

Food for Others, Inc.

Financial Report
June 30, 2020

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Independent Auditor's Report

Board of Directors
Food for Others, Inc.

RSM US LLP

We have audited the accompanying financial statements of Food for Others, Inc. (FFO), which comprise the statement of financial position as of June 30, 2020, 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 from 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 FFO'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 FFO'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 above present fairly, in all material respects, the financial position of Food for Others, Inc. as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matter

The financial statements of Food for Others, Inc. as of and for the year ended June 30, 2019, were audited by other auditors whose report, dated October 15, 2019, expressed an unmodified opinion on those financial statements.

RSM US LLP

Washington, D.C.
November 3, 2020

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Food for Others, Inc.

Statements of Financial Position
June 30, 2020 and 2019

| | 2020 | 2019 |
|---------------------------------------------|------------------------|------------------------|
| Assets | | |
| Cash and cash equivalents | \$ 1,599,723 | \$ 408,227 |
| Promises to give and other receivables, net | 70,092 | 71,552 |
| Prepaid expenses and deposits | 37,572 | 24,688 |
| Inventory – food | 427,699 | 290,614 |
| Investments | 1,628,399 | 1,555,589 |
| Property and equipment, net | 210,238 | 61,720 |
| | <hr/> | <hr/> |
| Total assets | \$ 3,973,723 | \$ 2,412,390 |
| | <hr/> <hr/> | <hr/> <hr/> |
| Liabilities and Net Assets | | |
| Liabilities: | | |
| Accounts payable and accrued expenses | \$ 159,318 | \$ 60,324 |
| Deferred revenue | 25,050 | 46,310 |
| Total liabilities | <hr/> 184,368 | <hr/> 106,634 |
| Net assets: | | |
| Without donor restrictions | 3,652,316 | 2,176,219 |
| With donor restrictions | 137,039 | 129,537 |
| Total net assets | <hr/> 3,789,355 | <hr/> 2,305,756 |
| | <hr/> | <hr/> |
| Total liabilities and net assets | \$ 3,973,723 | \$ 2,412,390 |
| | <hr/> <hr/> | <hr/> <hr/> |

See notes to financial statements.

Food for Others, Inc.

Statements of Activities

Years Ended June 30, 2020 and 2019

| | 2020 | | | 2019 | | |
|-----------------------------------------|------------------------------|---------------------------|------------------|------------------------------|---------------------------|------------------|
| | Without Donor Restriction | With Donor Restriction | Total | Without Donor Restriction | With Donor Restriction | Total |
| Revenue: | | | | | | |
| Donated goods, utilities and facilities | \$ 3,792,782 | \$ - | \$ 3,792,782 | \$ 3,358,639 | \$ - | \$ 3,358,639 |
| Contributions | 2,224,786 | 181,289 | 2,406,075 | 619,443 | 95,361 | 714,804 |
| Government contracts for services | 295,450 | - | 295,450 | 291,349 | - | 291,349 |
| Investment income | 75,001 | - | 75,001 | 80,172 | - | 80,172 |
| Special events | 49,979 | - | 49,979 | 74,220 | - | 74,220 |
| Net assets released from restrictions | 173,787 | (173,787) | - | 91,632 | (91,632) | - |
| Total revenue | 6,611,785 | 7,502 | 6,619,287 | 4,515,455 | 3,729 | 4,519,184 |
| Expense: | | | | | | |
| Program services | 4,679,531 | - | 4,679,531 | 4,059,548 | - | 4,059,548 |
| Management and general | 320,662 | - | 320,662 | 275,891 | - | 275,891 |
| Fundraising | 135,495 | - | 135,495 | 99,447 | - | 99,447 |
| Total expense | 5,135,688 | - | 5,135,688 | 4,434,886 | - | 4,434,886 |
| Change in net assets | 1,476,097 | 7,502 | 1,483,599 | 80,569 | 3,729 | 84,298 |
| Net assets, beginning | 2,176,219 | 129,537 | 2,305,756 | 2,095,650 | 125,808 | 2,221,458 |
| Net assets, ending | \$ 3,652,316 | \$ 137,039 | \$ 3,789,355 | \$ 2,176,219 | \$ 129,537 | \$ 2,305,756 |

See notes to financial statements.

Food for Others, Inc.

