FOOD SECURITY FOR AMERICA, INC.
AUDITED FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED
JUNE 30, 2024

R. Michael LaBounty CPA, Incorporated
Certified Public Accountant
5 Sawgrass Run
Saint Simons Island, Georgia 31522

TABLE OF CONTENTS

Page

INDEPENDENT AUDITOR'S REPORT 1

STATEMENT OF FINANCIAL POSITION 3

STATEMENT OF ACTIVITIES 5

STATEMENT OF FUNCTIONAL EXPENSES 6

STATEMENT OF CASH FLOWS 7

NOTES TO THE FINANCIAL STATEMENTS 8

R. Michael LaBounty CPA, Incorporated
Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Food Security for America, Inc.
1099 Pinedale Dr., SE
Smyrna, GA 30080

Opinion

We have audited the accompanying financial statements of Food Security for America, Inc. (the Organization), which comprise the statement of financial position as of June 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Food Security for America, Inc. as of June 30, 2024, and the results of its operations and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Food Security for America, 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 opinion.

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 Food Security for America, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are 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 GAAS 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 judgement made by a reasonable user based on the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)
In performing an audit in accordance with GAAS, 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 Food Security for America, Inc. 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 Food Security for America, 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.

R. Michael LaBounty CPA, Incorporated
Saint Simons Island, Georgia
August 12, 2024

FOOD SECURITY FOR AMERICA, INC.
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2024

ASSETS

CURRENT ASSETS:	
Cash	$ 106,311
Certificates of deposit	58,561
Grants receivable	50,719
Prepaid expense	2,500
Total current assets	218,091
PROPERTY & EQUIPMENT:	
Vehicle	45,862
Equipment	2,967
Accumulated depreciation	(23,766)
Total property & equipment - net	25,063
OTHER ASSETS:	
Certificates of deposit	8,970
Total assets	$ 252,124

SEE INDEPENDENT AUDITOR'S REPORT AND ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS.

FOOD SECURITY FOR AMERICA, INC.
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS OF JUNE 30, 2024

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:	
Accounts payable	$ 10,301
Total current liabilities	10,301
NET ASSETS:	
Net assets without donor restrictions	241,823
Total net assets	241,823
Total liabilities and net assets	$ 252,124

SEE INDEPENDENT AUDITOR'S REPORT AND ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS.

FOOD SECURITY FOR AMERICA, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:		
REVENUES AND GAINS:		
Contributions	$	156,555
Sponsorships		102,441
Government grants		14,100
Service fees		11,653
Investment income		4,969
Donations in-kind		393,304
Total revenue and gains		683,022
EXPENSES:		
Program expenses		654,240
Fundraising expenses		6,543
General and administrative expenses		19,083
Total expenses		679,866
INCREASE IN TOTAL NET ASSETS		3,156
NET ASSETS, BEGINNING OF YEAR		238,667
NET ASSETS, END OF YEAR	$	241,823

SEE INDEPENDENT AUDITOR'S REPORT AND ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS.

FOOD SECURITY FOR AMERICA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

	Program Expenses	Fundraising Expenses	General & Administrative Expenses	Total Expenses
Food and supplies	$ 444,298	$ -	$ -	$ 444,298
Personnel	162,546	5,359	10,717	178,622
Transportation	18,649	615	1,230	20,493
Office expenses	9,802	323	646	10,771
Depreciation	7,727	-	-	7,727
Professional fees	-	246	6,490	6,736
Insurance	5,882	-	-	5,882
Information technology	5,337	-	-	5,337
Totals	$ 654,241	$ 6,543	$ 19,083	$ 679,866

SEE INDEPENDENT AUDITOR'S REPORT AND ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS.

FOOD SECURITY FOR AMERICA, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

CASH FLOWS (USED BY) OPERATING ACTIVITIES:		
Increase in net assets	$	3,156
Adjustments to reconcile increase in net assets to net cash (used by) operating activities		
Depreciation		7,727
(Increase) in grants receivable		(24,730)
(Increase) in prepaid expense		(2,500)
Increase in accounts payable		5,004
Net cash (used by) operating activities		(11,343)
CASH FLOWS (USED BY) INVESTMENT ACTIVITIES:		
Purchases of certificates of deposit		(14,657)
Net cash (used by) investment activities		(14,657)
(DECREASE) IN CASH		(26,000)
CASH , BEGINNING OF YEAR		132,311
CASH , END OF YEAR	$	106,311
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the year for:		
Interest	$	-
Income taxes	$	-

SEE INDEPENDENT AUDITOR'S REPORT AND ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS.

FOOD SECURITY FOR AMERICA, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

Founded and incorporated in 2011, Food Security of America, Inc. (the Organization) is a non-profit corporation operating out of facilities in Atlanta, Georgia. The Organization provides food for those in need in a way that affirms dignity and builds community.

Note A – Summary of Significant Accounting Policies

The Organization's Summary of Significant Accounting Policies is presented to assist in understanding its financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the statement's preparation. The financial statements and notes are representations of the Organization's management, who are responsible for their integrity and objectivity.

