FOOD SECURITY FOR AMERICA, INC.

FINANCIAL STATEMENTS
and
INDEPENDENT AUDITOR'S REPORT

June 30, 2021

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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 June 30, 2021 and the related statements of activities, functional expenses, and cash flows for the eighteen months 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

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, I 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 June 30, 2021 and the changes in its net assets and its cash flows for the eighteen months then ended in accordance with accounting principles generally accepted in the United States of America..

Atlanta, Georgia
October 19, 2021

FOOD SECURITY FOR AMERICA, INC.
STATEMENTS OF FINANCIAL POSTION
June 30, 2021

ASSETS

Current Assets:	
Cash	$ 158,652
Investments (Note 2)	100
Accounts Receivable	28,876
Total Current Assets	187,628
Property and Equipment (Note 3)	45,252
Total Assets	$ 232,880

LIABILITIES AND NET ASSETS

Current Liabilities:	
Accounts payable	$ 104
Total Current Liabilities	104
Total Liabilities	104
Net Assets:	
Without donor restrictions	222,776
With donor restrictions (Note 4)	10,000
Total Net Assets	232,776
Total Liabilities and Net Assets	$ 232,880

See independent accountant's audit report and notes to financial statements.

FOOD SECURITY FOR AMERICA, INC.
STATEMENT OF ACTIVITIES
For the Eighteen Months Ended June 30, 2021

NET ASSETS WITHOUT DONOR RESTRICTIONS	
Support and Revenue:	
Donations and contributions	$ 393,354
In-kind donations (Note 5)	711,698
Revenues and fees	2,015
	1,107,067
Net assets released from restrictions	
Satisfaction of expenditure requirements (Note 6)	84,576
Total Support and Revenues without donor restrictions	1,191,643
Expenses:	
Program services	962,506
Support services:	
Management and general	79,105
Fundraising	21,183
Total Expenses	1,062,794
Increase (Decrease) in Net Assets without donor restrictions	128,850
NET ASSETS WITH DONOR RESTRICTIONS	
Contributions and grants	94,576
Net assets released from restrictions	(84,576)
Increase (Decrease) in Net Assets with donor restrictions	10,000
Increase (Decrease) in Total Net Assets	138,850
Net Assets at December 31, 2019	93,926
Net Assets at June 30, 2021	$ 232,776

See independent accountant's audit report and notes to financial statements.

FOOD SECURITY FOR AMERICA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Eighteen Months Ended June 30, 2021

	Program Services	Management and General	Fundraising	Total
Salaries	$ 160,490	$ 44,898	$ 14,966	$ 220,354
Payroll taxes	12,392	3,530	1,177	17,099
Employee benefits	1,286	643	214	2,143
Total Salaries and related expenses	174,168	49,071	16,357	239,596
Food Expense	759,021	-	-	759,021
Contract services (Note 5)	1,480	10,800	-	12,280
Insurance	10,591	4,539	-	15,130
Marketing/Fundraising	-	4,589	4,588	9,177
Professional fees	-	4,500	-	4,500
Supplies	1,303	1,302	-	2,605
Telephone and communications	6,009	668	-	6,677
Travel and transportation	15,586	1,732	-	17,318
Other expenses	238	1,904	238	2,380
Total Expense before Depreciation	968,396	79,105	21,183	1,068,684
(Gain) Loss on sale of assets	(7,500)	-	-	(7,500)
Depreciation expense	1,610	-	-	1,610
Total Expenses	$ 962,506	$ 79,105	$ 21,183	$ 1,062,794

See independent accountant's audit report and notes to financial statements.

FOOD SECURITY FOR AMERICA, INC.
STATEMENT OF CASH FLOWS
For the Eighteen Months Ended June 30, 2021

Cash flows from operating activities:	
Change in net assets	$ 138,850
Adjustments not requiring cash:	
Depreciation	1,610
(Gain) Loss on sale of assets	(7,500)
(Increase)decrease in current assets:	
Investments	8,017
Contributions Receivable	(457)
(Decrease)increase in current liabilities:	
Accounts payable	(6,573)
Net cash provided (used) by operations	133,947
Cash flows from investing activities:	
Proceeds from sale of assets	7,500
Purchase of vehicle	(46,862)
Net cash provided (used) by investing activities	(39,362)
Net cash provided (used) by financing activities	-
Net increase (decrease) in cash and cash equivalents	94,585
Cash and cash equivalents, December 31, 2019	64,067
Cash and cash equivalents, June 30, 2021	$ 158,652

See independent accountant's audit report and notes to financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION AND NATURE OF ACTIVITIES

Food Security for America, Inc. (the Organization) 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 met, 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.

CHANGE IN ACCOUNTING YEAR

Effective in 2020, the organization changed its financial year end from December 31 to June 30. Accordingly the financial statements reflect activity of the organization for 18 months.

SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 19, 2021 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 the account reflects the minimum amount necessary to maintain the account.

NOTE 3 - PROPERTY AND EQUIPMENT

The following is a summary of the furniture and equipment as of June 30, 2021:

Vehicles	$ 46,862
Less: Accumulated depreciation	(1,610)
	$ 45,252

In May 2021, the organization sold its truck to a former employee for $7,500. This truck had fully depreciated and the proceeds were recorded as a gain on the sale.

NOTE 4 - NET ASSETS

Net assets with donor restrictions are for the following purposes:

Program activities	
Food program grants	$ 10,000

(continued)

NOTE 5 - 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 eighteen months ended June 30, 2021 these food donations totalled $700,898.

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 eighteen months ended June 30, 2021 the organization recognized in-kind donations of accounting services of $10,800.

NOTE 6 - CONDITIONAL LOAN FORGIVENESS

1n April 2020, the organization received loan proceeds in the amount of $18,222 under the Paycheck Protection Program ("PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying business for amounts up to 2.5 times of the average monthly payroll expenses of a qualifying business. The loans and accrued interest are forgiveable after eight weeks as long as the borrower used the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels.

The loan was recognized as a conditional contribution and a liability was recorded upon receipt of the funds. As the conditions for forgiveness were met, the revenue was released into the general operating funds. The organization used the entire loan amount for qualifying expenses during the eighteen months ended June 30, 2021 and received full forgiveness of amount advanced.

(continued)

NOTE 7 - 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:

Financial assets at June 30, 2021	$ 177,628

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.