

MOVEABLE FEAST, INC.

FINANCIAL STATEMENTS

**Years Ended December 31, 2021 and 2020
AND
INDEPENDENT AUDITORS' REPORT**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Moveable Feast, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Moveable Feast, Inc., which comprise the statements of financial position as of December 31, 2021 and 2020, 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 Moveable Feast, Inc. as of December 31, 2021 and 2020, 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 audit 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 the Financial Statements section of our report. We are required to be independent of Moveable Feast, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 Moveable Feast, Inc.'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 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 Moveable Feast, 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 Moveable Feast, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2023, on our consideration of Moveable Feast, Inc.'s control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Moveable Feast, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Moveable Feast, Inc.'s internal control over financial reporting and compliance.

The image shows a handwritten signature in black ink. The signature reads "Rubins & Company". The word "Rubins" is written in a large, cursive script, followed by an ampersand "&" and the word "Company" in a smaller, more upright cursive script.

January 25, 2023
Bethesda, Maryland

MOVEABLE FEAST, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents		
Unrestricted	\$ 1,256,265	\$ 1,645,889
Restricted - capital campaign	55,329	55,323
Total cash and cash equivalents	1,311,594	1,701,212
Contracts and grants receivable	442,919	223,820
Inventory - food	19,588	71,498
Prepaid and other	17,896	17,203
Investments	1,827,517	1,397,974
Investments - capital campaign	510,997	510,997
Total investments	2,338,514	1,908,971
Total current assets	4,130,511	3,922,704
Property and equipment, net	1,346,754	1,446,965
Security deposit	9,434	9,434
Total assets	\$ 5,486,699	\$ 5,379,103

LIABILITIES AND NET ASSETS

Note payable, Paycheck Protection Program	\$ -	\$ 349,900
Accounts payable	71,409	111,826
Accrued expenses	112,565	138,321
Total liabilities	183,974	600,047
Net assets		
Without donor restrictions		
Undesignated	4,480,753	3,815,015
Board designated	269,000	269,000
Total net assets without donor restrictions	4,749,753	4,084,015
With donor restrictions	552,972	695,041
Total net assets	5,302,725	4,779,056
Total liabilities and net assets	\$ 5,486,699	\$ 5,379,103

The accompanying notes are an integral part of these financial statements.

MOVEABLE FEAST, INC.
STATEMENT OF ACTIVITIES
Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Government grants	\$ 1,596,692	\$ 109,845	\$ 1,706,537
Contributions and non-government grants	1,189,814	375,000	1,564,814
In-kind donations	349,886	-	349,886
Special events, net \$146,554 of direct costs	534,090	-	534,090
Contracted services	505,162	-	505,162
Other income	10,798	-	10,798
Net assets released from restrictions	626,914	(626,914)	-
Total revenue and support	4,813,356	(142,069)	4,671,287
Expenses			
Program services	3,447,144	-	3,447,144
Supporting services			
General and administrative	566,668	-	566,668
Fundraising	365,534	-	365,534
Total expenses	4,379,346	-	4,379,346
Changes in net assets from operations	434,010	(142,069)	291,941
Non-operating activity			
Investment income	231,728	-	231,728
Changes in net assets	665,738	(142,069)	523,669
Net assets, beginning of year	4,084,015	695,041	4,779,056
Net assets, end of year	\$ 4,749,753	\$ 552,972	\$ 5,302,725

The accompanying notes are an integral part of these financial statements.

MOVEABLE FEAST, INC.
STATEMENT OF ACTIVITIES
Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Government grants	\$ 1,513,028	\$ 65,000	\$ 1,578,028
Contributions and non-government grants	1,076,358	547,401	1,623,759
In-kind donations	359,512	-	359,512
Special events, net \$113,932 of direct costs	755,684	-	755,684
Contracted services	380,831	-	380,831
Capital Campaign donor restricted gifts	-	4,789	4,789
Other income	5,246	-	5,246
Net assets released from restrictions	711,510	(711,510)	-
Total revenue and support	4,802,169	(94,320)	4,707,849
Expenses			
Program services	3,456,063	-	3,456,063
Supporting services			
General and administrative	633,029	-	633,029
Fundraising	256,965	-	256,965
Total expenses	4,346,057	-	4,346,057
Changes in net assets from operations	456,112	(94,320)	361,792
Non-operating activity			
Investment income	100,760	-	100,760
Changes in net assets	556,872	(94,320)	462,552
Net assets, beginning of year	3,527,143	789,361	4,316,504
Net assets, end of year	\$ 4,084,015	\$ 695,041	\$ 4,779,056

The accompanying notes are an integral part of these financial statements.