Basis of Accounting and Presentation - The Organization maintains its accounting records on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). The Organization reports information regarding its financial position and activities according to two classes of net assets as follows:

Net Assets without Donor Restrictions are not subject to or no longer subject to donor-imposed time and/or purpose restrictions.

Net Assets with Donor Restrictions whose use is limited by donor-imposed time and/or purpose restrictions.

Cash and Cash Equivalents - Cash and cash equivalents include all highly liquid investments purchased with an initial maturity of three months or less. As of June 30, 2024 there were no cash equivalents.

Property and Equipment - Purchased furniture, fixtures and office equipment are carried at cost. Donated furniture, fixtures and office equipment are carried at approximate fair value at the date of donation. Expenditures over $1,000 for furniture, fixtures and office equipment, with an estimated useful life of more than two years, are capitalized. Expenditures for repairs, maintenance, renewals and betterments that materially prolong an asset's useful life are capitalized. Expenses for repairs and maintenance that don't extend lives are expensed. Depreciation is provided under the straight-line method over each asset's estimated useful life ranging from three to ten years. Depreciation expense for the year ended June 30, 2024, was $7,727.

Grants and Pledges Receivable and Revenue Recognition –Grants receivable arise from services provided under the terms of the grants. Pledges receivable are recognized when a donor makes a written pledge to the Organization. Management annually evaluates the need for an allowance for uncollectable receivables based upon historical experience and aging of the receivables. As a result of that evaluation, no allowance was considered necessary as of June 30, 2024.

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606), which is a comprehensive new revenue recognition standard that did supersede existing revenue recognition guidance. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The Organization's revenue recognition policy meets the core principal requirements of Topic 606. Other aspects of Topic 606 do not apply to the Organization since it does not enter into contracts for any goods or services.

Note A – Summary of Significant Accounting Policies (Continued)

Grants and Pledges Receivable and Revenue Recognition (continued) Contributions are recognized when cash, other assets, an unconditional promise to give, or notification of beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as net assets without donor restrictions.

Donated Assets, Space and Services - The Organization has adopted the new standard on nonfinancial assets disclosures, ASU 2020-07. Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair values at the date of donation. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. During the year ended June 30, 2024, the Organization recognized $7,200 in-kind donations of services and $386,104 in-kind donations of food and supplies.

Leases - The Organization has adopted the new standard on leases, ASU 2016-02. The standard requires the lessee to recognize the right of use assets and lease obligations that arise from leases on the statement of financial position. The amounts recognized are based on the discounted future lease payments over the term of the lease. The adoption had no impact on any prior-year amounts or disclosures and there was no cumulative effect adjustment required to the opening balance of net assets.

Contributions – Unconditional promises to give, and contributions received are recorded as increases in net assets without donor restrictions or net asset with donor restrictions depending on the existence and/or nature of any donor restrictions. When restrictions expire (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. In the absence of donor restrictions to the contrary, restrictions on contributions of property or equipment or on assets restricted to acquiring property or equipment expire when the property or equipment is placed in service.

Functional Allocation of Expenses – The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The financial statements also report certain categories of expenses that are attributed to more than one function requiring allocation on a reasonable basis that is consistently applied. Costs are directly charged to the function they benefit. Personnel costs are allocated based on estimated time spent for each function. Rent and other occupancy costs are allocated based on allocation of square footage.

Fair Value of Financial Instruments - The Organization's financial instruments consist of cash, grants and pledges receivable, accrued liabilities and accounts payable. The carrying value of these instruments approximates fair value due to their relatively short-term nature.

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 affecting the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates.

Note A – Summary of Significant Accounting Policies (Continued)

Tax Exempt Status - The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). Income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. For the year ended June 30, 2024, the Organization did not have any unrelated business income and, accordingly, no unrelated business income tax. The Organization believes it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The Organization's income tax returns are subject to examination by the appropriate regulatory authorities, and as of June 30, 2024, the Organization's federal tax returns remain open to examination for the last three (3) years.

Note C – Liquidity and Availability of Financial Assets

The Organization's primary sources of support are grants and public support. Monthly cash outflows vary each year based on the number of programs operating. The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions or internal designations. Amounts available include donor-restricted amounts that are available for expenditure in the following year. Amounts not available include amounts set aside for operating and other reserves that could be drawn upon if the Organization approves the action.

The Organization's financial assets as of June 30, 2024 available within one year after this date to satisfy liabilities at this date and for future general expenditure are as follows:

Cash	$	106,311
Grants receivable		2,500
Financial assets available to meet cash needs for expenditures within one year	$	108,811

Note D – Concentrations of Credit and Other Risks

The Organization maintains its cash at financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). The FDIC-insured limit is $250,000 of deposits per financial institution. As of June 30, 2024, the Organization's balances did not exceed these insured limits. Management believes that the FDIC backing and the quality of the financial institution with which these amounts are deposited minimizes any potential risk of material loss. The Organization receives a majority of funding through contributions and grants. Future economic conditions or changes in funding could negatively impact the Organization's ability to continue their programs at the current level.

Note E – Subsequent Events

Management has evaluated events and transactions which occurred through August 12, 2024, which was the date the financial statements were available to be issued. Management has determined that no other events or transactions are required to be disclosed.