 183,012</b>	<b>\$ 2,915,006</b>	<b>\$ 2,284,224</b>	<b>\$ 115,142</b>	<b>\$ 187,305</b>	<b>\$ 2,586,671</b>



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

For the years ended December 31,	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 1,814,740	\$ 68,295
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Net contributed food activity	(94,959)	18,136
Depreciation	16,970	14,806
Change in beneficial interest	(3,130)	-
Unrealized gain on investments	-	(128)
Donated securities	(58,303)	(19,974)
Paycheck Protection Program loan forgiveness	(64,700)	-
Contributions restricted for building remodel	(304,440)	-
Increase (decrease) in operating liabilities:		
Accrued payroll tax liabilities	(2,299)	3,059
Refundable advances	16,393	11,278
<b>NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES</b>	<b>1,320,272</b>	<b>95,472</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Payments for remodel in process	(338,101)	-
Purchase of investments	(21,565)	(47)
Purchase of property and equipment	(33,191)	(33,567)
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>	<b>(392,857)</b>	<b>(33,614)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from Paycheck Protection Program loan	64,700	-
Proceeds from restricted contributions for building remodel	304,440	-
<b>NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES</b>	<b>369,140</b>	<b>-</b>
Net increase in cash and cash equivalents	1,296,555	61,858
Cash and cash equivalents, beginning of year	331,447	269,589
<b>Cash and cash equivalents, end of year</b>	<b>\$ 1,628,002</b>	<b>\$ 331,447</b>

## **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.

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

##### **Basis of accounting**

The accompanying financial statements of the Organization have been prepared on the modified cash basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (U.S. GAAP).

This basis of accounting differs from U.S. GAAP because the Organization has not recognized grants or pledges receivable, accounts payable and accrued salaries or other liabilities. The effect of not recording these on the financial statements has not been determined. The Organization does recognize payroll tax liabilities as well as refundable advances. The cash basis is additionally modified to include capitalization of purchased with a provision for depreciation, recognition of donated services and in-kind contributions (including contributed food) and to reflect inventory on hand, and unrealized gain (loss) on investments.

##### **Basis of presentation**

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.

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

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

#### **Revenue recognition**

The Organization receives funding from local, county, and federal grants and contracts. Grants received represent both exchange transactions and contributions. The income from exchange transactions is recognized when the services are performed. 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.

#### **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 Support, Revenue and Expenses – Modified Cash Basis as net assets released from restriction.

#### **Donated assets**

Donated investments are recorded as contributions at their fair value at the date of donation.

#### **Donated materials and services**

The Organization records various types of in-kind contributions. 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. The Organization treats contributed food as an unrestricted contribution. For the years ended December 31, 2020 and 2019, contributed food was valued at \$1.74 and \$1.62 per pound, respectively.

Contributed services are recognized at fair value if the services received (a) create or enhance long-lived assets, or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses or additions to property and equipment. For the years ended December 31, 2020 and 2019, the Organization has recorded in-kind contributions as revenue and expense totaling \$69,937 and \$62,496, respectively, for donated services and goods other than contributed food. In addition, many individuals have volunteered over 17,017 and 17,400 hours, respectively, of their time in organizational governance, program services and fundraising efforts for the years ended December 31, 2020 and 2019. No amounts have been reflected in the statements for these donated hours as they did not meet the accounting principles criteria for recognition.

#### **Cash and cash equivalents**

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

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

**NOTES TO THE FINANCIAL STATEMENTS**

**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**

Fixed assets are recorded at cost, if purchased. Donated fixed assets 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 hardware	5 years
Equipment	5-7 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.

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.

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

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

#### **Refundable advances**

Income from conditional contributions received in advance are deferred and recognized when the conditions of the contributions have been met.

#### **Functional allocation of expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Support, Revenue, and Expenses – Modified Cash Basis. Certain costs have been allocated among the program and supporting services benefited as depicted in the Statement of Functional Expenses – Modified Cash Basis. Expenses that can be identified with a specific program and support are allocated directly according to their natural expenditure classification.

Other expenses that are common to several functions are allocated by management's estimate of resources devoted to the programs or support source. Direct benefit to donor costs have been included in fundraising costs on the Statement of Functional Expenses – Modified Cash Basis as the associated costs are not material in relation to the financial statements taken as a whole.

#### **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 statement of assets, liabilities, and net assets – modified cash basis, with distributions and changes in fair value recognized in the statement of support, revenue, and expenses – modified cash basis.