MOVEABLE FEAST, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2021

	Program Services	General and Administrative	Fundraising	Total
Salaries and related benefits	\$ 1,304,281	\$ 338,002	\$ 275,100	\$ 1,917,383
Professional fees and contracted services	94,013	81,741	46,889	222,643
Contract labor	34,061	-	-	34,061
Advertising	5	6,031	99	6,135
Community relations expense	-	10	234	244
Staff expense	11,185	34,799	4,452	50,436
Insurance	55,671	5,643	1,617	62,931
Leased equipment	10,493	1,822	972	13,287
Meeting costs	525	399	44	968
Permits and licenses	1,255	799	2,900	4,954
Postage and publications	6,146	4,289	3,967	14,402
Marketing and development	2,671	423	37,538	40,632
Supplies	24,161	2,102	344	26,607
Computer equipment and software costs	40,389	8,600	32,293	81,282
Telephone and internet costs	10,022	2,467	1,629	14,118
Lodging and venue costs	202	-	2,217	2,419
Utilities	114,534	33,258	5,176	152,968
Kitchen, food and disposables	1,169,487	-	-	1,169,487
Donated services	255,167	6,532	88,187	349,886
Equipment repairs	39,123	-	-	39,123
Equipment - non capital	500	460	-	960
Transportation	35,250	217	1,280	36,747
Repair and maintenance	42,028	-	-	42,028
Bank and credit card fees	-	3,125	-	3,125
Depreciation expense	195,325	35,731	7,150	238,206
Miscellaneous	650	218	-	868
Sub-total	<u>3,447,144</u>	<u>566,668</u>	<u>512,088</u>	<u>4,525,900</u>
Less: expenses netted against revenues on statement of activities for special event costs	<u>-</u>	<u>-</u>	<u>(146,554)</u>	<u>(146,554)</u>
Total expenses	<u>\$ 3,447,144</u>	<u>\$ 566,668</u>	<u>\$ 365,534</u>	<u>\$ 4,379,346</u>

The accompanying notes are an integral part of these financial statements.

MOVEABLE FEAST, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2020

	Program Services	General and Administrative	Fundraising	Total
Salaries and related benefits	\$ 1,251,182	\$ 271,059	\$ 246,129	\$ 1,768,370
Professional fees and contracted services	189,931	202,352	45,059	437,342
Contract labor	87,280	-	-	87,280
Advertising	-	4,503	1,650	6,153
Community relations expense	15	-	210	225
Staff expense	4,355	7,624	5,127	17,106
Insurance	44,575	14,964	1,802	61,341
Leased equipment	10,676	1,969	2,469	15,114
Meeting costs	72	221	-	293
Permits and licenses	2,250	155	2,265	4,670
Postage and publications	2,898	2,569	4,099	9,566
Marketing and development	1,501	1,091	10,421	13,013
Supplies	21,052	2,202	600	23,854
Computer equipment and software costs	50,244	8,205	35,551	94,000
Telephone and internet costs	14,374	2,563	1,576	18,513
Rent	-	8,400	-	8,400
Lodging and venue costs	-	-	171	171
Utilities	113,760	25,808	5,141	144,709
Kitchen, food and disposables	1,046,877	-	-	1,046,877
Donated services	328,256	31,256	-	359,512
Equipment repairs	27,207	-	-	27,207
Equipment - non capital	5,963	-	-	5,963
Transportation	30,680	165	1,258	32,103
Repair and maintenance	27,361	-	-	27,361
Bank and credit card fees	-	4,520	-	4,520
Depreciation expense	195,502	36,101	7,244	238,847
Miscellaneous	52	120	125	297
Bad debt expense	-	7,182	-	7,182
Sub-total	<u>3,456,063</u>	<u>633,029</u>	<u>370,897</u>	<u>4,459,989</u>
Less: expenses netted against revenues on statement of activities for special event costs	<u>-</u>	<u>-</u>	<u>(113,932)</u>	<u>(113,932)</u>
Total expenses	<u>\$ 3,456,063</u>	<u>\$ 633,029</u>	<u>\$ 256,965</u>	<u>\$ 4,346,057</u>

The accompanying notes are an integral part of these financial statements.