**Statements of Functional Expenses
Years Ended June 30, 2020 and 2019**

| | 2020 | | | | 2019 | | | |
|------------------------------------------------|---------------------|------------------------|-------------------|---------------------|---------------------|------------------------|------------------|---------------------|
| | Program Services | Management and General | Fundraising | Total | Program Services | Management and General | Fundraising | Total |
| Special assistance – distributed food | \$ 3,851,398 | \$ - | \$ - | \$ 3,851,398 | \$ 3,318,682 | \$ - | \$ - | \$ 3,318,682 |
| Wages and fringe | 477,381 | 226,373 | 75,458 | 779,212 | 400,369 | 200,184 | 66,728 | 667,281 |
| Donated facilities and utilities | 206,795 | 25,849 | 25,849 | 258,493 | 225,868 | 12,548 | 12,548 | 250,964 |
| Training, transportation and miscellaneous | 45,982 | 5,007 | 58 | 51,047 | 19,935 | 1,088 | - | 21,023 |
| Postage, printing and supplies | 30,263 | 10,068 | 2,474 | 42,805 | 13,498 | 5,506 | 858 | 19,862 |
| Accounting, audit and consulting | - | 40,677 | - | 40,677 | - | 47,673 | - | 47,673 |
| Special events | - | - | 27,595 | 27,595 | 9,432 | - | 16,489 | 25,921 |
| Depreciation | 27,299 | - | - | 27,299 | 19,296 | - | - | 19,296 |
| Insurance, licenses and permits | 15,590 | 7,795 | 2,598 | 25,983 | 11,153 | 5,577 | 1,859 | 18,589 |
| Loss on uncollectible contributions receivable | 15,384 | - | - | 15,384 | 20,438 | - | - | 20,438 |
| Technology and telephone | 8,278 | 4,893 | 1,463 | 14,634 | 5,376 | 3,315 | 965 | 9,656 |
| Equipment repairs | 1,161 | - | - | 1,161 | 1,921 | - | - | 1,921 |
| Vehicle fuel, repairs and truck rentals | - | - | - | - | 13,580 | - | - | 13,580 |
| | \$ 4,679,531 | \$ 320,662 | \$ 135,495 | \$ 5,135,688 | \$ 4,059,548 | \$ 275,891 | \$ 99,447 | \$ 4,434,886 |

See notes to financial statements.

Food for Others, Inc.

Statements of Cash Flows
Years Ended June 30, 2020 and 2019

| | 2020 | 2019 |
|---------------------------------------------------------------------------------------------|------------------|-----------------|
| Cash flows from operating activities: | | |
| Change in net assets | \$ 1,483,599 | \$ 84,298 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Depreciation | 27,300 | 19,296 |
| Net gain on investments | (49,774) | (41,997) |
| Donated investments | (2,102) | (6,591) |
| Loss on uncollectible contributions receivable | 15,384 | 20,438 |
| Changes in assets and liabilities: | | |
| (Increase) decrease in: | | |
| Promises to give and other receivables, net | (13,924) | (35,164) |
| Prepaid expenses and deposits | (12,884) | (435) |
| Inventory – food | (137,085) | 58,234 |
| Increase (decrease) in: | | |
| Accounts payable and accrued expenses | 98,994 | 13,746 |
| Deferred revenue | (21,260) | 30,310 |
| Net cash provided by operating activities | 1,388,248 | 142,135 |
| Cash flows from investing activities: | | |
| Purchase of property and equipment | (175,818) | (11,696) |
| Purchase of investments | (687,297) | (1,001,417) |
| Proceeds from sale of investments | 666,363 | 964,779 |
| Net cash used in investing activities | (196,752) | (48,334) |
| Net increase in cash and cash equivalents | 1,191,496 | 93,801 |
| Cash and cash equivalents: | | |
| Beginning | 408,227 | 314,426 |
| Ending | \$ 1,599,723 | \$ 408,227 |
| Supplemental disclosure of noncash investing activities: | | |
| Donated investments | \$ 2,102 | \$ 6,591 |

See notes to financial statements.

Food for Others, Inc.

Notes to Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies

Nature of activities: Food for Others, Inc. (FFO), a nonprofit organization incorporated in the Commonwealth of Virginia, distributes free food to its neighbors in need, in partnership with the Northern Virginia community, and provides opportunities for people to volunteer their resources. FFO also provides relief to churches and other organizations that operate exclusively for such charitable purposes. The major sources of revenue are food contributions from various grocery and retail stores, government grants and cash contributions.

A summary of FFO's significant accounting policies follows:

Basis of accounting: The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (U.S. GAAP). Revenue is recognized when earned and expense when the obligation is incurred.

Basis of presentation: FFO is required to report information regarding its financial position and activities according to two classifications of net assets: net assets without donor restrictions and net assets with donor restrictions.

Without donor restriction: Represents resources available for support of the operations of FFO.

With donor restriction: Represents resources received by FFO from contributors or grantors that are time or purpose restricted by the donors (see Note 8).

