THE FOODBANK OF MONMOUTH AND OCEAN COUNTIES, INC. DBA: FULFILL

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023



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INDEPENDENT AUDITORS' REPORT

Board of Trustees
The FoodBank of Monmouth and Ocean Counties, Inc. dba: Fulfill
Neptune, New Jersey

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of The FoodBank of Monmouth and Ocean Counties, Inc. dba: Fulfill, which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The FoodBank of Monmouth and Ocean Counties, Inc. dba: Fulfill as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Fulfill and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 Fulfill's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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Auditors' 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 auditors' 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 judgment made by a reasonable user based on the financial statements.

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 Fulfill's 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 Fulfill'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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

King of Prussia, Pennsylvania
November 26, 2024

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THE FOODBANK OF MONMOUTH AND OCEAN COUNTIES, INC. DBA: FULFILL
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 5,953,840	$ 9,872,224
Cash and Cash Equivalents - Restricted for B.E.A.T. Center	39,178	3,383
Total Cash and Cash Equivalents	5,993,018	9,875,607
Accounts Receivable, Net	158,123	250,131
Investments	20,685,141	14,614,716
Inventory	2,610,157	1,078,561
Prepaid Expenses	122,693	30,373
Total Current Assets	29,569,132	25,849,388
PROPERTY AND EQUIPMENT, NET	5,139,797	2,320,472
RIGHT OF USE ASSETS	606,942	982,957
UNEMPLOYMENT INSURANCE (501c3) TRUST RESERVE	91,365	109,524
SECURITY DEPOSIT	14,000	14,000
Total Assets	$ 35,421,236	$ 29,276,341
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	$ 2,499,393	$ 1,640,828
Deferred Revenue	517,905	1,031,888
Operating Lease Liabilities- Short Term	342,185	399,556
Total Current Liabilities	3,359,483	3,072,272
OPERATING LEASE LIABILITIES- LONG TERM	267,907	590,751
Total Liabilities	3,627,390	3,663,023
NET ASSETS		
Without Donor Restrictions:		
Undesignated	10,075,968	7,180,588
Board Designated Operating Reserves For:		
Capital Expenditures	1,000,000	1,000,000
Disaster Relief	6,120,000	6,120,000
Food Purchases	13,320,000	10,230,000
Total Net Assets Without Donor Restrictions	30,515,968	24,530,588
With Donor Restrictions	1,277,878	1,082,730
Total Net Assets	31,793,846	25,613,318
Total Liabilities and Net Assets	$ 35,421,236	$ 29,276,341

See accompanying Notes to Financial Statements.

THE FOODBANK OF MONMOUTH AND OCEAN COUNTIES, INC. DBA: FULFILL
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2024 AND 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Contributed Goods	$ 16,803,697	$ -	$ 16,803,697	$ 13,445,985	$ -	$ 13,445,985
Contributions	4,356,400	247,448	4,603,848	4,564,495	142,075	4,706,570
Grants	15,865,198	722,015	16,587,213	16,949,412	544,251	17,493,663
Fundraising Events	1,138,605	-	1,138,605	1,031,168	-	1,031,168
Contributed Services and Equipment	12,050	-	12,050	74,952	-	74,952
Program, Other	63,439	-	63,439	50,002	-	50,002
Investment Gains	2,099,017	-	2,099,017	1,604,170	-	1,604,170
Net Assets Released from Restrictions	774,315	(774,315)	-	804,884	(804,884)	-
Total Support and Revenue	41,112,721	195,148	41,307,869	38,525,068	(118,558)	38,406,510
EXPENSES						
Program Services	31,782,126	-	31,782,126	32,809,024	-	32,809,024
Support Services:						
Management and General	1,534,731	-	1,534,731	1,372,919	-	1,372,919
Fundraising	1,810,484	-	1,810,484	1,382,686	-	1,382,686
Total Support Services	3,345,215	-	3,345,215	2,755,605	-	2,755,605
Total Expenses	35,127,341	-	35,127,341	35,564,629	-	35,564,629
CHANGE IN NET ASSETS	5,985,380	195,148	6,180,528	2,960,439	(118,558)	2,841,881
Net Assets - Beginning of Year	24,530,588	1,082,730	25,613,318	21,570,149	1,201,288	22,771,437
NET ASSETS - END OF YEAR	$ 30,515,968	$ 1,277,878	$ 31,793,846	$ 24,530,588	$ 1,082,730	$ 25,613,318

See accompanying Notes to Financial Statements.

