FEEDING CHARLOTTE, INC.

FINANCIAL STATEMENTS
DECEMBER 31, 2020

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Feeding Charlotte, Inc.
Charlotte, North Carolina

We have audited the accompanying financial statements of Feeding Charlotte, Inc. (the "Organization" - a nonprofit corporation), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 of 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 in the first paragraph present fairly, in all material respects, the financial position of Feeding Charlotte, Inc., as of December 31, 2020 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

C. DeWitt Foard & Company, P.A.
February 1, 2021

MEMBER: AMERICAN INSTITUTE OF CPAS & NORTH CAROLINA ASSOCIATION OF CPAS

FEEDING CHARLOTTE INC.
Statement of Financial Position
December 31, 2020

ASSETS

Current Assets:		
Cash	$	43,285
Prepaid expenses		1,824
Total Current Assets		45,109
TOTAL ASSETS	***$***	***45,109***

LIABILITIES AND NET ASSETS

Current Liabilities:		
Accounts payable	$	-
Total Current Liabilities		-
Net Assets:		
Without donor restrictions		45,109
Total Net Assets		45,109
TOTAL LIABILITIES AND NET ASSETS	***$***	***45,109***

FEEDING CHARLOTTE INC.

Statement of Activities

Year Ended December 31, 2020

SUPPORT AND REVENUE

Contributions	$	56,054
Donated food		84,442
TOTAL SUPPORT AND REVENUE		***140,496***

EXPENSES

Program services		96,177
Management and general		2,256
Fundraising		1,962
TOTAL EXPENSES		***100,395***
CHANGE IN NET ASSETS		***40,101***
NET ASSETS WITHOUT DONOR RESTRICTIONS, BEGINNING		***5,008***
NET ASSETS WITHOUT DONOR RESTRICTIONS, ENDING	***$***	***45,109***

FEEDING CHARLOTTE INC.

Statement of Functional Expenses

Year Ended December 31, 2020

	Program Services	Management and General	Fundraising	TOTALS
Food distributed	$ 95,296	$ -	$ -	$ 95,296
Insurance	300	1,200	-	1,500
Administrative	-	804	-	804
Printing	220	-	428	648
Advertising	-	-	623	623
Bank fees	-	-	587	587
Technology	-	-	324	324
Website	271	-	-	271
Board expenses	-	152	-	152
Contract services	-	100	-	100
Benevolence	90	-	-	90
TOTAL EXPENSES	***$ 96,177***	***$ 2,256***	***$ 1,962***	***$ 100,395***

FEEDING CHARLOTTE INC.

Statement of Cash Flows

Year Ended December 31, 2020

OPERATING ACTIVITIES

Change in net assets	$	40,101
Adjustments to reconcile change in net assets to cash flows from operating activities:		
(Increase) decrease in operating assets:		
Prepaids		(1,824)
Cash Flows from Operating Activities		***38,277***
CHANGE IN CASH		***38,277***
CASH, BEGINNING		***5,008***
CASH, ENDING	***$***	***43,285***

NOTE 1 – NATURE OF ACTIVITIES

Organization
Feeding Charlotte Inc. (the Organization) is a nonprofit organization incorporated in the state of North Carolina, classified as a tax-exempt public charity under section 501(c)(3) of the Internal Revenue Code. The Organization collects fresh, unserved, surplus meals from restaurants, caterers, and institutions and delivers the meals to local nonprofits who feed the hungry in order to reduce food waste and ease hunger.

Funding sources
The Organization is supported primarily by voluntary contributions and grants that are received primarily from individuals, companies, and foundations.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting
The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions – These amounts are not subject to any donor-imposed stipulations and are those currently available for use in the day-to-day operation of the Organization.

Net assets with donor restrictions – These amounts consist of temporarily restricted net assets and permanently restricted net assets. Temporarily restricted net assets are subject to donor-imposed stipulations that may or will be met, either by actions of the Organization or the passage of time. When a restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Temporarily restricted contributions whose restrictions are accomplished in the period received are reported as net assets without donor restrictions. Permanently restricted net assets are subject to donor-imposed stipulations that they be maintained permanently by the Organization. The Organization had no remaining temporarily restricted or permanently restricted net assets.

Presentation
Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are recorded as decreases in net assets without donor restrictions. Unconditional promises to give are recorded when the promise is made. Conditional promises to give are not recognized until they become unconditional. This occurs when the conditions on which they depend are substantially met.

Revenue recognition
During the year ended December 31, 2020, the Organization adopted the requirements of the Financial Accounting Standards Board's Accounting Standards Update No. 2014-09, "*Revenue from Contracts with Customers (Topic 606)*" ("ASU 2014-09"). The core principle of Topic 606 is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The implementation of ASU 2014-09 had no impact on the accompanying financial statements.

Donated goods and services
Donated services are reported as contributions when the services (a) create or enhance nonfinancial assets or (b) would be purchased if they had not been provided by contribution, require specialized skills, and are provided by individuals possessing those skills. Donated equipment or materials, if significant, are included in support at fair value. During the year, the Organization recorded $84,442 of donated food, which represented 48,530 pounds of food. Donated food was valued at the approximate average wholesale value of one pound of donated product at the national level as outlined in the Product Valuation Survey Methodology, prepared by Feeding America, a national food bank network non-profit corporation. The value per pound of inventory as determined by Feeding America was $1.74 for the year. The Organization recorded no contributed services or donated equipment.

In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization with program services, management and general, and fundraising efforts. The Organization does not record the value of other donated services in its financial statements since the value of the services does not meet the requirements for recognition in the financial statements.

Functional expenses
The Organization's activities are focused in three functional areas. Program services represent the primary focus of the Organization's activities. Supporting services are fundraising activities and general and administrative activities. All expenses are allocated on an analysis of the various expenses that comprise those costs.

Federal income tax status
The Organization is exempt from Federal income tax under Internal Revenue Code Section 501(c)(3). The Organization is classified as other than a private foundation as defined by Section 509(a) of the Internal Revenue Code.

Use of estimates
The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of support, revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3 – CONCENTRATION OF RISKS

Geographic area
The Organization operates in a small geographic area, and therefore is sensitive to changes in the local economy.

Revenue
The Organization receives the majority of its funding from a limited number of funding sources. The top three contributors provided 58 percent of the Organization's support. Any significant reduction in funding, if this were to occur, could have a significant effect on the Organization's programs and activities.

NOTE 4 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization has $43,285 of cash available to meet cash needs for general expenditures. None of the cash is subject to donor or other contractual restrictions that make it unavailable for general expenditure within one year of the balance sheet date. The Organization has a policy to structure its cash to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 5 – UNCERTAINTY

COVID-19
The COVID-19 pandemic has resulted in major changes in the local economy. At this point, the full impact of this pandemic on the Organization is unknown; however, the Board of Directors believes although operations could be affected negatively, there is greater awareness of the needs of local food banks.

NOTE 6 – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events from the date of the statement of financial position through the date of the audit report, which is the date the financial statements were available to be issued. During this period no material subsequent events were identified.