



MAKE FOOD NOT WASTE

FINANCIAL STATEMENTS

*Year Ended September 30, 2024
(with comparative totals for September 30, 2023)*

MAKE FOOD NOT WASTE

Independent Accountant's Review Report	1
---	----------

Financial Statements

Statements of Financial Position	2
Statement of Activities	3
Statements of Functional Expenses	4
Statements of Cash Flows	6
Notes to Financial Statements	7

Independent Accountant's Review Report

To Management and the Board of Directors of
Make Food Not Waste
Detroit, Michigan

We have reviewed the accompanying financial statements of Make Food Not Waste (a not-for-profit organization), which comprise the statement of financial position as of September 30, 2024 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Make Food Not Waste and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Schlaupitz Madhavan, P.C.

April 4, 2025

STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2024 AND 2023

	ASSETS	2024	2023
Current assets			
Cash and cash equivalents		\$ 172,256	\$ 170,162
Grants receivable		73,072	-
Other current assets		<u>2,000</u>	<u>2,000</u>
Total current assets		247,328	172,162
Property and equipment, net		<u>10,700</u>	<u>14,980</u>
		<u><u>\$ 258,028</u></u>	<u><u>\$ 187,142</u></u>
LIABILITIES AND NET ASSETS			
Current liabilities			
Accounts payable		\$ 47,137	\$ -
Credit card payable		<u>2,040</u>	<u>2,297</u>
Total current liabilities		49,177	2,297
Net assets			
Net assets without donor restrictions		121,138	171,345
Net assets with donor restrictions		<u>87,713</u>	<u>13,500</u>
Total net assets		<u>208,851</u>	<u>184,845</u>
		<u><u>\$ 258,028</u></u>	<u><u>\$ 187,142</u></u>

STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2024

(with comparative totals for the year ended September 30, 2023)

	2024			2023
	Without donor restrictions	With donor restrictions	Total	Total
Support and revenue				
Contributions	\$ 241,537	\$ -	\$ 241,537	\$ 239,406
Contributions of nonfinancial assets	252,810	-	252,810	244,732
Earned revenue	22,100	-	22,100	12,362
Grant income	369,967	103,000	472,967	125,950
Interest income	2,874	-	2,874	-
Total support and revenue before releases	889,288	103,000	992,288	622,450
Net assets released from restrictions	28,787	(28,787)	-	-
Total support and revenue	918,075	74,213	992,288	622,450
Expenses				
Program services	858,800	-	858,800	476,761
Management and general	87,857	-	87,857	113,089
Fundraising	21,625	-	21,625	22,239
Total expenses	968,282	-	968,282	612,089
Increase (decrease) in net assets	(50,207)	74,213	24,006	10,361
Net assets, beginning of year	171,345	13,500	184,845	174,484
Net assets, end of year	<u>\$ 121,138</u>	<u>\$ 87,713</u>	<u>\$ 208,851</u>	<u>\$ 184,845</u>

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2024

	Program services			Management and general	Fundraising	Total functional expenses
	Kitchen	City projects	Total program services			
Advertising and marketing	\$ -	\$ -	\$ -	\$ 6,409	\$ -	\$ 6,409
Bank charges	-	-	-	199	-	199
Depreciation expense	4,280	-	4,280	-	-	4,280
Employee benefits	12,311	-	12,311	-	-	12,311
Fundraising expense	-	-	-	-	13,925	13,925
Insurance	20,631	-	20,631	1,175	-	21,806
Kitchen food and supplies	249,964	-	249,964	-	-	249,964
Meals and entertainment	-	-	-	224	-	224
Memberships and licenses	-	-	-	810	-	810
Professional fees	-	-	-	59,389	-	59,389
Rents	39,000	-	39,000	-	-	39,000
Salaries and payroll taxes	223,288	60,066	283,354	7,700	7,700	298,754
Subcontracted wages	44,736	204,524	249,260	-	-	249,260
Travel expenses	-	-	-	3,413	-	3,413
Other operating expenses	-	-	-	8,538	-	8,538
Total functional expenses	<u>\$ 594,210</u>	<u>\$ 264,590</u>	<u>\$ 858,800</u>	<u>\$ 87,857</u>	<u>\$ 21,625</u>	<u>\$ 968,282</u>

