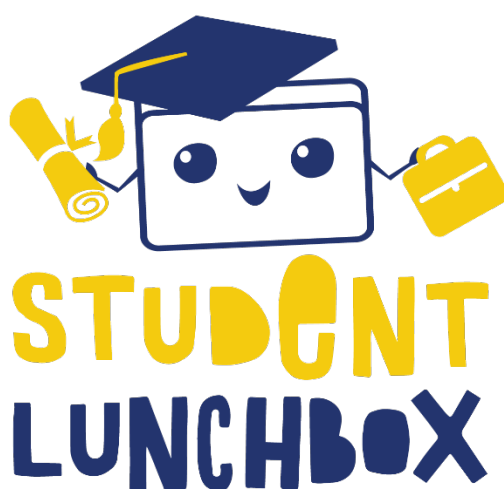


Management Report

Student LunchBox, Inc

For the year ended December 31, 2024



Prepared on
March 9, 2025

Table of Contents

Introduction.....3

Statement of Financial Position4

Statement of Activity5

Statement of Cash Flows.....6

Notes to the Financial Statements.....7

Introduction to Financial Statements

Student LunchBox (SLB) is a 501(c)(3) charitable organization founded in 2020 with a mission to advance college success by addressing fundamental basic needs. Through innovative food recovery initiatives, SLB provides nutritious meals and essential supplies to economically disadvantaged students across Los Angeles County, ensuring they can focus on their education without the burden of food insecurity.

At the core of our mission is the unwavering belief that no student should have to choose between their education and their basic needs. Unlike traditional support systems, SLB is a college community-led, impact-driven, and sustainability-focused organization. By leveraging strategic campus partnerships, we address the critical challenges of financial hardship and food insecurity, directly reaching thousands of students each year.

SLB implements a comprehensive three-pronged approach to delivering relief: (1) conducting weekly food and supply distributions to partner campus pantries, (2) establishing satellite pantries at institutions lacking the necessary infrastructure, and (3) organizing mobile food markets modeled after farmers' market-style distributions. This multifaceted strategy ensures consistent access to nutritious food and essential resources while preserving student dignity and fostering community engagement.

Our growth trajectory underscores the increasing demand for our services and the effectiveness of our approach. Since our inception, SLB has expanded its reach significantly—from serving two colleges in 2021 to five in 2022, doubling to ten in 2023, and further growing to 15 in 2024. This progress reflects the strength of our campus and community partnerships and the deepening trust in our ability to create meaningful impact.

While our expansion has been significant, sustaining and further scaling our operations depends on the continued growth of our support network. SLB does not operate on a membership basis; however, since 2022 we have experienced a steady increase in repeat donors—an encouraging sign of confidence in our mission and the effectiveness of our outreach. Our volunteer base has also strengthened in 2024, with both new and returning volunteers playing integral roles in marketing, fundraising, and distribution, all of which are essential to our continued success.

As we reflect on 2024, we are grateful for the opportunities that have allowed SLB to expand its presence, strengthen partnerships, and support thousands of students on their academic journey. Looking ahead to 2025, we remain focused on sustaining our growth, enhancing operational efficiency, and fostering deeper engagement with donors and community partners to further our mission.

The following financial statements detail SLB's financial activities for the twelve-month period ending December 31, 2024.

Student LunchBox, Inc

Statement of Financial Position As of December 31, 2024

ASSETS

Current Assets		
Cash and cash equivalents	\$	993,705
Security deposits		7,320
Pledge receivables and other receivables		31,821
Prepaid expenses and other assets		2,763
Total Current Assets		<u>1,035,609</u>
Non-Current Assets		
Equipment, Net		65,866
Furniture & Fixtures, Net		1,903
Trademarks		350
Total Non-Current Assets		<u>68,119</u>
TOTAL ASSETS	\$	<u><u>1,103,728</u></u>