THE FOODBANK OF MONMOUTH AND OCEAN COUNTIES, INC. DBA: FULFILL
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024

	Program Services			Supporting Services		
	Emergency Food Distribution (Alleviating Hunger)	Other Programs (Building Food Security)	Total Program Expenses	Management and General	Fundraising	Total
Salaries and Wages	$ 1,560,034	$ 817,617	$ 2,377,651	$ 726,929	$ 486,807	$ 3,591,387
Benefits	354,671	189,142	543,813	165,267	110,675	819,755
Payroll Taxes	116,826	67,216	184,042	54,437	36,455	274,934
Total Salaries, Wages, and Related Expenses	2,031,531	1,073,975	3,105,506	946,633	633,937	4,686,076
Advertising	7,135	17,037	24,172	3,324	2,226	29,722
Agencies Assistance	321,216	-	321,216	-	-	321,216
Computer Expense	130,171	46,095	176,266	34,206	77,984	288,456
Conferences, Meetings, and Travel	47,733	29,203	76,936	29,389	13,083	119,408
Culinary Program	-	230,384	230,384	-	-	230,384
Depreciation	233,333	106,424	339,757	7,117	8,041	354,915
Direct Mail	-	4,378	4,378	-	528,041	532,419
Equipment Leases	439	230	669	204	137	1,010
Fees, Permits, and Licenses	1,253	954	2,207	54,202	10,296	66,705
Food Distributed	16,393,894	-	16,393,894	-	-	16,393,894
Food Purchases and Distribution	8,484,912	-	8,484,912	-	-	8,484,912
Insurance	110,128	57,719	167,847	51,317	34,365	253,529
Office Expense	61,823	24,600	86,423	15,261	11,974	113,658
Outside Services	47,368	3,196	50,564	390	994	51,948
Postage	9,677	5,081	14,758	5,160	4,100	24,018
Printing and Newsletter	7,073	3,707	10,780	3,296	8,361	22,437
Professional Fees	399,878	197,547	597,425	324,344	293,970	1,215,739
Rent	187,050	123,123	310,173	2,583	3,444	316,200
Repairs and Maintenance	415,662	19,004	434,666	660	1,263	436,589
Special Events	-	-	-	-	155,221	155,221
Supplies	293,635	72,996	366,631	29,635	1,758	398,024
Temporary Employment	111,025	20,711	131,736	18,068	12,229	162,033
Transportation and Freight	227,077	-	227,077	-	-	227,077
Utilities and Telephone	99,686	57,907	157,593	8,942	9,060	175,595
Warehouse Expense	66,156	-	66,156	-	-	66,156
Total Functional Expenses	$ 29,687,855	$ 2,094,271	$ 31,782,126	$ 1,534,731	$ 1,810,484	$ 35,127,341

See accompanying Notes to Financial Statements.