MOVEABLE FEAST
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ 523,669	\$ 462,552
Reconciling adjustments:		
Depreciation and amortization	238,207	238,846
Allowance and discount of pledges receivable	-	(3,167)
Net realized and unrealized gains on marketable securities	(198,019)	(83,462)
Forgiveness of Paycheck Protection Program Loan	(349,900)	-
Changes in operating assets and liabilities:		
Contracts and grants receivable	(219,099)	122,581
Pledges receivable - capital campaign	-	3,167
Inventory - food	51,910	(35,965)
Prepaid and other	(693)	69
Accounts payable	(40,417)	(9,242)
Accrued expenses	(25,756)	(65,165)
Net cash (used) provided by operating activities	(20,098)	630,214
Cash flows from investing activities:		
Purchases of investments	(1,868,969)	(33,254)
Sales of investments	1,637,445	316,675
Acquisition of property and equipment	(137,996)	(65,864)
Net cash (used) provided by investing activities	(369,520)	217,557
Cash flows from financing activities:		
Proceeds from Paycheck Protection Program note payable	-	349,900
Net cash provided by financing activities	-	349,900
Net change in cash and cash equivalents	(389,618)	1,197,671
Cash and cash equivalents, beginning of year	1,701,212	503,541
Cash and cash equivalents, end of year	\$ 1,311,594	\$ 1,701,212

The accompanying notes are an integral part of these financial statements.

MOVEABLE FEAST, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2021 and 2020

1. Organization

Moveable Feast, Inc. (the Organization) is a nonprofit, non-stock corporation founded in 1989 and incorporated under the laws of the State of Maryland. The Organization provides home-delivered, medically tailored meals and other services to people in Maryland living at the intersection of food insecurity and chronic illness. Home-delivered meals are coupled with Medical Nutrition Therapy provided by registered Dietitian Nutritionists. The Organization's service area expands beyond Baltimore City to include the five surrounding counties and the entire nine counties comprising Maryland's Eastern Shore. Moveable Feast also provides a Medical Transportation program for people in Baltimore City living with HIV.

Volunteers and community members donate their time, talent, and treasure, to help feed people, fortify health, and foster hope. All services are provided at no cost to those the Organization serves and specifically cater to people who are unable to afford, prepare, or access nutritious food. As part of the national Food is Medicine Coalition, the Organization seeks to break down barriers to health access and improve the lives of thousands of Marylanders who are chronically ill.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements are presented in accordance with the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles, which requires the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time.

MOVEABLE FEAST, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2021 and 2020

2. Summary of Significant Accounting Policies (continued)

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Organization's ongoing services. Non-operating activities are limited to resources that are considered to be of a more unusual or nonrecurring nature.

Cash and Cash Equivalents

Cash includes interest and noninterest bearing operating accounts with insured financial institutions. Deposits often exceed federally insured limits. Management, however, does not consider this a significant concentration of credit risk. Cash equivalents at December 31, 2021 and 2020, include money market accounts. Cash and cash equivalents exclude such amounts included with the investment pool as those funds are part of the investment strategy and portfolio.

Investments

Investments purchased are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair market value in the statements of financial position. Net investment return (loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses.

MOVEABLE FEAST, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2021 and 2020

2. Summary of Significant Accounting Policies (continued)

Contracts and Grants Receivable

Accounts receivable consist primarily of noninterest-bearing amounts due for contracted services and are carried at original invoice amount less an estimate of doubtful accounts based on a review of all outstanding amounts. The Organization determines the allowance for uncollectible accounts receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectible. Accounts receivable are deemed to be fully collectible; therefore, no allowance for doubtful accounts is recorded as of December 31, 2021 and 2020.

