FOOD SECURITY FOR AMERICA, INC.

FINANCIAL STATEMENTS
and
INDEPENDENT AUDITOR'S REPORT

December 31, 2019 and 2018

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Food Security for America, Inc.

I have audited the accompanying statements of Food Security for America, Inc. (a non-profit corporation), which comprise the statements of financial position as of December 31, 2019 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. The financial statements of Food Service for America, Inc. as of December 31, 2018, were audited by other auditors whose report dated May 10, 2019, expressed an unqualified opinion on those 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

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with generally accepted auditing standards in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes 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 assessing 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Food Security for America, Inc. as of December 31, 2019 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..

Kimberly C. Schaeffer CPA

Atlanta, Georgia
November 15, 2020

FOOD SECURITY FOR AMERICA, INC.
STATEMENTS OF FINANCIAL POSTION
December 31, 2019 and 2018

	2019	2018
ASSETS		
Current Assets:		
Cash	$ 64,067	$ 39,263
Investments (Note 2)	8,117	-
Accounts Receivable	28,419	34,518
Total Current Assets	100,603	73,781
Total Assets	$ 100,603	$ 73,781
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	$ 6,677	$ 2,128
Total Liabilities	6,677	2,128
Total Liabilities	6,677	2,128
Net Assets:		
Without donor restrictions	93,926	71,653
With donor restrictions	-	-
Total Net Assets	93,926	71,653
Total Liabilities and Net Assets	$ 100,603	$ 73,781

See independent accountants audit report and notes to financial statements.

FOOD SECURITY FOR AMERICA, INC.
STATEMENTS OF ACTIVITIES
For the Years Ended December 31, 2019 and 2018

	2019	2018
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Support and Revenue:		
Donations and contributions	$ 179,483	$ 172,172
In-kind donations (Note 3)	331,710	323,431
Revenues and fees	8,821	9,911
	520,014	505,514
Net assets released from restrictions		
Satisfaction of program restricitions	25,203	22,828
Total Support and Revenues without donor restrictions	545,217	528,342
Expenses:		
Program services	486,180	471,617
Support services:		
Management and general	35,815	30,408
Fundraising	949	274
Total Expenses	522,944	502,299
Increase (Decrease) in Net Assets without donor restrictions	22,273	26,043
NET ASSETS WITH DONOR RESTRICTIONS		
Contributions and grants	25,203	22,828
Net assets released from restrictions	(25,203)	(22,828)
Increase (Decrease) in Net Assets with donor restrictions	-	-
Increase (Decrease) in Total Net Assets	22,273	26,043
Net Assets at Beginning of Year	71,653	45,610
Net Assets at End of Year	$ 93,926	$ 71,653

See independent accountants audit report and notes to financial statements.

FOOD SECURITY FOR AMERICA, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended December 31, 2019 and 2018

	2019				2018			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Salaries	$ 98,365	$ 16,400	$ -	$ 114,765	$ 94,716	$ 16,400	$ -	$ 111,116
Payroll taxes	7,525	1,255	-	8,780	7,760	1,533	-	9,293
Employee benefits	2,456	583	-	3,039	-	-	-	-
Total Salaries and related expenses	108,346	18,238	-	126,584	102,476	17,933	-	120,409
Food Expense	358,983	-	-	358,983	353,681	-	-	353,681
Contract services	1,140	7,200	-	8,340	-	7,200	-	7,200
Insurance	3,416	1,938	-	5,354	2,448	1,573	-	4,021
Meetings	-	1,682	-	1,682	2,429	-	-	2,429
Professional fees	-	5,250	867	6,117	-	3,530	-	3,530
Supplies	1,540	877	-	2,417	1,513	172	-	1,685
Telephone and communications	2,383	348	-	2,731	2,342	-	-	2,342
Travel and transportation	10,372	-	-	10,372	6,544	-	-	6,544
Other expenses	-	282	82	364	184	-	274	458
Total Expenses	$ 486,180	$ 35,815	$ 949	$ 522,944	$ 471,617	$ 30,408	$ 274	$ 502,299

The accompanying Notes to Financial Statements are an integral part of these statements.

FOOD SECURITY FOR AMERICA, INC.
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2019 and 2018

	2019	2018
Cash flows from operating activities:		
Change in net assets	$ 22,273	$ 26,043
Adjustments not requiring cash:		
(Increase)decrease in current assets:		
Investments	(8,117)	-
Grants Receivable	6,099	(30,542)
(Decrease)increase in current liabilities:		
Accounts payable	4,549	(1,170)
Net cash provided (used) by operations	24,804	(5,669)
Net cash provided (used) by investing activities	-	-
Net cash provided (used) by financing activities	-	-
Net increase (decrease) in cash and cash equivalents	24,804	(5,669)
Cash and cash equivalents, beginning of year	39,263	44,932
Cash and cash equivalents, end of year	$ 64,067	$ 39,263

See independent accountants audit report and notes to financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION AND NATURE OF ACTIVITIES

Food Security for America, Inc. is a nonprofit corporation whose purpose is to provide food to those in need in a way that affirms dignity and builds community. Founded in 2012, Food Security for America creates communities where struggling families can have their need for nutritious food me learn about healthy lifestyles, and receive the support of friends.

PUBLIC SUPPORT AND REVENUE

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Net assets are released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors.

IN-KIND CONTRIBUTIONS AND CONTRIBUTED SERVICES

Contributions of donated non cash assets are recorded at their fair values in the period received. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition of contributed services. These donations are detailed further in Note 3 below.

PROPERTY AND EQUIPMENT

Purchased property and equipment is recorded at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Maintenance and repairs are charged to expense as incurred; major renewals and betterments are capitalized. When items of property or equipment are sold or retired, the related cost and accumulated depreciation are removed from accounts and any gain or loss is included in revenues. Property and equipment are depreciated using the straight-line method over the estimated useful lives of the assets.

(continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

COST ALLOCATION

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include compensation and benefits, which are allocated on the basis of estimate of time and effort.

INCOME TAXES

The Organization is exempt from federal income taxation under Section 501 (c) (3) of the U.S. Internal Revenue Code and accordingly, no provision for income taxes is included in the financial statements. The Organization is classified as an organization which is not a private foundation under Section 509 (a) of the U.S. Internal Revenue Code.

CASH EQUIVALENTS

For purposes of that statement of cash flows, the Organization considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents.

ESTIMATES

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 15, 2020 the date on which the financial statements were available to be issued.

(continued)

NOTE 2 - INVESTMENTS

A brokerage account is maintained by the organization to facilitate the receipt of donations of stock. Any stock donations are subsequently sold and the funds transferred to the operating account. The balance in this account represents stock donations received in December 2019; these investments were sold subsequent to year end.

NOTE 3 - IN KIND DONATIONS AND CONTRIBUTED SERVICES

The organization receives significant donations of food from the Atlanta Community Food Bank. These donations are calculated by applying a valuation amount provided by Feeding America to the total poundage of food donations invoiced from the Atlanta Community Food Bank. For the years ended December 31, 2019 and 2018, these food donations totalled $324,510 and $316,231, respectively.

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are preformed by people with those skills, and would otherwise be purchased by the organization. If these conditions are met, then a contribution and an expense of equal amounts are recognized. For the years ended December 31, 2019 and 2018, the organization recognized in-kind donations of accounting services of $7,200.

NOTE 4 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the organization's financial assets as of the balance sheet date to meet cash needs for general expenditures:

	2019	2018
Financial assets at year end	$ 100,603	$ 73,781

None of the financial assets are subject to donor or other contractual restrictions that would make them unavailable for general expenditure within one year of the balance sheet date.