LIABILITIES AND NET ASSETS

Liabilities		
Accrued expenses	\$	3,997
Payroll liabilities		238
Total Liabilities		<u>4,235</u>
Net Assets		
Without donor restrictions		1,099,112
With donor restrictions		381
Total Net Assets		<u>1,099,493</u>
TOTAL LIABILITIES AND NET ASSETS	\$	<u><u>1,103,728</u></u>

Student LunchBox, Inc

Statement of Activity For the Twelve Months Ended December 31, 2024

REVENUES

	Without Donor Restrictions	With Donor Restrictions	Total
Government grants & contracts	\$ -	\$ 15,000	\$ 15,000
Corporate & foundation grants	195,667	10,000	205,667
Individual donations	9,874	-	9,874
In-kind donations (FMV)	1,425,258	986	1,426,244
Net assets released from restrictions	25,845	(25,845)	-
Bank interest earned	36,018	-	36,018
Miscellaneous Income	1,006	-	1,006
Total Support and Revenue	<u>\$ 1,693,668</u>	<u>\$ 141</u>	<u>\$ 1,693,809</u>

EXPENSES

Direct program services			
Cost of goods distributed			
California State University, Dominguez Hills - Pantry	\$ 117,374	\$ -	\$ 117,374.00
California State University, Long Beach - Pantry	169,533	-	169,533
California State University, Los Angeles - Pantry	126,999	-	126,999
California State University, Northridge - WRRRC	64,292	-	64,292
CBD College	30,643	-	30,643
Charles R. Drew University	40,624	-	40,624
Emerson College, Los Angeles Center	42,419	-	42,419
Montclair State University, Los Angeles Center	7,283	-	7,283
Los Angeles City College	93,447	-	93,447
Los Angeles Mission College	56,241	-	56,241
Los Angeles Valley College	222,244	-	222,244
Long Beach City College	45,618	-	45,618
Los Angeles Pierce College	192,710	-	192,710
New York University, Los Angeles	17,490	-	17,490
University of Texas, Los Angeles	7,022	-	7,022
General Food Pantry Programs	48,837	-	48,837
Total cost of goods distributed	<u>1,282,776</u>	<u>-</u>	<u>1,282,776</u>
Program expenses	259,054	-	259,054
Total direct program services	<u>1,541,830</u>	<u>-</u>	<u>1,541,830</u>
Administrative & general	54,360	-	54,360
Total Expenses	<u>\$ 1,596,190</u>	<u>\$ -</u>	<u>\$ 1,596,190</u>
Net Assets at the Beginning of the Year	\$ 1,001,634	\$ 240	\$ 1,001,874
Change in Net Assets	97,478	141	97,619
Net Assets at the End of the Period	<u>\$ 1,099,112</u>	<u>\$ 381</u>	<u>\$ 1,099,493</u>

Student LunchBox, Inc

Statement of Cash Flows For the Twelve Months Ended December 31, 2024

Cash Flows from Operating Activities

Change in net assets	\$	97,619
Adjustment to reconcile change in net assets to net cash and cash equivalents provided by operating activities:		
Depreciation		17,490
Decrease (increase) in operating assets:		
Pledge receivables and other receivables		(29,027)
Prepaid expenses and other assets		(1,057)
Increase (decrease) in operating liabilities:		
Accrued liabilities		3,298
		<hr/>
Net cash provided by operating activities	\$	88,323

Cash Flows from Investing Activities

Purchase of equipment	\$	(9,498)
Purchase of furniture & fixed assets		(740)
Trademarks		(350)
		<hr/>
Net cash used by investing activities	\$	(10,588)

Net increase in cash and cash equivalents	\$	77,735
Cash and cash equivalents at beginning of the year		915,970
Cash and cash equivalents at end of the period	\$	993,705

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 including Insured Cash Sweep (ICS) accounts for deposits that exceed \$250,000.00 per account, and are insured by the Federal Deposit Insurance Corporation (FDIC). As of the issue date of the current financial statements on December 31, 2024, SLB held cash deposits balances in financial institutions within insurable limits, deeming low or non-existent risk to such balances.