THE FOODBANK OF MONMOUTH AND OCEAN COUNTIES, INC. DBA: FULFILL
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023

	Program Services			Supporting Services		
	Emergency Food Distribution (Alleviating Hunger)	Other Programs (Building Food Security)	Total Program Expenses	Management and General	Fundraising	Total
Salaries and Wages	$ 1,496,491	$ 497,432	$ 1,993,923	$ 627,524	$ 409,389	$ 3,030,836
Benefits	337,467	98,770	436,237	147,192	75,508	658,937
Payroll Taxes	120,649	40,637	161,286	51,586	33,047	245,919
Total Salaries, Wages, and Related Expenses	1,954,607	636,839	2,591,446	826,302	517,944	3,935,692
Advertising	-	120,171	120,171	-	19,999	140,170
Agencies Assistance	169,131	-	169,131	-	-	169,131
Assistance to BEAT Center Partner	-	988	988	-	-	988
Computer Expense	91,091	38,643	129,734	49,720	54,104	233,558
Conferences, Meetings, and Travel	28,074	21,290	49,364	15,419	7,500	72,283
Contributed Services	-	74,952	74,952	-	-	74,952
Culinary Program	-	137,076	137,076	-	-	137,076
Depreciation	365,424	173,397	538,821	8,734	16,629	564,184
Direct Mail	-	2,250	2,250	-	306,512	308,762
Equipment Leases	2,283	770	3,053	946	624	4,623
Fees, Permits, and Licenses	1,380	639	2,019	166,917	19,379	188,315
Food Distributed	14,215,150	-	14,215,150	-	-	14,215,150
Food Purchases and Distribution	12,380,201	-	12,380,201	-	-	12,380,201
Insurance	59,377	20,541	79,918	24,615	17,914	122,447
Office Expense	78,018	21,834	99,852	12,838	20,691	133,381
Outside Services	48,113	3,845	51,958	461	1,200	53,619
Postage	7,070	2,384	9,454	3,577	10,368	23,399
Printing and Newsletter	1,731	896	2,627	710	177,954	181,291
Professional Fees	348,793	175,848	524,641	193,022	83,224	800,887
Program Expense (Grant Subrecipient)	-	7,888	7,888	-	-	7,888
Rent	174,276	133,752	308,028	2,767	3,690	314,485
Repairs and Maintenance	299,377	19,662	319,039	642	1,217	320,898
Special Events	3,841	-	3,841	-	89,675	93,516
Supplies	373,898	32,876	406,774	32,791	4,545	444,110
Temporary Employment	108,006	31,547	139,553	26,531	20,830	186,914
Transportation and Freight	229,980	-	229,980	-	-	229,980
Utilities and Telephone	109,661	58,718	168,379	6,927	8,687	183,993
Warehouse Expense	42,736	-	42,736	-	-	42,736
Total Functional Expenses	$ 31,092,218	$ 1,716,806	$ 32,809,024	$ 1,372,919	$ 1,382,686	$ 35,564,629

See accompanying Notes to Financial Statements.

THE FOODBANK OF MONMOUTH AND OCEAN COUNTIES, INC. DBA: FULFILL
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 6,180,528	$ 2,841,881
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	354,915	564,184
Net Unrealized and Realized Gains on Investments	(1,663,413)	(1,149,166)
Effect of Changes in Operating Assets and Liabilities:		
Accounts Receivable, Net	92,008	(175,425)
Inventory	(1,531,596)	362,142
Grants Receivable	-	72,201
Prepaid Expenses	(92,320)	11,238
Right of Use Assets	376,015	(982,957)
Unemployment Insurance (501c3) Trust Reserve	18,159	(1,100)
Accounts Payable and Accrued Expenses	858,565	1,109,436
Deferred Revenue	(513,983)	74,408
Lease Liabilities	(380,215)	990,307
Net Cash Provided by Operating Activities	3,698,663	3,717,149
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(3,174,240)	(1,520,335)
Net Proceeds from (Purchases of) Investments	(4,407,012)	470,068
Net Cash Used by Investing Activities	(7,581,252)	(1,050,267)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,882,589)	2,666,882
Cash and Cash Equivalents - Beginning of Year	9,875,607	7,208,725
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 5,993,018	$ 9,875,607

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The FoodBank of Monmouth and Ocean Counties, Inc. dba: Fulfill (Fulfill, or the Organization) is a New Jersey nonprofit corporation incorporated in 1984. As Fulfill, the Organization mobilizes the entire community with a comprehensive approach to efficiently fight and win against hunger.

Fulfill's base of activities is at its main location, 3300 Route 66, Neptune, New Jersey, as well as its satellite location at the B.E.A.T. Center, 1769 Hooper Avenue, Toms River, New Jersey. The acronym stands for Bringing Everyone All Together, and is the result of collaboration between Fulfill, Inspire NJ (dba: People's Pantry) and the JBJ Soul Kitchen. The mission of Fulfill is to alleviate hunger and build food security in Monmouth and Ocean Counties, New Jersey. Fulfill envisions Monmouth and Ocean Counties as a food secure community where all people at all times have access to enough nutritious food to maintain an active and healthy life. Fulfill is a member of Feeding America, the nation's food bank network.

Nature of Activities

Key activities of Fulfill include the following:

Food Distribution

Fulfill acquires nutritious food for distribution to families in need in Monmouth and Ocean Counties. Fulfill primarily delivers nutritious food through a network of charitable agencies, our mobile pantries, and Kids' Feeding Programs. Sources of donated food include local food donations, national donations through Feeding America, and government food such as The Emergency Food Assistance Program (TEFAP). Fulfill supplements donated food and products with specific grocery items purchased through a small bulk co-op program, as well as purchases made with funding from the State Food Purchase Program and other funding.

