

Food Rescue US, Inc.

Financial Statements with Independent Auditor's Report

Years Ended December 31, 2024 and 2023

Food Rescue US, Inc.

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Independent Auditor's Report

To the Board of Directors of
Food Rescue US, Inc.

Opinion

We have audited the accompanying financial statements of Food Rescue US, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 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 Food Rescue US, Inc. as of December 31, 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. 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 Rescue US, Inc. 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 Food Rescue US, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 Rescue US, Inc.'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 Food Rescue US, 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.

Nanavaty, Davenport, Studley & White, LLP

April 15, 2025

Statements of Financial Position

At December 31,

	2024	2023
Assets		
Cash and cash equivalents	\$ 336,136	\$ 242,265
Contributions receivable	58,365	82,692
Prepaid expenses	6,385	3,602
Investments	403,053	685,774
Total Assets	<u>\$ 803,939</u>	<u>\$ 1,014,333</u>
Liabilities and Net Assets		
Liabilities :		
Accrued expenses	\$ 56,697	\$ 13,094
Deferred revenue	240,672	35,720
Total Liabilities	<u>297,369</u>	<u>48,814</u>
Net Assets:		
Net assets without donor restrictions	451,570	965,519
Net assets with donor restrictions	55,000	-
Total Net Assets	<u>506,570</u>	<u>965,519</u>
Total Liabilities and Net Assets	<u>\$ 803,939</u>	<u>\$ 1,014,333</u>

The accompanying notes are an integral part of these financial statements.

Food Rescue US, Inc.

Statements of Activities

Years Ended December 31,

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Other Support:						
Contributions	\$ 1,123,986	\$ 55,000	\$ 1,178,986	\$ 1,371,407	\$ -	\$ 1,371,407
In-kind donated food	73,631,977	-	73,631,977	73,344,687	-	73,344,687
In-kind donated services	35,000	-	35,000	65,000	-	65,000
Special events (net of direct benefits to donors of \$112,365 and \$87,687)	261,380	-	261,380	186,843	-	186,843
Investment return, net	30,400	-	30,400	12,725	-	12,725
Total Revenues and Other Support	<u>75,082,743</u>	<u>55,000</u>	<u>75,137,743</u>	<u>74,980,662</u>	<u>-</u>	<u>74,980,662</u>
Net assets released from restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,999</u>	<u>(45,999)</u>	<u>-</u>
Expenses:						
Program services	74,884,329	-	74,884,329	74,608,538	-	74,608,538
Management and general	332,833	-	332,833	361,278	-	361,278
Fundraising	379,530	-	379,530	304,424	-	304,424
Total expenses	<u>75,596,692</u>	<u>-</u>	<u>75,596,692</u>	<u>75,274,240</u>	<u>-</u>	<u>75,274,240</u>
Change in net assets	(513,949)	55,000	(458,949)	(247,579)	(45,999)	(293,578)
Net assets beginning of year	965,519	-	965,519	1,213,098	45,999	1,259,097
Net assets end of year	<u>\$ 451,570</u>	<u>\$ 55,000</u>	<u>\$ 506,570</u>	<u>\$ 965,519</u>	<u>\$ -</u>	<u>\$ 965,519</u>

The accompanying notes are an integral part of these financial statements.

Food Rescue US, Inc.