Financial Statement Presentation

Revenues and support are classified based on the presence or absence of donor restrictions and are reported in the following net asset categories:

- a) Net assets without donor restrictions represent the portion of net assets that are not subject to donor-imposed restrictions.
- b) Net assets with donor restrictions are from contributions that are restricted by donors for specific purposes or time periods. Some donor restrictions are temporary in nature and others are perpetual.

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, 2024, we show a Collectible Balance of \$31,821.

In addition, SLB recognizes Equipment, Furniture & Fixtures balances of \$103,081 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 \$35,312 as of December 31, 2024, resulting in a net equipment value of \$67,769.

Government Grants and Contracts

Government grants and contracts are evaluated to determine whether they represent a contribution or an exchange transaction. Funds from Government grants and contracts the Organization receives are conditioned upon the incurrence of eligible expenses and, therefore, are accounted for as conditional contributions. When eligible expenditures, as defined in each grant agreement, are incurred, the contribution becomes unconditional, and the revenue is recognized. Expenditures under government grants and contracts are subject to review by the granting authority. If, as a result of such a review, expenditures are determined to be unallowable, the disallowance will be recorded at the time the assessment for refund is made.

Conditional contributions received as of December 31, 2024 are a total of \$15,000:

- a) In August of 2024, the Trustees of the California State University awarded SLB a \$20,000 grant under its 2024-2026 CSU Community Partnership Initiative with \$10,000 being disbursed upon execution of Grant Agreement during 2024, and the next \$10,000 being disbursed in May of 2025 subject to the fulfillment of certain Grant Agreement requirements. The Grant funds are being utilized in qualifying salaries and wages, vehicle expenses, and purchase of equipment as per the Grant Agreement.
- b) In August of 2024, the Emergency Food and Shelter Program, in collaboration with United Way, awarded SLB a \$5,000 grant to be expended prior to December 31, 2024 with qualifying expenses of food purchases as per the Grant Agreement.

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
Web design project	585	\$ 204	\$ 119,418	based on Catchafire market rate equivalent
Grant writing	10	\$ 306	\$ 3,057	based on Catchafire market rate equivalent
Controller	275	\$ 60	\$ 16,500	average market rate
Food pantry sourcing & operations consulting	581	\$ 17	\$ 9,877	average market rate
Total	1451	\$ 587	\$ 148,852	

In addition, the organization also recognizes as revenue the Fair Value of in-kind donations in the form of foods and other essential supplies. Total recovered and donated food was \$1,275,867 and \$675,570 for the years ended December 31, 2024 and December 31, 2023, 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 \$1.93 and \$1.92 for 2024 and 2023, respectively. These values are based on studies performed by Feeding America adjusted by .05 for inflation for 2023 and 2024. 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, 2024 is as follows:

School Name	Food Provided (Lbs.)	Fair Value (\$ US)
California State University, Dominguez Hills - Pantry	60,815	\$117,373.66
California State University, Long Beach - Pantry	87,841	169,533
California State University, Los Angeles - Pantry	65,605	126,617
California State University, Northridge - WRRC	33,312	64,292
CBD College	15,877	30,643
Charles R. Drew University	21,049	40,624
Emerson College, Los Angeles Center	21,979	42,419
Montclair State University, Los Angeles Center	3,774	7,283
Los Angeles City College	47,548	91,768
Los Angeles Mission College	28,353	54,722
Los Angeles Valley College	114,289	220,578
Long Beach City College	23,636	45,618
Los Angeles Pierce College	98,987	191,044
New York University, Los Angeles	9,062	17,490
University of Texas, Los Angeles	3,638	7,022
General Food Pantry Programs	25,305	48,839
Total	661,070	\$ 1,275,866

Income Taxes

The Internal Revenue Service has determined that the Organization is exempt from federal income taxes under 501 (c)(3) of the U.S. Internal Revenue Code. It is also exempt from state income tax. However, any unrelated business income may be subject to taxation.