Inventory

Inventory consists of food and other kitchen supplies and is stated at cost. Cost is determined using the weighted-average method.

Property and Equipment

The Organization records property and equipment additions over \$1,000 at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from three to thirty years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are currently expensed.

MOVEABLE FEAST, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2021 and 2020

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition

Contributions

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 have been met.

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a 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 statement of activities as net assets released from restrictions.

Contract and Grant Revenue

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and 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 qualifying expenditures are reported as refundable advances in the statement of financial position. At December 31, 2021 and 2020, all cost-reimbursable grants have been recognized because the qualifying expenditures have been incurred.

Non-federal grants that are with or without donor restrictions are recorded as grant revenue in the year notification is received from the donor. Grants with donor restrictions are recognized as support without restriction only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Such funds in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying financial statements.

MOVEABLE FEAST, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2021 and 2020

2. Summary of Significant Accounting Policies (continued)

Contracted Services

A portion of the Organization's revenue is derived from contracted meal services with state and non-federal entities, which are conditioned upon certain performance obligations. Revenue is recognized once services have been performed. Due to the nature and timing of the performance of services, there was not deferred revenue under contracted services for the years ended December 31, 2021 and 2020.

Special Events

Special event fees and sponsorships are directly related to fundraising and are recorded as revenue when the events occur. Expenses related to the direct donor benefit portion of the special events are reported as decreases to special event fees and sponsorships on the statements of activities.

Capital Campaign Contributions

During the year ended December 31, 2014, the Organization initiated the Capital Campaign to raise \$2.5 million for capital improvements and renovations. Contributions for the Capital Campaign are maintained in restricted cash and investment accounts as reported on the statement of financial position. There were no pledges outstanding for the Capital Campaign for the years ended December 31, 2021 and 2020. (Note 5).

Donated Services and In-Kind Contributions

Donated Services are recognized as contributions if the services (a) create or enhance a nonfinancial asset or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. The Organization received donated services for professional legal services and from a variety of unpaid volunteers assisting in preparing and delivering meals. During 2021 and 2020, volunteers donated to the Organization, approximately 8,900 and 9,300 hours, respectively.

Donated services meeting the requirements for recordation in the financial statements have been recorded at the respective fair values of the services received. Contributed goods are recorded at fair value at the date of donation (Note 11).

MOVEABLE FEAST, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2021 and 2020

2. Summary of Significant Accounting Policies (continued)

Concentrations

The Organization currently receives a substantial amount of its support from the federal government in the form of grants. A significant reduction in the level of this support, if this were to occur, may have a significant effect on the Organization's programs and activities.

Advertising Costs

Advertising costs are expensed as incurred, and approximated \$6,135 and \$6,153 for the years ended December 31, 2021 and 2020, respectively.

Functional Expense Allocations

The costs of providing various programs and other activities of the Organization have been summarized on a functional basis in the statement of activities. Expenses are allocated among the programs and supporting services based upon the functions they directly benefit and management's estimates of overhead and other indirect expenses applicable to each function, using primarily direct labor costs.

Tax Status

Moveable Feast, Inc. is a publicly supported organization, exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except as to income from unrelated business activities, if any. Tax years ended December 31, 2018 through 2020, remain open to examination by the taxing jurisdictions to which the Organization is subject, and they have not been extended beyond the applicable statute of limitations.

Uncertainty in Income Taxes

Moveable Feast, Inc. has a process in place to ensure the maintenance of its exempt-status; to identify and report unrelated business income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

MOVEABLE FEAST, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2021 and 2020

2. Summary of Significant Accounting Policies (continued)

Fair Value Measurements

The Organization reports its fair value measures using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by generally accepted accounting principles, gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The fair value hierarchy is as follows:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities that the Organization can access.
- Level 2: Inputs to the valuation methodology include:
 - Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in inactive markets;
 - Inputs other than quoted prices that are observable for the asset or liability;
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported as of the end of the reporting period. For the years ended December 31, 2021 and 2020, there was no significant transfers in or out of levels 1, 2 or 3.