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2023

	Program services	Management and general	Fundraising	Total functional expenses
Advertising and marketing	\$ 7,198	\$ -	\$ -	\$ 7,198
Bank charges	-	11	-	11
Depreciation expense	4,280	-	-	4,280
Employee benefits	-	2,689	-	2,689
Fundraising expense	-	-	1,504	1,504
Insurance	7,500	2,815	-	10,315
Kitchen food and supplies	230,892	-	-	230,892
Meals and entertainment	-	959	-	959
Memberships and licenses	-	1,830	-	1,830
Pledge	14,800	-	-	14,800
Professional fees	-	33,422	-	33,422
Rents	34,125	-	-	34,125
Salaries and payroll taxes	109,316	68,640	20,735	198,691
Subcontracted wages	67,046	-	-	67,046
Travel expenses	184	-	-	184
Utilities	1,035	-	-	1,035
Other operating expenses	-	3,108	-	3,108
Total functional expenses	<u>\$ 476,376</u>	<u>\$ 113,474</u>	<u>\$ 22,239</u>	<u>\$ 612,089</u>

STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Increase in total net assets	\$ 24,006	\$ 10,361
Adjustments to reconcile change in net assets to cash provided by operating activities		
Depreciation expense	4,280	4,280
Changes in operating assets and liabilities		
(Increase) decrease in		
Grants receivable	(73,072)	-
Contributions receivable	-	649
Other current assets	-	(2,000)
Increase (decrease) in		
Accounts payable	47,137	(353)
Credit card payable	(257)	291
Net cash provided by operating activities	<u>2,094</u>	<u>13,228</u>
Cash and cash equivalents, beginning of year	<u>170,162</u>	<u>156,934</u>
Cash and cash equivalents, end of year	<u><u>\$ 172,256</u></u>	<u><u>\$ 170,162</u></u>

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2024 AND 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Make Food Not Waste (the “Organization”) is a not-for-profit organization whose mission is to reduce the amount of food sent to landfills and slow climate change by creating lasting solutions to food waste through education, food upcycling and advocacy. The Organization receives its revenue primarily from contributions, grants and other fundraising activities. The Organization’s primary operation involves the preparation and distribution of curated, packaged meals created by professional chefs from surplus foods collected from farms, grocery stores, and other food distributors.

Basis of Presentation – The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) to focus on the Organization as a whole and to present transactions according to the existence or absence of donor-imposed restrictions. This has been accomplished by classification of transactions into two classes of net assets – net assets without donor restrictions and net assets with donor restrictions.

Net assets, revenues, support, expenses and gains or losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenues and support are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions, unless restricted by the donor or law. Expirations of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

The Organization’s operating revenue in excess of operating expense includes all operating revenues and expenses that are an integral part of its programs and supporting activities and the assets released from donor restrictions to support operating expenditures.

Cash and Cash Equivalents – The Organization considers all highly liquid investments purchased with original maturity of three months or less to be cash equivalents. The Organization maintains cash balances that at times throughout the year may exceed federally insured limited. Management does not believe the Organization is exposed to any significant interest rate or other financial risk as a result of these deposits.

Contributions Receivable – Contributions receivable (when applicable) are stated at the amount management expects to collect from outstanding balances. The Organization provides for probable uncollectible amounts through an expense in the statement of activities and a credit to a valuation allowance based on management’s assessment of the current status of individual accounts. Receivables are written off when deemed uncollectible through a charge to the valuation allowance. No allowance for uncollectible receivables has been recognized as of September 30, 2024 and 2023.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Grants Receivable – Grants receivable are stated at amounts management expects to collect on reimbursement grants.

Property and Equipment – Property and equipment with a cost in excess of \$2,500 and useful life in excess of one year is capitalized. Donations of property and equipment are capitalized at their estimated fair value at the date contributed. Property and equipment are depreciated using the straight-line method over the estimated useful lives. When fixed assets are sold or otherwise disposed of any gain or loss is included in the statement of activities. Management annually reviews these assets to determine whether carrying values have been impaired.

Contributions - Contributions, including unconditional promises to give, are recognized as support in the period received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend are substantially met. As of September 30, 2024 and 2023, no such contributions were unrecognized and reported as deferred revenue on the accompanying statement of financial position. Contributions received with donor-imposed restrictions that are met in the same year as received are reported as support in the net assets without donor restrictions class.

Contributions of Nonfinancial Assets – Donated goods for use by the Organization to support their mission are recorded as contributions of nonfinancial assets at their estimated fair value. The Organization records the fair value of contributed services in the financial statements if the services either (a) create or enhance a non-financial asset or (b) require specialized skills, are provided by persons possessing those skills and would need to be purchased if they were not donated. See Note 3 for detail of contributions of nonfinancial assets.

Functional Expense – The Organization accumulates and reports its expenses by function as for program services, management and general activities, or fundraising purposes. Program services are activities that fulfill the purposes or mission of the Organization. Management and general activities include governance recordkeeping, budgeting and administration other than for direct conduct of program services.

