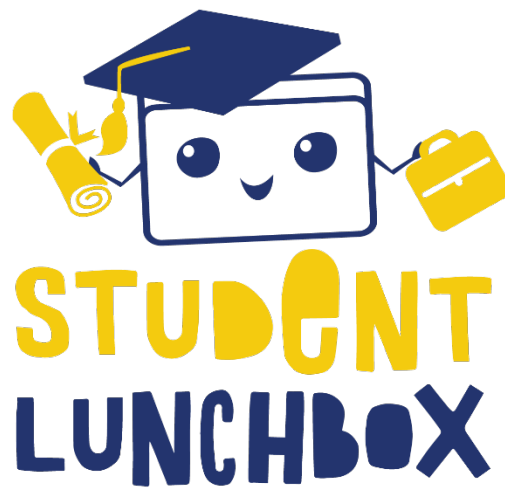


Management Report

Student LunchBox, Inc

For the year ended December 31, 2023



Prepared on
February 12, 2024

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Introduction to Financial Statements

Student LunchBox (SLB) is a 501(c)(3) tax-exempt, not-for-profit, charitable organization committed to fighting food insecurity among college students, proudly serving students across Los Angeles County colleges and universities. SLB is an essential resource that responds quickly with one of the most critical resources students need: food.

We fight campus hunger through rescue and distribution of foods, boarding and living essentials vital to students' academic success. Our prime responsibility is to support environmental sustainability, reduce waste, and support low-income students who cannot afford balanced meals.

We participate in efforts to rescue and recover food and other essentials for economically disadvantaged college students to reduce the hardships of hunger and foster academic success. By addressing the pivotal challenge of food and financial insecurity, Student LunchBox empowers students to achieve their academic goals, unlock their full potential, and successfully graduate from their academic journey.

The following Financial Statements represent the financial activity for the Company during the twelve months ended December 31, 2023. Our relation with campus and community partners has grown stronger as we increased the number of colleges served from three (3) in 2021 to six (5) in 2022, and doubling that number to ten (10) in 2023.

The continued growth of our operations is, however, dependent on the success of not only maintaining but also growing our support base. While Student LunchBox does not operate on a membership basis, during 2022 and 2023 the Organization has experienced a moderate increase of repeat donors, which we believe is a reflection on the effectiveness of growing our presence throughout Los Angeles County, and the positive impact of our hard work. Our volunteer base in 2023 has seen new and returning volunteers who proudly support roles in areas such as marketing, fundraising and distribution, all essential in promoting our continued efforts.

As we look back to 2023, we are grateful for the great opportunities provided to Student LunchBox to continue growing its presence in our communities, to continue strengthening its relation to partners and repeat donors, and to helping pave the way for many students' academic success. We also look forward to not only maintaining but improving successful operations in 2024, as well as engaging new sustaining donors who are not only interested in the efforts we do, but also committed to becoming active and sustaining supporters of our cause.

Student LunchBox, Inc

Statement of Financial Position As of December 31, 2023

ASSETS

Current Assets

Cash and cash equivalents	\$	915,922.20
Security deposits		7,320.00
Pledge receivables and other receivables		2,794.41
Prepaid expenses and other assets		831.53
Total Current Assets		<u>926,868.14</u>

Non-Current Assets

Equipment, Net		73,400.17
Furniture & Fixtures, Net		1,620.92
Total Non-Current Assets		<u>75,021.09</u>

TOTAL ASSETS	\$	<u><u>1,001,889.23</u></u>
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LIABILITIES AND NET ASSETS

Liabilities

Accounts payable	\$	-
Accrued expenses		609.81
Payroll liabilities		280.00
Total Liabilities		<u>889.81</u>

Net Assets

Without donor restrictions		<u>1,000,999.42</u>
Total Net Assets		<u>1,000,999.42</u>

TOTAL LIABILITIES AND NET ASSETS	\$	<u><u>1,001,889.23</u></u>
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Student LunchBox, Inc

Statement of Activity For the Twelve Months Ended December 31, 2023

REVENUES

Individual donations	\$	6,088.39
Government grants & contracts		10,800.00
Foundation grants		801,600.00
Corporate grants		50,000.00
In-kind food donations (FMV)		692,390.86
Bank interest earned		8,138.19
Miscellaneous Income		1,057.47
Total Support and Revenue	\$	<u><u>1,570,074.91</u></u>