Income taxes: FFO is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC) as an other than private foundation within the meaning of Section 509(a)(1) of the IRC.

Use of estimates: The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Cash and cash equivalents: For financial statement purposes, FFO considers all cash and interest-bearing deposits, except for cash and money market funds held in professionally managed investment accounts, to be cash equivalents. Cash and money market accounts held in professionally managed accounts are included in investments.

FFO maintains cash and money market accounts with financial institutions. At times, aggregated balances may exceed the Federal Deposit Insurance Corporation-insured limit per institution. FFO monitors the creditworthiness of the institution and has not experienced any credit losses on its cash and money market accounts.

Investments: Investments consisting primarily of mutual funds and exchange traded funds are reflected at fair value. To adjust the carrying value of these investments, the change in fair value is charged or credited to the change in net assets.

FFO invests funds in a professionally managed portfolio that contains various types of marketable securities. Such investments are exposed to various risks, such as fluctuations in market value and credit risk. Thus, it is at least reasonably possible that changes in these risks could materially affect investment balances and the amounts reported in the financial statements.

Food for Others, Inc.

Notes to Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Promises to give and other receivables: Promises to give and other receivables consist primarily of pledges. The amounts due are analyzed for collectability and are recorded at their net realizable value with an offsetting allowance for doubtful contributions. When all collection efforts have been exhausted, the account is written off against the allowance for doubtful accounts. At both June 30, 2020 and 2019, the allowance for doubtful contributions totaled \$13,643. Promises to give as of June 30, 2020 and 2019, are due within one year.

Inventory: Inventory consists mainly of donated food, which is recorded using the average valuation of food donated through Feeding America. This valuation is determined by a proprietary audit conducted on behalf of Feeding America by another auditor, determining the approximate average wholesale value of one pound of food at the national level. The average wholesale value of food was \$1.62 and \$1.68 per pound for the years ended June 30, 2020 and 2019, respectively.

Property and equipment: All acquisitions of property and equipment greater than \$1,000 are capitalized at cost. Property and equipment are depreciated using the straight-line method over estimated useful lives of three to seven years.

Deferred revenue: Amounts collected for events or other programs not yet earned are recorded as deferred revenue.

Contributions: In June 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This ASU clarifies the guidance for evaluating whether a transaction is reciprocal (i.e., an exchange transaction) or nonreciprocal (i.e., a contribution) and for distinguishing between conditional and unconditional contributions. The ASU also clarifies the guidance used by entities other than not-for-profits to identify and account for contributions made. FFO adopted the provisions of the new standard effective for the year ended June 30, 2020, using the modified prospective method. There were no changes to revenue recognition and presentation as a result.

Based on a review of its grants, management determined that many of its awards received during 2020 historically considered as exchange transactions are now conditional contributions under ASU 2018-08, as both a barrier and a right of return of funds exist. Conditional contributions received are accounted for as a liability or are unrecognized initially, that is, until the barriers to entitlement are overcome, at which point the transaction is recognized as unconditional and classified as either net assets with restrictions or net assets without restrictions. Under the modified prospective method, management is only required to reevaluate arrangements that had not been completed or recognized as of the date of adoption. No such arrangements were noted; therefore, the adoption of this standard had no impact on FFO's financial statements but the standard does require additional disclosures.

FFO's federal grants and certain non-federal grants that FFO considers conditional are recognized as revenue as the related expenditures are incurred. Costs incurred in excess of cash received are included in other receivables while cash received in advance of expenditures incurred is recorded as deferred revenue in the accompanying statements of financial position.

Unconditional non-federal grants and contributions are recorded as revenue when received or promised. Gifts of cash and other assets are reported as donor-restricted support if they are received or promised with donor stipulations that limit the use of the donated assets to one of FFO's programs or to a future year. When a donor restriction has elapsed, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Food for Others, Inc.

Notes to Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

In-kind donations such as fixed assets and investments are recorded at their estimated fair market value on the date of receipt. In-kind services are recorded at their estimated fair market value if such services are specialized and would typically be purchased if not donated, and are in compliance with recording requirements under U.S. GAAP. Donated facilities are recorded at their estimated fair market value.

Functional allocation of expenses: The costs of providing the various programs and supporting activities have been summarized on a functional basis in the statements of activities. Costs that can be identified with a particular program or support function are charged directly to that program or function. Salaries and related costs have been allocated among the programs and supporting services based upon management's best estimates of the proportion of these costs applicable to each program. Other allocable costs (such as postage, printing and insurance) have been allocated to program services and to management and general based upon management's estimates of utilization.