Statements of Functional Expenses

Years Ended December 31,

	2024				2023			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Distributed food - donated	\$ 73,631,977	\$ -	\$ -	\$ 73,631,977	\$ 73,344,687	\$ -	\$ -	\$ 73,344,687
Salaries and benefits	449,888	210,161	266,455	926,504	421,745	168,389	207,082	797,216
Payroll taxes	31,782	14,847	18,824	65,453	32,238	12,872	15,830	60,940
Site expenses	486,391	-	25,599	511,990	509,340	-	26,807	536,147
Technology	168,373	18,708	-	187,081	196,034	21,782	-	217,816
In-kind professional fees	-	35,000	-	35,000	-	65,000	-	65,000
Stipends	70,556	-	30,238	100,794	66,092	13,218	8,812	88,122
Marketing and advertising	21,338	-	7,113	28,451	20,863	-	6,954	27,817
Special events	-	-	26,228	26,228	-	-	34,705	34,705
General and administrative	11,188	13,984	2,797	27,969	11,482	14,353	2,871	28,706
Professional services	-	17,500	-	17,500	-	46,985	-	46,985
Travel expenses	9,104	11,379	2,276	22,759	5,453	6,816	1,363	13,632
Insurance	-	6,274	-	6,274	-	7,381	-	7,381
Rent	-	4,980	-	4,980	-	4,482	-	4,482
Staff and volunteer training	3,732	-	-	3,732	604	-	-	604
Total expenses	<u>\$ 74,884,329</u>	<u>\$ 332,833</u>	<u>\$ 379,530</u>	<u>\$ 75,596,692</u>	<u>\$ 74,608,537</u>	<u>\$ 361,278</u>	<u>\$ 304,424</u>	<u>\$ 75,274,240</u>

The accompanying notes are an integral part of these financial statements

Statements of Cash Flows

Years Ended December 31,

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities		
Change in net assets	\$ (458,949)	\$ (293,578)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Net unrealized (gain) loss on investments	(2,478)	6,025
Donated securities	(31,860)	(15,978)
(Increase) decrease in operating assets:		
Contributions receivable	24,327	(12,692)
Prepaid expenses	(2,783)	(3,353)
Increase (decrease) in operating liabilities:		
Accrued expenses	43,603	4,372
Deferred revenue	204,952	(37,718)
Net cash used in operating activities	<u>(223,188)</u>	<u>(352,922)</u>
Cash Flows from Investing Activities:		
Purchases of investments	(170,000)	(239,140)
Sales of investments	487,059	44,079
Net cash provided by (used in) investing activities	<u>317,059</u>	<u>(195,061)</u>
Net change in cash and cash equivalents	93,871	(547,983)
Cash and cash equivalents, beginning of year	242,265	790,248
Cash and cash equivalents, end of year	<u>\$ 336,136</u>	<u>\$ 242,265</u>

The accompanying notes are an integral part of these financial statements.

Notes to the Financial Statements

Note 1 - Organization

Food Rescue US, Inc. ("Food Rescue US") was formed in 2011. It is committed to ending American food insecurity and food waste by engaging volunteers through the use of technology to transfer fresh, nutritious, excess food from grocers, restaurants, and other sources to social service agencies that feed food insecure individuals and families throughout the US. Food Rescue US intends to carry out its vision and mission by leveling the playing field so that anyone, anywhere, given the proper tools and resources, can become part of a Food Rescue US movement in their community.

Food Rescue US relies on food donors to contribute excess food, volunteers to pick-up and transfer the food, and agencies to receive the food to serve families across the US. In 2024, Food Rescue US was operational in the following geographic markets: Alabama, Colorado, Connecticut, Florida, Idaho, Illinois, Indiana, Iowa, Kansas, Maryland, Massachusetts, Michigan, Minnesota, New Mexico, New Jersey, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Texas, Utah, Virginia, and Washington, DC. Beyond 2024, Food Rescue US looks to further develop its technology to more efficiently and effectively serve its existing and future Food Rescue US communities and locations.

During 2024, Food Rescue US's full focus was on its core business of rescuing nutritious, surplus food and utilizing volunteers to deliver that food to social service agencies throughout a national network of locations. This was a successful year as the core business delivered 31,147,198 meals to the food insecure and keeping that food out of landfills where it would have created greenhouse gasses, including methane, and contributed to global warming. New features and upgrades are continuously being added to its proprietary app, Our Engine, that allowed the network to complete more than 131,968 rescues in 2024.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting and Presentation - The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Accordingly, the accounts of Food Rescue US are reported in the following net assets classifications:

Net assets without donor restrictions - Net assets without donor restrictions that are not subject to donor-imposed restrictions and may be expended or designated for any purpose in performing the primary objectives of Food Rescue US. These net assets may be used at the discretion of Food Rescue US's management and Board of Directors.