EXPENSES

Direct program services		
Cost of in-kind goods distributed (FMV)		
California State University, Dominguez Hills - Pantry	\$	8,864.02
California State University, Long Beach - Pantry		95,497.64
California State University, Los Angeles - Housing		38,604.69
California State University, Los Angeles - Pantry		128,295.71
California State University, Northridge - WRRRC		49,762.25
CBD College		23,019.01
Los Angeles Valley College		126,575.64
Long Beach City College		51,166.84
Los Angeles Pierce College		82,712.32
New York University, Los Angeles		21,332.62
University of Texas, Los Angeles		1,216.80
General Food Pantry Programs		48,850.20
Total cost of in-kind goods distributed (FMV)		<u>675,897.74</u>
Program expenses		<u>82,624.67</u>
Total direct program services		<u>758,522.41</u>
Administrative & general		<u>35,173.39</u>
Total Expenses	\$	<u><u>793,695.80</u></u>
Net Assets at the Beginning of the Year	\$	224,620.31
Change in Net Assets		<u>776,379.11</u>
Net Assets at the End of the Period	\$	<u><u>1,000,999.42</u></u>

Student LunchBox, Inc

Statement of Functional Expenses For the Twelve Months Ended December 31, 2023

	Program Expenses	Administrative & General	Total Expenses
Salaries and wages	\$ 40,000.06	\$ 10,000.02	\$ 50,000.08
Payroll taxes	3,638.40	909.60	4,548.00
Other employee benefits	2,426.53	606.63	3,033.16
Professional service fees	-	18,975.55	18,975.55
Advertising and marketing	741.67	467.44	1,209.11
Office expenses	10,314.90	3,048.80	13,363.70
IT-related office expenses	1,361.58	340.39	1,701.97
Travel	102.86	-	102.86
Depreciation	13,609.10	-	13,609.10
Insurance	4,425.60	322.96	4,748.56
Other:			
Taxes & Licenses	223.49	-	223.49
Vehicle expenses	5,264.23	502.00	5,766.23
Charitable donations	516.25	-	516.25
	\$ 82,624.67	\$ 35,173.39	\$ 117,798.06
Other In-Kind Expenses & Costs:			
Cost of Goods Distributed (FMV)	675,897.74	-	675,897.74
	\$ 758,522.41	\$ 35,173.39	\$ 793,695.80

Student LunchBox, Inc

Statement of Cash Flows For the Twelve Months Ended December 31, 2023

Cash Flows from Operating Activities

Change in net assets	\$	776,379.11
Adjustment to reconcile change in net assets to net cash and cash equivalents provided by operating activities:		
Deprecitaion		13,609.10
Decrease (increase) in operating assets:		
Pledge receivables and other receivables		(2,794.41)
Prepaid expenses and other assets		(556.53)
Increase (decrease) in operating liabilities:		
Accrued liabilities		602.81
Net cash provided by operating activities	\$	787,240.08

Cash Flows from Investing Activities

Purchase of equipment		(23,470.98)
Purchase of furniture & fixed assets		(1,732.61)
Security deposits		(7,320.00)
Net cash used by investing activities	\$	(32,523.59)

Net increase in cash and cash equivalents	\$	754,716.49
Cash and cash equivalents at beginning of the year		161,205.71
Cash and cash equivalents at end of the period	\$	915,922.20

Notes to the Financial Statements

NOTE 1 – ORGANIZATION AND NATURE OF OPERATIONS

Student LunchBox, Inc. (collectively, the “Organization”, “SLB”, “Our”, “We”, or “Us”), is based in Los Angeles, California. The Organization is a registered 501 (c) (3) charitable organization dedicated to sourcing food and academic supplies for post-secondary education students.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Organization generally prepares its financial statements on the accrual basis of accounting consistent with accounting principles generally accepted in the United States of America (“GAAP”).

Cash and Cash Equivalents

The Organization considers depository accounts to be cash and cash equivalents, including balances carried and held in non-traditional financial institutions including those for the purpose of facilitating the receipt and collection of monetary donations to the Organization.

The Organization maintains cash deposits with financial institutions which are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000.00 per financial institution. As of the issue date of the current financial statements on December 31, 2023, SLB held cash deposits balances in financial institutions within insurable limits, deeming low or non-existent risk to such balances.

Assets and Liabilities

The Organization has identified current receivables categorized as Collectible Balances based on whether we expect to convert the receivable balance into a cash deposit within a period of twelve (12) months or less as of the Statement of Financial Position (Balance Sheet) date. Collectible Balances represent monetary and non-monetary donations received through non-financial institutions, are considered to be “in transit”, and may not be considered cash deposits. As of the date of the current financial statements for the year ended December 31, 2023 we show a Collectible Balance of \$2,794.41.