MOVEABLE FEAST, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2021 and 2020

2. Summary of Significant Accounting Policies (continued)

The following is a description of the valuation methodologies used for assets measured at fair value:

- Investments in *money market funds* are valued at the net asset value (generally \$1) of shares held by the Organization at year-end reported in the listing of the applicable major exchanges. Such securities are classified within Level 1 of the valuation hierarchy.
- Investments in *mutual funds* are valued at net asset value, reported daily in the active exchanges, of shares held by the Organization at year-end. Such securities are classified within Level 1 of the valuation hierarchy.
- Investments in *fixed annuities* are valued at cost, plus fixed account guaranteed interest specified in the annuity contract. Such securities are classified within Level 2 of the valuation hierarchy.

Pending accounting pronouncements

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842). The guidance in this ASU supersedes the leasing guidance in Topic 840, Leases. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. The new standard is effective for the Organization for the year beginning January 1, 2022. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Organization is currently evaluating the impact of the adoption of this guidance on the financial statements.

Subsequent Events

Management has evaluated subsequent events through January 25, 2023, the date the financial statements were available to be issued.

MOVEABLE FEAST, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2021 and 2020

3. Availability and Liquidity

The following reflects the Organization's financial assets at December 31, 2021 and 2020, reduced by amounts not available for general use within one year of the statement of financial position date because of donor imposed restrictions and internal board designations. Amounts not available include amounts set aside for long-term investing in the board designated reserves that could be drawn upon if the governing board approves that action.

	2021	2020
Cash and cash equivalents		
Unrestricted	\$ 1,256,265	\$ 1,645,889
Restricted - capital campaign	55,329	55,323
Total cash and cash equivalents	1,311,594	1,701,212
Grants, contracts and contributions receivable, net	442,919	223,820
Investments	2,338,514	1,908,971
Total financial assets	4,093,027	3,834,003
Net asset restrictions:		
With donor restrictions	(552,972)	(695,041)
Board designations:	(269,000)	(269,000)
Financial assets available to meet cash needs for general expenditures within one year	\$ 3,271,055	\$ 2,869,962

The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses. As part of its liquidity plan, excess cash is invested in short-term investments, including money market accounts and certificates of deposit.

MOVEABLE FEAST, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2021 and 2020

4. Investments

Investments at fair value consist of the following at December 31, 2021 and 2020:

	Fair Value Levels (Note 2)	2021	2020
Cash and money market funds	1	\$ 43,230	\$ 820,363
Mutual funds	1	2,144,130	940,562
Fixed annuities	2	151,154	148,046
Total investments		\$ 2,338,514	\$ 1,908,971

Investments are reported at fair values at year-end. See Note 2 for a discussion of fair value measurements. The investments are subject to market risks, and their values fluctuate daily. Due to the level of risk associated with investment securities, changes in the values of investment securities will occur in the near term, and such changes could materially affect the Organization's financial position.

5. Property and Equipment

Property and equipment consist of the following at December 31, 2021 and 2020:

	2021	2020
Buildings and improvements	\$ 1,897,483	\$ 1,897,483
Kitchen equipment	536,653	511,843
Transportation equipment	421,332	425,083
Furniture and fixtures	296,817	291,128
	3,152,285	3,125,537
Less: accumulated depreciation and amortization	(1,805,531)	(1,678,572)
Property and equipment, net	\$ 1,346,754	\$ 1,446,965

Depreciation expense totaled \$238,207 and \$238,846 for the years ended December 31, 2021 and 2020, respectively.

MOVEABLE FEAST, INC.
NOTES TO FINANCIAL STATEMENTS
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6. Line of Credit

The Organization has a line of credit up to \$100,000 as of December 31, 2021 and 2020. There was no outstanding balance on the line of credit as of December 31, 2021 and 2020. The interest rate on the line of credit is variable, based on the prime rate. As of December 31, 2021 and 2020, the interest rate was 5.75%.

7. Leases

Moveable Feast, Inc. leased its kitchen facilities and office facilities through a seven-year lease beginning in December 2007. The base rent was \$55,404, with a 3% escalation clause each year. During the year ended December 31, 2014, the lease expired which resulted in a month-to-month lease with CAM (common area maintenance) charges only until new terms are negotiated. CAM charges totaled approximately \$126,000 for both 2021 and 2020 and were included with utilities expense.