Net assets with donor restrictions - Net assets with donor restrictions are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of Food Rescue US or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Notes to the Financial Statements (continued)

Note 2 - Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents - Cash and cash equivalents are defined as highly liquid instruments with original maturities of three months or less. Cash and cash equivalents held with investment brokers are reported as investments.

Investment Valuation and Income Recognition - Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 5 for a discussion of fair value measurements. Purchases and sales of securities are recorded on a trade date basis. Interest income is recorded on an accrual basis. Dividends are recorded on the ex-dividend date. Realized and unrealized gains and losses include gains and losses on investments bought and sold as well as held during the year.

The Board of Directors determines Food Rescue US' valuation policies and procedures utilizing information provided by asset custodians and fund managers.

Income Taxes - Food Rescue US, Inc. is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. A ruling from the Internal Revenue Service has determined that Food Rescue US will be treated as a publicly supported organization, and not a private foundation. Accordingly, no provision for income taxes has been made in the accompanying financial statements.

Food Rescue US recognizes the effect of tax positions only when they are more likely than not of being sustained. Management has determined that Food Rescue US had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. Food Rescue US is subject to routine audits by the Internal Revenue Service. There are currently no audits for any tax period in progress prior to 2021.

Revenue and Revenue Recognition - Food Rescue US recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend are met.

Contributions receivable that are expected to be collected in more than one year are discounted to their present value. An allowance for uncollectible contributions receivable is provided in the net asset category in which the contribution receivable resides based on an assessment of the credit worthiness of the respective donor, when deemed necessary.

Food Rescue US records contributions of cash and other assets as restricted support if they are received as with donor stipulations that limit their use. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets released from restrictions.

Any of Food Rescue US's revenue derived from contracts and grants, are conditioned upon certain performance obligations and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when Food Rescue US has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenues in the statement of financial position.

Notes to the Financial Statements (continued)

Note 2 - Summary of Significant Accounting Policies (continued)

Food Rescue US's policy related to gifts-in-kind is to utilize the assets given to carry out the mission of the organization. If an asset is provided that does not allow Food Rescue US to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or specialist depending on the type of asset. All gifts-in-kind received by Food Rescue US have been recognized in the financial statements and are considered to be without donor restrictions and able to be used by the organization as determined by its management.

Throughout the year, Food Rescue US receives gifts-in-kind of donated food from various entities and distributes this food to other not-for-profit agencies throughout the United States. Food Rescue US also receives gifts-in-kind for professional services in connection with Food Rescue US's operations during the year.

Donated noncash goods received are recorded at their fair value as revenue when received and as expense when used or contributed to others. Donated professional services are recognized as revenue if the services create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and typically need to be purchased if not provided by donation. Donated services received are recorded at the fair value of the services provided.

During the years ended December 31, Food Rescue US received and recorded the following goods and services:

- Food Rescue US received and distributed 31,147,198 and 31,236,911 meals for 2024 and 2023, respectively, to community organizations for the food insecure. The estimated fair value of the meals in 2024 was \$73,631,977 valued at \$1.97 per pound, and in 2023 was \$73,344,687 valued at \$1.93 per pound. These per pound rates are based on a report from Feeding America.
- Donated legal and accounting services were \$35,000 and \$65,000 for the years ended December 31, 2024 and 2023, respectively.

Contributed services that do not meet the above criteria are not recognized as revenues and are not reported in the accompanying financial statements. Contributed services are recognized in the financial statements if they enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. While many individuals volunteer their time, and perform a variety of tasks that assist Food Rescue US, no amounts have been recognized in the accompanying financial statements for such services because the criteria for recognition of such volunteer efforts have not been met.

Food Rescue US records special events revenue equal to the fair value of direct benefits to donors and contribution income for the excess received when the event takes place.

Property and Equipment - Property and Equipment are recorded at cost. All purchases of fixed assets more than \$1,000 are capitalized. Donated fixed assets are capitalized at their fair market value. Maintenance and repairs are charged to expense as incurred. Depreciation is computed on the straight-line method based on the estimated useful lives of assets which range from 3 to 7 years.