Upcoming accounting pronouncements: In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. In June 2020, the FASB issued ASU 2020-05, which defers the effective date of ASU 2014-09 one year, making it effective for annual reporting periods beginning after December 15, 2019. FFO is currently evaluating the effect that the standard will have on the financial statements.

Subsequent events: Subsequent events have been evaluated through November 3, 2020, which is the date the financial statements were available to be issued. FFO entered into a two year lease agreement with a commencement date of July 29, 2020 for 3,300 square feet of additional warehouse space that is being reimbursed through the CARES grant. Annual rent will be \$60,000 for the first year with 3% annual increase for the second year.

Note 2. Concentrations

Fairfax County, Virginia provided donated facilities, which comprise FFO's office and warehouse space. The value of these donated facilities totaled \$258,493 and \$250,964 and represent 5.0% and 5.6% of total expenses for the years ended June 30, 2020 and 2019, respectively.

Note 3. Liquidity and Availability

FFO invests cash balances in excess of immediate liquidity needs in accordance with its investment policy. The following provides a summary of financial assets available to meet cash needs for general expenditures within one year of June 30, 2020 and 2019:

| | 2020 | 2019 |
|---------------------------------------------|---------------------|---------------------|
| Financial assets: | | |
| Cash and cash equivalents | \$ 1,599,723 | \$ 408,227 |
| Promises to give and other receivables | 70,092 | 71,552 |
| Investments | 1,628,399 | 1,555,589 |
| | <u>3,298,214</u> | <u>2,035,368</u> |
| Less amounts not available within one year: | | |
| Donor restricted net assets | (137,039) | (129,537) |
| | <u>\$ 3,161,175</u> | <u>\$ 1,905,831</u> |

Food for Others, Inc.

Notes to Financial Statements

Note 4. Investments

In accordance with U.S. GAAP, FFO uses the following prioritized input levels to measure fair value of financial instruments. The input levels used for valuing financial instruments are not necessarily an indication of risk.

Level 1: Observable inputs that reflect quoted prices for identical assets or liabilities in active markets, such as stock quotes.

Level 2: Includes inputs other than Level 1 that are directly or indirectly observable in the marketplace, such as yield curves or other market data. Certificate of deposits are classified as Level 2 investments as there are no quoted market prices in active markets for identical assets. Their value is determined using models and other valuation methodologies, which are corroborated by market data.

Level 3: Unobservable inputs, which reflect FFO's assessment of the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk, such as bid/ask spreads and liquidity discounts.

The following is a summary of the input levels used to determine fair values at June 30, 2020 and 2019:

| 2020 | Total | Level 1 | Level 2 | Level 3 |
|-------------------------------------------|---------------------|--------------|---------|---------|
| Equity securities – mutual funds | \$ 128,231 | \$ 128,231 | \$ - | \$ - |
| Equity securities – exchange traded funds | 480,014 | 480,014 | - | - |
| Fixed income – mutual funds | 983,704 | 983,704 | - | - |
| Investments carried at fair value | 1,591,949 | \$ 1,591,949 | \$ - | \$ - |
| Money market funds* | 36,450 | | | |
| Total investments | <u>\$ 1,628,399</u> | | | |
| 2019 | Total | Level 1 | Level 2 | Level 3 |
| Equity securities – mutual funds | \$ 282,433 | \$ 282,433 | \$ - | \$ - |
| Equity securities – exchange traded funds | 61,248 | 61,248 | - | - |
| Fixed income – mutual funds | 1,189,671 | 1,189,671 | - | - |
| Investments carried at fair value | 1,533,352 | \$ 1,533,352 | \$ - | \$ - |
| Money market funds* | 22,237 | | | |
| Total investments | <u>\$ 1,555,589</u> | | | |

*Money market funds included in the investment portfolio are not subject to the provisions of the fair value measurements as they are recorded at cost.

Investment income for the years ended June 30, 2020 and 2019, includes interest and dividends of \$25,227 and \$38,175 and net gain of \$49,774 and \$41,997, respectively.

Food for Others, Inc.

Notes to Financial Statements

Note 5. Property and Equipment

Property and equipment consists of the following at June 30, 2020 and 2019:

| | 2020 | 2019 |
|-------------------------------|-------------------|------------------|
| Furniture and equipment | \$ 393,189 | \$ 224,872 |
| Vehicles | 155,373 | 147,873 |
| Less accumulated depreciation | (338,324) | (311,025) |
| Net property and equipment | <u>\$ 210,238</u> | <u>\$ 61,720</u> |

Note 6. In-Kind Donations

A significant portion of FFO's support is derived from donated facilities, food and services.