#### **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, 2020 and 2019. 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

#### 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 balance sheet date, comprise the following as of December 31:

	2020	2019
Cash and investments available within one year of the statement of assets, liabilities, and net assets - modified cash basis for general expenditures	\$ 1,628,002	\$ 354,339
Less those generally unavailable for expenditure due to:		
Refundable advances	(66,393)	(50,000)
Donor-imposed purpose restrictions	(91,172)	(34,700)
Financial assets available to meet cash needs for general expenditures with one year	\$ 1,470,437	\$ 269,639

In addition to financial assets available to meet general expenditures over the next 12 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:

	2020	2019
Computers and software	\$ 4,400	\$ 4,400
Equipment	55,724	52,113
Leasehold improvements	29,580	-
Vehicles	58,476	58,476
<b>Total cost</b>	<b>148,180</b>	<b>114,989</b>
Less accumulated depreciation	(77,027)	(60,057)
<b>Net property and equipment</b>	<b>\$ 71,153</b>	<b>\$ 54,932</b>

Depreciation expense charged to operations is \$16,970 and \$14,806 for the years ended December 31, 2020 and 2019, respectively.

#### 5. NET ASSETS WITH DONOR RESTRICTIONS

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

	2020	2019
Subject to expenditures for specified purpose:		
Facility Remodel	\$ 86,774	\$ 30,000
Pots & Pan-try Program	4,398	4,700
<b>Total</b>	<b>\$ 91,172</b>	<b>\$ 34,700</b>

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

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.

	2020	2019
Satisfaction of purpose restrictions		
Facility Remodel	\$ 33,226	\$ -
Mobile Pantry	-	20,000
Pots & Pan-try Program	302	300
<b>Total</b>	<b>\$ 33,528</b>	<b>\$ 20,300</b>

**6. INVESTMENTS, AT FAIR VALUE**

Investments held by the Organization consist of the following as of December 31, 2019:

	Cost basis	Fair Value	Unrealized depreciation
Brokerage cash	\$ 159	\$ 159	\$ -
Common stock	23,231	22,733	(498)
<b>Total</b>	<b>\$ 23,390</b>	<b>\$ 22,892</b>	<b>\$ (498)</b>

As of December 31, 2020, investments held by the Organization were transferred to a pooled investment fund and the balance in this account consisted of brokerage cash. This balance was included in cash on the statement of financial position – modified cash basis.

As discussed in Note 2, the Organization has received a beneficial interest in the DCCF pooled investment fund and recorded it during 2020. 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, 2020 are classified as Level 3 in the fair value hierarchy:

	Cost basis	Fair Value	Unrealized appreciation
Beneficial interest held by others	\$ 89,043	\$ 105,890	\$ 16,847
<b>Total</b>	<b>\$ 89,043</b>	<b>\$ 105,890</b>	<b>\$ 16,847</b>

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.

**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, 2020:

January 1, 2020	\$	-
Total dividend income and gains/losses		(1,439)
Contributions/additions		108,049
Fees		(720)
December 31, 2020	\$	105,890

**7. 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 and insurance 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.

**8. PAYCHECK PROTECTION PROGRAM LOAN**

In April 2020, the Organization received \$64,700 as part of a loan under the Paycheck Protection Program (PPP) through the U.S. Small Business Administration (SBA). The PPP loan is designed to provide a direct incentive for small businesses to keep their workers on the payroll in response to the outbreak of the COVID-19 coronavirus in 2020. SBA will forgive loans if all employee retention criteria are met, and the funds are used for eligible expenses. As of December 31, 2020, the Organization has applied for and been granted forgiveness for the entirety of the loan. During the year ended December 31, 2020, the Organization recognized \$64,700 of revenue from the proceeds of the PPP.

**9. OPERATING LEASES**

The Organization currently leases its facility under an operating lease which expired December 31, 2020. The Organization is in negotiations for renewal of the lease of its facility. Rent expense totaled \$75,250 and \$55,000 for the years ended December 31, 2020 and 2019, respectively.

**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). 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. As of December 31, 2020 and 2019, amounts in excess of these limits totaled \$0 and \$109,512, respectively.



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

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

#### **11. PENDING ACCOUNTING PRONOUNCEMENTS**

In February 2016, FASB issued ASU 2016-02, *Leases*, which, among other things, requires the recognition of lease assets and lease liabilities for operating leases on the statement of financial position for lessees, and the disclosure of key information about leasing arrangements. The standard is effective for fiscal years beginning after December 31, 2021. Early application is permitted. The standard will need to be applied retrospectively in the year adopted. It is management's responsibility to ensure appropriate adoption of ASU 2016-02.

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This standard provides additional guidance on how to record in-kind contributions and includes expanded disclosure requirements. ASU 2020-07 is effective for annual reporting periods in fiscal years that begin after June 15, 2021. Early application is permitted. The standard will need to be applied retrospectively in the year adopted. It is management's responsibility to ensure appropriate adoption of ASU 2020-07. Adoption of the standard is not expected to have a significant impact on the Organization's financial statements.

#### **12. RISKS AND UNCERTAINTIES**

As a result of significant disruption in the U.S. economy due to the outbreak of the COVID-19 coronavirus in 2020, uncertainties have arisen which potentially may impact future operating results. The duration and extent to which COVID-19 may impact the financial performance is being monitored closely by management.

#### **13. SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through July 20, 2021 the date which the financial statements were available to be issued.