Notes to the Financial Statements (continued)

Note 2 - Summary of Significant Accounting Policies (continued)

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 that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

Functional Expenses and Cost Allocations - Food Rescue US allocates its expenses on a functional basis among its various programs. Expenses that can be identified with a specific program are allocated directly according to their natural expense classification. Common expenses that benefit all functional areas of Food Rescue US as indicated below are allocated between the program and supporting services benefited, and are determined by management on an equitable and consistent basis.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries, benefits and payroll taxes	Time and effort
Technology	Time and effort
Office expenses	Full time equivalent
Travel	Time and effort
Marketing and advertising	Full time equivalent

Reclassifications - Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year's financial statements. These reclassifications have no effect on previously report change in net assets.

Subsequent Events - In preparing these financial statements, management has evaluated subsequent events through April 15, 2025, which represents the date the financial statements were available to be issued. There are no subsequent events that would require disclosure.

Note 3 - Concentrations and Risks

Cash and Cash Equivalents

Food Rescue US maintains its cash and cash equivalents at one financial institution. The balances may at times during the year exceed federally insured limits of \$250,000. Food Rescue US has not experienced any losses on such accounts due to financial institution failure and believes it is not exposed to any significant credit risk on any such funds due to the creditworthiness of the financial institution.

Investments

Investments are comprised of mutual funds and cash deposits. The value of these investments is subject to fluctuations due to general market conditions and interest rates.

Notes to the Financial Statements (continued)

Note 3 - Concentrations and Risks (continued)

Contributions Receivable

Contributions receivable are generally from donors who have previously contributed to Food rescue US, and, therefore, management considers the pledges to represent minimal credit risk. An allowance for uncollectible contributions receivable, if applicable, is provided in the net asset category in which the contribution receivable resides based on an assessment of the credit worthiness of the respective donors.

Note 4 - Liquidity and Availability of Resources

Food Rescue US's financial assets available within one year December 31 for general expenditure are as follows:

Financial Assets at year end:	2024	2023
Cash and cash equivalents	\$ 336,136	\$ 242,265
Investments	403,053	685,774
Contributions receivable due within one year	58,365	82,692
	<u>797,554</u>	<u>1,010,731</u>
Less: Net assets with donor restrictions	(55,000)	-
Total Financial Assets Available to Management		
for General Expenditure within One-Year	<u>\$ 742,554</u>	<u>\$ 1,010,731</u>

Food Rescue US maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition to the financial assets available to meet general expenditures over the next 12 months, Food Rescue US operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures.

Note 5 - Investments and Fair Value Measurements

The Financial Accounting Standards Board ("FASB") Topic 820, under the FASB Accounting Standards Codification ("ASC") defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. This standard provides a consistent definition of fair value, which focuses on an exit price between market participants in an orderly transaction. The standard also prioritizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that observable inputs be used when available.

Observable inputs are inputs that market participants would use in pricing the respective asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The hierarchy is categorized into three levels based on the transparency of inputs as follows:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the report date. A quoted price for an identical asset or liability in an active market provides the most reliable fair value measurement because it is directly observable to the market.

Notes to the Financial Statements (continued)

Note 5 - Investments and Fair Value Measurement (continued)

Level 2 - Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the report date. The nature of these securities includes investments for which quoted prices are available but traded less frequently and investments that are fair valued using other securities, the parameters of which can be directly observed. Also included in Level 2 are investments measured using a net asset value (“NAV”) per share, or its equivalent, that may be redeemed at NAV at the date of the statement of financial position or in the near future, which Food Rescue US has determined to be within 90 days.

Level 3 - Investments that have little to no pricing observability as of the report date. These investments are measured using management’s best estimate of fair value, where the inputs into the determination of fair value are not observable and require significant management judgment or estimation. Also included in Level 3 are investments measured using an NAV per share, or its equivalent, that can never be redeemed at NAV or for which redemption at NAV is uncertain due to lockup periods or other investment restrictions.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. A financial instrument’s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes “observable” requires significant judgment by Food Rescue US.

Food Rescue US considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to Food Rescue US’s perceived risk of that instrument.