Fulfill also prepares meals for 383 children in afterschool programs and participates in the Summer Food Service Program, sponsoring the provision of breakfasts and/or lunches to over 1,500 children in low income areas attending summer programs.

Reducing the Need

In addition to food distribution, Fulfill identifies opportunities and resources designed to reduce the need and keep our families' food secure.

The Culinary Training Program provides hands-on training in an onsite production kitchen for underprivileged adults in need of permanent employment. The program helps men and women become self-sufficient by providing the skills they need to obtain better-paying jobs and operates out of both Neptune and Toms River locations. The Culinary Training Program helps prepare hot meals for the after-school and summer food programs.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Nature of Activities (Continued)

Reducing the Need (Continued)

Fulfill assists households to access benefits and resources that will help them address the budget shortfall which can cause hunger and prevent food security. Resources include but are not limited to outreach and application assistance for Supplemental Nutrition Assistance Program (SNAP), and as navigators in applying for health insurance under the Affordable Care Act and Medicaid/NJ Family Care. Activities are conducted locally and at as many as 25 community sites each month.

Awareness and Engagement

Fulfill also promotes awareness of hunger and the solutions available through campaigns and other activities including:

Community Volunteer Garden Program helps adults and youth grow fresh produce as a community service.

Volunteer Program provides community service opportunities for businesses, civic groups, schools, and individuals.

Classification of Net Assets

Resources in the accompanying financial statements are classified for accounting and reporting purposes reflect all significant receivables, payables, and other liabilities. Financial statement presentation follows the recommendations of the *Financial Statements of Not-for-Profit Organizations* topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). The Organization is required to report information regarding its financial position and activities according to two classes of net assets:

Net Assets Without Donor Restrictions

A portion of net assets is not subject to donor-imposed restrictions. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Undesignated

Net assets that are not subject to donor-imposed stipulations.

Board-Designated Net Assets

Net assets without donor restrictions subject to self-imposed limits by action of the governing board. Board-designated net assets may be earmarked for future programs, investment, contingencies, purchase, or construction of fixed assets, or other uses.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Classification of Net Assets (Continued)

Net Assets With Donor Restrictions

A portion of net assets subject to donor-imposed restrictions that may or will be met, either by actions of the Organization and/or the passage of time or specifically for a purpose. When a restriction expires, net assets are reclassified to net assets without donor restrictions as a satisfaction of a purpose or time restriction and reported in the statement of activities as a release from restrictions.

For the years ended June 30, 2024 and 2023, net assets with donor restrictions amounted to $1,277,878 and $1,082,730, respectively.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are generally reported as decreases in net assets without donor restrictions. Expirations of donor-imposed stipulations that simultaneously increase one class of net assets and decrease another are reported as net assets satisfaction of restrictions.

Use of Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, support, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Cash and Cash Equivalents

Management considers all highly liquid debt instruments purchased with a maturity of one year or less and money market accounts to be cash equivalents.

Pursuant to Feeding America's contract, a member organization shall have demonstrated unrestricted cash reserves equal to or greater than an average quarter's cash operating expenses.

Credit Risk Arising from Cash Deposits in Excess of Insured Limits

Fulfill maintains cash balances at various financial institutions, in which deposits are insured by a federal agency up to $250,000. At various times, cash balances at these institutions may exceed the insurance limits. Fulfill monitors these banks and believes the risk of loss to be minimal.

Accounts Receivable, Net

Accounts and grants receivable are stated at the amount management expects to collect from outstanding accounts. The allowance was assessed at $-0- for the years ended June 30, 2024 and 2023. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts or grants receivable.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values as determined by quoted market prices or cost, when such cost approximates fair value. Certificates of deposit are recorded at cost plus interest which approximates fair value. Realized and unrealized gains and losses are included in the change in net assets.

Fair Value Measurements

Fulfill measures fair value using a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability. Inputs may be observable or unobservable and refer broadly to the assumptions that market participants would use in pricing the asset or liability. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy consists of three levels of inputs that may be used to measure fair value as follows:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that Fulfill has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

Inventory

Inventory consists primarily of food commodities that have been contributed to or purchased by Fulfill. All contributed food items are valued using a weighted average price per pound determined using studies commissioned by Feeding America, the nation's largest nongovernmental food distribution program. When the food is distributed, the value of the food is released from inventory and recorded as distributed in-kind food. Purchased food is recorded as inventory at the lower of cost or net realizable value.