Donated facilities: The County of Fairfax, Virginia (the County) provides FFO the use of a 10,750 square foot warehouse and office facility and related utilities at no cost. Effective November 3, 2017, the County amended the office lease with the landlord via a modification (the Second Amendment) to include the adjacent space to the current facilities, which consists of approximately 5,385 square feet of rentable floor space. The Second Amendment also extends the lease for a five-year term, March 1, 2018 through February 23, 2023, and includes an option to renew the lease for one five-year term.

In July 2016 the County and FFO entered into a license agreement (the License), whereby the County licenses to FFO the leased premises pursuant to FFO providing services under a contract (the Contract) with the County. The Contract has a term of one year and has been renewed annually. The License runs concurrently with the term of the Contract and its amendments. The License renews automatically at any time that the Contract is renewed, with all covenants and conditions remaining the same, unless written termination of the License is given by either party 60 days prior to the end of the then current term. There are no charges to FFO under the terms of the License.

The County estimates that the fair value of the free use of this warehouse space was \$258,493 and \$250,964 for the years ended June 30, 2020 and 2019, respectively.

Donated food: FFO uses the average valuation of food donated through the Feeding America network when valuing the donated food. This valuation is determined by a proprietary audit conducted on behalf of Feeding America by another auditor, determining the approximate average wholesale value of one pound of food at the national level. This is the value used by other Washington, D.C. area food banks. The average wholesale value of one pound of food as determined by Feeding America was \$1.62 and \$1.68 for the years ended June 30, 2020 and 2019, respectively. FFO received 2,181,660 and 1,849,807 pounds of donated food for the years ended June 30, 2020 and 2019, respectively.

FFO uses an inventory variance account. This account is used to determine food purchased by FFO versus the approximate wholesale value determined by Feeding America referenced above. The account also includes spoilage and obsolescence. The variance adjustment, included in the special assistance-distributed food account on the statements of functional expenses, was \$506,404 and \$292,457 at June 30, 2020 and 2019, respectively.

Food for Others, Inc.

Notes to Financial Statements

Note 6. In-Kind Donations (Continued)

Donated services not recorded: FFO receives a substantial amount of services from volunteers. These volunteers assist in the acquisition and distribution of food and food products. They also provide management and administrative services. Volunteers donated 26,343 and 34,341 non-professional hours in the years ended June 30, 2020 and 2019, respectively. FFO does not record these in-kind services as such services are not considered to be specialized and would not typically be purchased if not donated.

Note 7. Pension Plan

FFO has a Savings Incentive Match Plan (SIMPLE Plan) covering all eligible employees. Under this SIMPLE Plan, all employees may elect to defer a percentage of compensation up to statutory limits. FFO will match the first 3% of each employee's contribution and the FFO contribution is immediately vested. FFO's contribution expense for the years ended June 30, 2020 and 2019, was \$14,036 and \$10,726, respectively.

Note 8. Composition of Net Assets With Donor Restrictions

Net assets with donor restrictions are as follows at June 30, 2020 and 2019:

| | 2020 | 2019 |
|--------------------|-------------------|-------------------|
| Time restricted | \$ 95,249 | \$ 99,537 |
| Purpose restricted | 41,790 | 30,000 |
| | <u>\$ 137,039</u> | <u>\$ 129,537</u> |

Note 9. COVID-19

On January 30, 2020, the World Health Organization declared the outbreak of Covid-19 (the coronavirus) a Public Health Emergency of International Concern and, on March 11, 2020, declared it to be a pandemic. The coronavirus has had an adverse impact on global economies and financial markets. The ultimate financial and operational impacts of this pandemic on FFO's future funding have not yet been fully determined.

It is unknown how long the adverse conditions associated with the coronavirus will last and what the complete financial effect will be to FFO. Quarantines, volunteer shortages, adherence to CDC social distancing guidelines, food supply chain issues or other disruptions to FFO's operations, may adversely impact FFO's revenues, ability to provide its services and operating results. The operations of FFO have been negatively impacted by the regional and global outbreak of the coronavirus. Although demand for FFO's services has doubled, and donations have outpaced figures from this same time last year, concerns regarding the continued increased demand and the predicted decrease in donations over the coming year have emerged due to the adverse effect of the coronavirus. A full picture of the impact on operations is not yet known. The extent to which the coronavirus pandemic impacts FFO's results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and actions taken to contain it or its impact, among others.

Food for Others, Inc.

Notes to Financial Statements

Note 10. Conditional Grants

FFO has received grant commitments from the state and local government, which are cost reimbursable in nature. Thus, a receivable to these grants is only recognized as FFO incurs grant-related expenses. The unearned conditional grant commitments as of June 30, 2020 totaled \$924,520.