Income Taxes – The Organization is recognized by the Internal Revenue Service as an organization described in the Internal Revenue Code (IRC) section 501(c)(3) and is exempt from federal income tax under IRC Section 509(a). Although it was granted an income tax exemption by the Internal Revenue Service, such exemption does not apply to “unrelated business taxable income.” Such income, pursuant to the Internal Revenue Code and related regulations, includes investment income such as interest received from sources other than directly from contributors. The Organization is not a private Organization. There were no temporary timing differences at September 30, 2024 and as such no deferred taxes have been recorded.

The Organization analyzes its income tax filing positions in the federal and state jurisdictions where it is required to file income tax returns, for all open tax years in these jurisdictions, to identify any potential uncertain tax positions.

The Organization concluded that there are no significant uncertain tax positions requiring recognition in the financial statements. The Organization does not expect the total amount of unrecognized tax benefits (“UTB”) (e.g. tax deductions, exclusions, or credits claimed or expected to be claimed) to significantly change in the next twelve months. The Organization does not have any amounts accrued for interest and penalties related to UTBs at September 30, 2024, and it is not aware of any claims for such amounts by federal or state income tax authorities.

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2024 AND 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported periods. Actual results could differ from those estimates.

Reclassification – Certain amounts in the 2023 financial statements have been reclassified to conform to the current year's presentation. These reclassifications had no effect on previously reported change in net assets, total assets, or total liabilities.

Management's Review of Subsequent Events – Events or transactions occurring after year-end through April 4, 2025, which is the date the financial statements were available to be issued, have been evaluated by management in the preparation of the financial statements.

NOTE 2 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following for the years ended September 30:

	<u>Estimated Life in Years</u>	<u>2024</u>	<u>2023</u>
Vehicles	5	\$ 21,400	\$ 21,400
Less: accumulated depreciation		<u>10,700</u>	<u>6,420</u>
Property and equipment, net		<u>\$ 10,700</u>	<u>\$ 14,980</u>

Depreciation expense for the years ended September 30, 2024 and 2023 was \$4,280.

NOTE 3 – CONTRIBUTIONS OF NONFINANCIAL ASSETS

Contributed nonfinancial assets recognized within the statement of activities includes the following for the years ended September 30:

	<u>2024</u>	<u>2023</u>
Food and pantry items	\$ 193,000	\$ 192,000
Leased kitchen space	39,000	34,125
Fundraising event space	10,125	-
Contributed services	<u>10,685</u>	<u>18,607</u>
	<u>\$ 252,810</u>	<u>\$ 244,732</u>

The Organization reported donated food and pantry items as contributions of nonfinancial assets based on an estimated number of pounds donated and the estimated wholesale value of one pound of donated product of \$1.93 and \$1.92 per pound for the years ended September 30, 2024 and 2023, respectively. Certain other foods and pantry items were reported at estimated fair value of the items donated.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2024 AND 2023

NOTE 3 – CONTRIBUTIONS OF NONFINANCIAL ASSETS (Continued)

The Organization operates its meal preparation operations out of two locations, a local church's kitchen space and a local Salvation Army kitchen space. The use of these spaces is donated by the entities and reported at estimated fair value using average price per square foot for similar commercial property in the local area. There is no formal lease arrangements for the right to use either space.

The Organization reported the donation of rental space for a fundraising event as contributions of nonfinancial assets based on the fair market value of the cost it would have incurred to have rented that space.

The Organization reported contributions of nonfinancial assets for the donation of contributed professional services. These contributed services require specialized skills and would have otherwise been purchased by the Organization if not donated. The contribution was recorded at the fair market value using standard hourly rates typically charged for the services.

Contributions of nonfinancial assets that were utilized during the year are reported in the accompanying statements of functional expenses as follows:

	<u>2024</u>	<u>2023</u>
Program services	\$ 232,000	\$ 226,125
Management and general	10,685	18,607
Fundraising	<u>10,125</u>	<u>-</u>
	<u><u>\$ 252,810</u></u>	<u><u>\$ 244,732</u></u>

NOTE 4 – NET ASSETS WITH DONOR RESTRICTIONS

The Organization had assets subject to donor restrictions as listed below, for the year ended September 30:

	<u>2024</u>	<u>2023</u>
Subject to expenditures for specific purpose:		
Grant designated program expenses	<u><u>\$ 87,713</u></u>	<u><u>\$ 13,500</u></u>

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023**NOTE 5 - LIQUIDITY AND AVAILABILITY**

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

Financial assets held by Organization	
Cash and cash equivalents	\$ 172,256
Grants receivable	<u>73,072</u>
	245,328
Less amounts with limits on usage	
Spendable net assets with	
donor purpose restrictions	<u>87,713</u>
Total financial assets available	
for general use within one year	<u><u>\$ 157,615</u></u>