In addition, the Organization has a month-to-month lease agreement with an unrelated entity. Rent expense for the years ended December 31, 2021 and 2020, totaled \$0 and \$8,400, respectively.

8. Net Assets with Donor Restrictions

Net asset with donor restrictions were designated by donors for the following purposes as of December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Capital Campaign (Note 2)	\$ 532,718	\$ 562,718
Foundation grants	<u>20,254</u>	<u>132,323</u>
	<u>\$ 552,972</u>	<u>\$ 695,041</u>

Net assets with donor restrictions were released from restrictions as follows during the year ended December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Capital Campaign (Note 2)	\$ 30,000	\$ 27,836
Foundation grants	<u>596,914</u>	<u>683,674</u>
Total donor restricted net assets released	<u>\$ 626,914</u>	<u>\$ 711,510</u>

MOVEABLE FEAST, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2021 and 2020

9. Board-Designated Net Assets without Donor Restrictions

The Board of Directors of Moveable Feast, Inc. designated \$269,000 for the Capital Campaign (Note 2) in support of renovations and improvements for the years ended December 31, 2021 and 2020.

10. Donated Services and In-Kind Contributions

Moveable Feast, Inc. received donated professional services and materials as follows during the years ended December 31, 2021 and 2020:

<u>2021</u>	Program Services	Management and General	Fundraising and Development	Total
Kitchen services	\$ 203,812	\$ -	\$ -	\$ 203,812
Special event services	-	-	88,187	88,187
Legal services		6,532	-	6,532
Supplies	51,354	-	-	51,354
	<u>\$ 255,167</u>	<u>\$ 6,532</u>	<u>\$ 88,187</u>	<u>\$ 349,886</u>
<u>2020</u>				
Kitchen services	\$ 240,152	\$ -	\$ -	\$ 240,152
Special event services	-	-	33,199	33,199
Legal services	-	31,256	-	31,256
Supplies	54,905	-	-	54,905
	<u>\$ 295,058</u>	<u>\$ 31,256</u>	<u>\$ 33,199</u>	<u>\$ 359,512</u>

11. Retirement Plan

The Organization sponsors a tax-deferred annuity plan (the Plan) qualified under Section 403(b) of the Internal Revenue Code covering substantially all full-time employees. The Plan provides that employees may voluntarily contribute their earnings to the Plan, up to the maximum contribution allowed by the IRS. Employer contributions are discretionary and are determined and authorized by the Board of Directors each plan year. During both years ended December 31, 2021 and 2020, the Organization matched employee voluntary contributions up to 3% of eligible compensation. Total contributions were \$28,257 and \$29,852 for the years ended December 31, 2021 and 2020, respectively.

MOVEABLE FEAST, INC.
NOTES TO FINANCIAL STATEMENTS
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12. Paycheck Protection Program

On May 11, 2020, Moveable Feast received a loan for \$349,900 through the Paycheck Protection Program (PPP), as established by the CARES Act, which allows qualifying businesses to obtain federal funding for amounts not to exceed two and a half times average monthly payroll expenses.

Under the provisions of the CARES Act, the PPP proceeds must be used for eligible expenses, which includes payroll, benefits, rent and utilities. The eligible expenses may be forgiven if such expenses are incurred during the 24-week period after receipt of the PPP funding and if Moveable Feast maintains its pre-pandemic staffing levels. Moveable Feast has used the proceeds for expenses consistent with the PPP provisions. Management believes that the use of the loan proceeds meet the conditions for forgiveness.

For amounts received, but not forgiven, the excess proceeds will convert to a note payable, with a maturity date in May 2022 and accruing interest at 1.00% per annum. Under the provisions of the CARES Act, payments are deferred for six months and there is no collateral or guarantee requirements.

During the year ended December 31, 2021, Moveable Feast determined those expenses which were expected to meet the forgiveness conditions under the provisions of the CARES Act. On May 17, 2021, Moveable Feast received notification of approval of the PPP loan forgiveness application. For the year ended December 31, 2021, \$349,900 of PPP loan proceeds were recorded as contributions and non-government grants in the statement of activities for the year ended December 31, 2021.