Food Rescue US’s policy is to recognize transfers in and transfers out of levels at the end of the reporting period.

The following is a description of the valuation methodologies used for assets measured at fair value:

Mutual Funds and Exchange Traded Funds - These items are valued at the closing price reported in the active market in which the individual securities are traded. Mutual funds and ETFs are valued at the quoted net asset value of shares held by Food Rescue US at year end.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while Food Rescue US believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

There have been no changes in the methodologies used at December 31, 2024 and 2023.

Notes to the Financial Statements (continued)**Note 5 - Investments and Fair Value Measurement (continued)**

Assets Measured at Fair-Value on a Recurring Basis - The following is a summary of the source of fair-value measurements for assets that are measured at fair-value on a recurring basis as of December 31:

<u>Investment Description (All Level 1)</u>	<u>2024</u>	<u>2023</u>
Fixed income securities	\$ 400,539	\$ 600,440
Exchange traded funds	457	84,545
Cash in brokerage account	2,057	789
Total investments at fair value	<u>\$ 403,053</u>	<u>\$ 685,774</u>

Investment return, net is comprised of the following at December 31:

	<u>2024</u>	<u>2023</u>
Interest and dividends	\$ 27,922	\$ 18,750
Net unrealized gain (loss)	2,478	(6,025)
	<u>\$ 30,400</u>	<u>\$ 12,725</u>

Note 6 - Property and Equipment

A summary of property and equipment is as follows at December 31:

	<u>2024</u>	<u>2023</u>
Application software development costs	\$ 65,584	\$ 65,584
Computer equipment	5,637	5,637
Office furniture	1,226	1,226
	72,447	72,447
Less: Accumulated depreciation	(72,447)	(72,447)
Total Property and equipment, net	<u>\$ -</u>	<u>\$ -</u>

Note 7 - Deferred Revenue

Deferred revenue amounted to \$240,672 and \$35,720 at December 31, 2024 and 2023, respectively. Such deferred revenue relates to income received from Federal and State agencies that has not been earned based on the conditions of the grant. When the conditions of the grant have been satisfied the revenue will be recognized in the statement of activities.

Notes to the Financial Statements (continued)

Note 8 - Lease Commitments

Food Rescue US has one lease that was in effect as of October 14, 2021 with an expiration date of November 14, 2024, and will continue on a month-to-month basis thereafter. The lease agreement is for storage space for a monthly amount of \$249. Food Rescue US has concluded that this lease is not material to Food Rescue US' financial position, operations and cash flows to be recorded under the new lease standard; therefore, this lease was not recorded on the statement of financial position and has been expensed on a straight-line basis over the lease term in the statement of activities.

Note 9 - Special Events

Special events of Food Rescue US consisted of various fundraising events to raise awareness of the organization's mission and expand its donor base in the communities that it serves. Revenues from special events were \$373,745 and related expenses were \$112,365 for the year ended December 31, 2024. Revenues from special events were \$274,530 and related expenses were \$87,687 for the year ended December 31, 2023.

Note 10 - Net Assets With Donor Restrictions

Net assets with donor restrictions are as follows at December 31:

	2024	2023
Purpose Restrictions:		
Compensation for new CEO	\$ 50,000	\$ -
2025 Gala	5,000	-
	<u>\$ 55,000</u>	<u>\$ -</u>

Net assets released from donor restrictions are as follows at December 31:

	2024	2023
Satisfaction of Purpose Restrictions		
Tri-City project	\$ -	\$ 43,038
Northwest CT programs	-	2,961
	<u>\$ -</u>	<u>\$ 45,999</u>

Note 11 - Employee Benefit Plan

Food Rescue US offers tax-deferred 401(k) plan for all employees who have completed 90 days of service. Employees are eligible to enroll on the first of the month following 90 days of employment. The assets are held for each employee in an individual account maintained by Sure401k. Employees may contribute up to \$30,500, including catch-up contributions, or 100% of compensation, whichever is lower. Food Rescue US matches up to 4% of eligible employees' compensation. Pension expense totaled \$27,411 and \$21,187 for the years ended December 31, 2024 and 2023, respectively.