Property and Equipment

Fulfill capitalizes all expenditures for property and equipment in excess of $5,000. Property and equipment are recorded at cost or fair market value at date of contribution (if donated). Depreciation is provided using straight-line methods over the estimated useful lives of the assets.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contribution and Grant Revenue Recognition

Contribution and Grant revenue, including promises to give, are evaluated using the decision tree in FASB ASC 958-605-55-1A to determine the applicable accounting model. Most of the grants and contributions received by the Organization are considered to be nonexchange transactions.

A decision tree is also used to determine whether grants and contributions received are conditional or unconditional. Both, barriers and right of return/release, need to exist in order to designate a grant or contribution as conditional. Once designated, the revenue is recognized when the conditions are met.

Unconditional grants and contributions are recorded as those with donor restrictions or without donor restrictions depending on the existence of donor-imposed restrictions, typically limiting purpose or timing of the grant or contribution. Grants and contributions that are restricted by the donor are reported as an increase in net assets without donor restriction if the restriction expires in the reporting period in which the grants and contributions are recognized.

A portion of the Organization's revenue is derived from cost-reimbursable contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as liabilities in the statement of financial position. The Organization received conditional grants during fiscal year 2024 that had not met the barriers for recognition as of June 30, 2024, and therefore $517,905 is recorded as deferred revenue on the accompanying statement of financial position. The Organization was not awarded any cost-reimbursable grants that have not been recognized at June 30, 2024.

Contributed Goods

Fulfill receives a significant amount of contributed food inventory that is recorded in the accompanying financial statements as contributions without donor restrictions, net of amounts related to food that is unusable or spoiled when received. One of the major sources of contributed food is the United States Department of Agriculture (USDA) which allocates food commodities to Fulfill under The Emergency Food Assistance Program (TEFAP) and the Commodity Supplemental Food Program (CSFP). For the years ended June 30, 2024 and 2023, approximately 39% and 31%, respectively, of contributed goods were received under TEFAP and CSFP.

Under these programs, food commodities are distributed without cost to all eligible recipients within the approved service areas. Upon distribution, the food is recorded as a decrease in net assets without donor restrictions.

All contributed food items are valued using a weighted average price per pound determined by using studies commissioned by Feeding America, the nation's largest nongovernmental food distribution program.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributed Goods (Continued)

For the years ended June 30, 2024 and 2023, the weighted average value per pound for TEFAP and CSFP food was $1.74 and $1.57, respectively, and the total net value of all TEFAP and CSFP contributed food was $6,491,677 and $4,104,319 respectively.

For the years ended June 30, 2024 and 2023, the weighted average value per pound of all other contributed food was $1.97 and $1.93, respectively, and the total net value of all contributed food was $10,312,020 and $9,626,674, respectively.

Contributed Services

Contributed services are recognized as contributions if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by people with those skills, and would otherwise be purchased by Fulfill. The estimated number of hours was -0- and 2,357 for the years ended June 30, 2024 and 2023, respectively. The fair value of such services for the years ended June 30, 2024 and 2023 was $12,050 and $74,952, respectively. These valuation techniques are derived from the standard rates supplied on the Independent Sector website for the state of New Jersey and these specialized services meet the criteria under FASB ASC 958-605-25-16 in order to be considered contributed services. There are no donor-imposed restrictions on the contributed services.

Fulfill also receives a significant amount of contributed time from volunteers that is not recognized as contributions in the financial statements since the recognition criteria under FASB ASC 958-605-25-16 were not met. Between July 1, 2023 and June 30, 2024, Fulfill volunteers together donated approximately 34,939 hours of work. Fulfill gratefully acknowledges the time and effort of these compassionate individuals, without whom it would not be able to distribute as much food and services as necessary to local families in need.

Allocation of Functional Expense

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. Fulfill allocated joint costs for certain program activities that include fundraising. Salaries and wages, as well as related benefits and taxes, were allocated among program and supporting services based upon an estimate of the actual time each employee contributed to each function. Other costs were allocated primarily based on square footage.