In addition, SLB recognizes Equipment, Furniture & Fixtures balances of \$92,842.87 corresponding to durable and depreciable assets acquired and held by the Organization for its use and support of operations. These assets are depreciated periodically according to standard business practices and applicable guidance. The total corresponding accumulated depreciation amounts to \$17,821.80 as of December 31, 2023, resulting in a net equipment value of \$75,021.07.

Revenue Recognition

The Organization follows GAAP guidance for revenue recognition under the accrual method of accounting. Within this guidance, the organization recognizes revenue from cash streams as well as from non-cash streams utilizing the available fair market value under ASU No. 2016-14, Topic 958 for non-cash streams.

Under this guidance, SLB includes the Fair Value of volunteer hours related to skilled labor that otherwise the organization would have been required to hire for pay, as well as volunteer hours related to value-add for assets the organization owns and benefitted from such service which increased the overall value of such assets.

Description of Volunteer Task	Total Hours	Market Rate	Total FMV \$-HRS	Comments
Installation of front vent in van	7	\$ 30.71	\$ 215.00	based on actual cost of installation of rear vent
Office furniture assembly and set-up	10	30.00	300.00	based on Thumbtack's rate for 3 items assembled
Contractual legal review	12	120.00	1,440.00	average market rate
Grant writing	100	35.00	3,500.00	average market rate
Business consulting	12	65.00	780.00	average market rate
Controller	170	53.91	9,164.70	average market rate
Total	311	\$ 334.62	\$ 15,399.70	

In addition, the organization also recognizes as revenue the Fair Value of in-kind donations of goods further detailed under Note 3 below.

NOTE 3 – OTHER NON-CASH ACTIVITIES AND SOCIAL RESPONSIBILITY UPDATE

In addition to accounting for monetary donations directly impacting the financial reporting and operations of the Organization, SLB also receives in-kind donations to support its mission in the form of foods and academic supplies. Total recovered and donated food was \$675,897.74 and \$252,236.00 for the years ended December 31, 2023 and December 31, 2022, respectively. The donated food is recorded in the financial statement as In-Kind Donations (FVM) under non-cash contributions and as Cost of Goods Distributed (FVM) under expenses (SLB's foods distribution to partner pantries) at the fair value of the estimated average for one pound of distributed food product at the national level of \$1.92 and \$1.84 for 2023 and 2022, respectively. These values are based on studies performed by Feeding America adjusted by .05 for inflation for 2022 and 2023. When the next study becomes available, SLB will utilize that study for its estimated FMV rates. A detail of the fair value revenue of in-kind distributions for the year ended as of December 31, 2023 is as follows:

School Name	Food Provided (Lbs.)	Fair Value (\$ US)
California State University, Dominguez Hills Pantry	5,519	\$ 8,864.02
California State University, Los Angeles Pantry	68,321	\$ 128,295.72
California State University, Los Angeles Housing & Resident Services	20,321	\$ 38,604.68
California State University, Long Beach	50,827	\$ 95,497.65
California State University, Northridge Women's Research & Resource Center	26,833	\$ 49,762.24
CBD College	12,340	\$ 23,019.00
Long Beach City College	27,614	\$ 51,166.84
Los Angeles Pierce College	43,956	\$ 82,712.33
Los Angeles Valley College	66,889	\$ 126,575.65
New York University, Los Angeles	11,449	\$ 21,332.63
University of Texas, Los Angeles	848	\$ 1,216.80
General Food Pantry Programs	25,272	\$ 48,522.24
Total	360,188	\$ 675,569.79

SLB received a total of 360,188 and 137,150 pounds of food consisting of a mix of fresh produce and packaged food products for the years ended December 31, 2023 and December 31, 2022, respectively. Most of the food products obtained are the result of the combined efforts between SLB and other community

organizers dedicated to rescuing salvable produce that otherwise may end up in landfills. We estimated that in 2023 alone we have provided nearly 300,000 meals. Furthermore, as an Organization committed to sustainability and social responsibility, the combined efforts have resulted in a proportionate reduction of CO2e emissions estimated over 195,582 ppmv as well as an estimated water usage savings of approximately 164,245,728 gallons.

NOTE 5 – SUBSEQUENT EVENTS

The Organization has further evaluated subsequent events occurring through February 11, 2024, the date that the financial statements were available to be issued, and has concluded that there have been no additional events requiring disclosure.