Income Taxes

Fulfill is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from state and federal taxes.

Fulfill is required to file Form 990, *Return of Organization Exempt from Income Tax*, with the Internal Revenue Service and the New Jersey *Charities Registration & Investigation Form (CRI*). These forms are subject to examination for up to three years after they are filed.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (Continued)

The Organization follows the income tax standard for uncertain tax positions. This standard had no impact on the Organization's financial statements. The Organization's income tax returns are subject to review and examination by federal and state authorities.

Shared Maintenance Fees

Fulfill may charge a shared maintenance fee of up to $0.19 per pound to the recipient agency or other charitable organization, which takes donated food and commodities and redistributes to the poor, needy, and hungry. This fee is included in support and revenue.

Change in Accounting Principle

Fulfill has changed accounting policies related to current expected credit losses by adopting Financial Accounting Standards Board (FASB) Accounting Standard Update (ASU) 2016-13, Measurement of Credit Losses on Financial Statements, in 2024. There was no material impact on Fulfill's financial position and the results of operations as a result of the adoption of this accounting standard.

Subsequent Events

In preparing these financial statements, Fulfill has evaluated events and transactions for potential recognition or disclosure through November 26, 2024, the date the financial statements were available to be issued.

NOTE 2 INVESTMENTS

Investments at June 30 consist of the following:

	2024		
	Total	Level 1	Level 2
Equity Securities	$ 11,227,506	$ 11,227,506	$ -
Bonds/Fixed Income	5,325,043	5,325,043	-
Mutual Funds	3,983,097	3,983,097	-
Capital Allocation Trust	149,495	149,495	-
Total Funds	$ 20,685,141	$ 20,685,141	$ -

	2023		
	Total	Level 1	Level 2
Equity Securities	$ 10,542,109	$ 10,136,984	$ 405,125
Bonds/Fixed Income	3,933,679	3,933,679	-
Capital Allocation Trust	138,928	138,928	-
Total Funds	$ 14,614,716	$ 14,209,591	$ 405,125

Fulfill uses fair value measurements to record fair value adjustment to certain assets and to determine fair value disclosures. For additional information on how Fulfill values all other assets, refer to Note 1 – Summary of Significant Accounting Policies.

NOTE 2 INVESTMENTS (CONTINUED)

Investment income for the years ended June 30 consisted of the following:

	2024	2023
Dividends and Interest, Net of Fees	$ 435,604	$ 455,004
Unrealized and Realized Gains on Investments	1,663,413	1,149,166
Total	$ 2,099,017	$ 1,604,170

NOTE 3 PROPERTY AND EQUIPMENT

Property and equipment are summarized as follows at June 30:

	2024	2023
Land	$ 97,500	$ 97,500
Land Improvements	787,629	787,629
Leasehold Improvements - The B.E.A.T. Center	1,303,200	1,303,200
Buildings	3,608,757	3,577,588
Furniture and Fixtures	95,171	95,171
Furniture and Fixtures - The B.E.A.T Center	25,561	25,561
Transportation Equipment	1,037,647	1,023,898
Equipment	1,216,830	706,339
Equipment - The B.E.A.T. Center	505,868	505,868
Website Development	27,253	27,253
Appliances	16,604	16,604
Appliances - The B.E.A.T. Center	1,962	1,962
Computer Equipment	366,372	306,013
Work In Process	3,437,626	1,328,972
Total	12,527,980	9,803,558
Less: Accumulated Depreciation	7,388,183	7,483,086
Total Property and Equipment	$ 5,139,797	$ 2,320,472

NOTE 4 COMMITMENTS AND CONTINGENCIES

The B.E.A.T. Center

The B.E.A.T. Center (Bringing Everyone All Together) opened in the spring of 2016 and is collaboration among three nonprofit organizations: Fulfill, JBJSF, and Inspire-NJ, and serves as a place where families and individuals can access food, job training, and resources to help end the cyclical causes of hunger in Ocean County.

The three collaborating nonprofits entered into a Memorandum of Understanding (MOU) on March 27, 2015 to establish donor solicitation parameters and appropriations of donated funds, services and other gifts-in-kind based on the original vision case and investment needed. An addendum to the MOU was entered into in April of 2016 because there were not sufficient anticipated receipts of grants and donations to cover the cash flow needs of the project as payments became due and there were significant increases to the preliminary estimates for build-out costs, start-up costs, and first year occupancy costs.

NOTE 4 COMMITMENTS AND CONTINGENCIES (CONTINUED)

The B.E.A.T. Center (Continued)

Fulfill opened a separate bank account for B.E.A.T. Center activity. While Fulfill is the owner and custodian of these funds, these funds are held for use of the three B.E.A.T. Center nonprofits as indicated in the MOU and the addendum to the MOU and are recorded as restricted cash on the statement of financial position at June 30, 2024.

In March of 2020, Fulfill had an agreement with Inspire NJ to transfer control of the People's Pantry. Since the inception of this agreement, the People's Pantry has been run by Fulfill. There was a separate bank account opened for the People's Pantry where both funds donated and disbursements are held.

Contractual Adjustments

The contracts under which Fulfill conducts its programs contain provisions defining costs, which are allowable and reimbursable within the program. Program billings are subject to audit by various governmental funding sources. Audits of these billings may result in adjustments for disallowances. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined to date.

NOTE 5 EMPLOYEE BENEFIT PLAN

Fulfill adopted a 401(k) retirement savings plan effective January 1, 2009. This plan is available to employees who have completed three months of service and meet other eligibility requirements. Fulfill may contribute to the 401(k) plan on a matching and/or discretionary basis. For the years ended June 30, 2024 and 2023, Fulfill matched, on a 50% basis, employees' contributions of up to 6%. For the years ended June 30, 2024 and 2023, Fulfill elected to make a basic/discretionary contribution to eligible employees of 2% of fiscal year 2024 and 2023 compensation. Total employer contributions to the 401(k) plan for the years ended June 30, 2024 and 2023 were $104,970 and $64,691, respectively.

NOTE 6 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of contributions available for use, but expendable or distributable only for purposes specified by the donor. At June 30, 2024 and 2023, net assets with donor restrictions are restricted for the following purposes:

	2024	2023
Fulfill Operating Programs	$ 1,277,878	$ 1,082,730
Total Net Assets with Donor Restrictions	$ 1,277,878	$ 1,082,730

NOTE 7 LIQUIDITY

Fulfill's financial assets available for general expenditure within one year of the statement of financial position date, comprise the following:

	2024	2023
Cash and Cash Equivalents	$ 5,953,840	$ 9,872,224
Accounts Receivable, Net	158,123	250,131
Investments	20,685,141	14,614,716
Less: Net Assets with Donor Restrictions, Included Above	(1,277,878)	(1,082,730)
Total	$ 25,519,226	$ 23,654,341

Fulfill has a goal to maintain financial assets, which consist of cash and accounts receivable on hand to meet 90 days of normal operating expenses, which are, on average approximately $4,600,000.

NOTE 8 LEASES

Fulfill determines if an arrangement is a lease at inception. Operating leases are included in Operating Leases Right-of-Use on the statement of financial position.

Right-of-Use (ROU) assets represent Fulfill's right to use an underlying asset for the lease term and lease liabilities represent the Fulfill's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that Fulfill' will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. Fulfill has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or ROU assets on the statement of financial position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, Fulfill has elected to use the Daily Treasury Rate on the date of implementation.

Fulfill has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

NOTE 8 LEASES (CONTINUED)

Fulfill leases space and vehicles for program services and administrative support. The following table provides quantitative information concerning the Organization's leases:

	2024	2023
Lease Costs:		
Operating Lease Costs	$ 399,556	$ 351,556
Weighted-Average Remaining Lease Term - Operating Leases (In Years)	2.50	3.10
Weighted-Average Discount Rate - Operating Leases	3.15%	3.11%

A maturity analysis of annual undiscounted cash flows for operating lease liabilities as of June 30, 2024 is as follows:

Year Ending June 30,	Amount
2025	$ 355,456
2026	127,156
2027	79,156
2028	79,156
Total Lease Payments	640,924
Less: Interest	30,832
Present Value of Lease Liabilities	$ 610,092

NOTE 9 LINE OF CREDIT

Subsequent to year end, Fulfill entered into a line of credit agreement with a commercial bank whereby it may borrow up to $6,500,000 at the greater of 4.00% per year or the prime rate published in the Money Rate Section of the Wall Street Journal. The line expires October 31, 2026.



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