SLB follows the accounting standards for contingencies in evaluating uncertain tax positions. This guidance prescribes recognition threshold principles for the financial statement recognition of tax positions taken or expected to be taken on a tax return that are not certain to be realized. No liability has been recognized by SLB for uncertain tax positions as of December 31, 2024. SLB's tax returns are subject to review and examination by federal and state taxing authorities.

New Accounting Pronouncement Adopted in the Current Year

In June 2016, the Financial Accounting Standards Boards (FASB) issued Accounting Standards Update (ASU) No. 2016-13, *Measurement of Financial Instruments – Credit Losses (topic 326)*. The ASU introduces new credit loss methodology, Current Expected Credit Losses (CECL), which requires earlier recognition of credit losses, while also providing additional transparency about credit risk. Since its original issuance in 2016, the FASB has issued several updates to the original ASU. The CECL methodology utilizes a lifetime “expected credit loss” measurement objective for the recognition of credit losses at the time the financial asset is originated or acquired. The expected credit losses are adjusted each period for changes in expected lifetime credit losses. The methodology replaces the multiple existing impairment methods in current GAAP, which generally require that a loss be incurred before it is recognized. On January 1, 2024, SLB adopted the standard prospectively and the implementation did not have material impact on the financial statements.

NOTE 3 – AVAILABILITY AND LIQUIDITY

The Organization regularly monitors liquidity required to meet its operating needs and other commitments. The Organization has various sources of liquidity including cash and cash equivalents, and accounts receivable.

For the purpose of analyzing resources available to meet general expenditures within one year of the statement of financial position, SLB considers all expenditures related to the ongoing activities of its program services, as well as the services undertaken to support those activities, to be general expenditures.

Financial assets available for general expenditure within one year of the statement of financial position date are as follows:

	<u>2024</u>
Current financial assets:	
Cash, cash equivalents and restricted funds	\$ 993,705
Accounts receivable	31,821
Less amounts unavailable for general expenditures within one year:	
Other	-
Total financial assets available for general expenditure within one year	<u>\$ 1,025,526</u>

NOTE 4 – NET ASSETS WITH RESTRICTIONS

Restricted net assets are restricted for the following:

	<u>2024</u>
Expendable for specified purposes:	
Grants	\$ -
Subject to the passage of time	381
Total restricted net assets	<u>\$ 381</u>

NOTE 5 – FUNCTIONAL EXPENSES

The cost of providing program and supporting activities has been summarized on a functional basis in the tables below for the year ended December 31, 2024. Expenses directly attributable to a specific functional activity of the Organization are reported as expenses of those functional activities. There are no indirect expenses that require allocation between activities. The below is the Statement of Functional Expenses for the year ended December 31, 2024.

	Program Expenses	Support Expenses	Total Expenses
Cost of In-Kind Goods Distributed (FMV)	\$ 1,282,776	\$ -	\$ 1,282,776
Total Cost of Goods Distributed	\$ 1,282,776	\$ -	\$ 1,282,776
Operating Expenses			
Salaries, benefits & taxes	\$ 55,788	\$ 13,947	\$ 69,735
Professional services	132,250	32,161	164,411
Vehicle expenses	6,659	-	6,659
Travel	3,806	76	3,882
Occupancy and office expenses	28,262	5,384	33,646
IT-related office expenses	3,689	922	4,611
Utilities & Maintenance	4,086	721	4,807
Advertising and marketing	1,502	343	1,845
Insurance	5,548	437	5,985
Taxes & Licenses	-	343	343
Total Operating Expenses	\$ 241,590	\$ 54,334	\$ 295,924
Depreciation Expense, Net (Current Year)	17,464	26	17,490
Total Operating & Depreciation Expenses	\$ 259,054	\$ 54,360	\$ 313,414
Total Expenses	\$ 1,541,830	\$ 54,360	\$ 1,596,190
Purchases of Long-Term Assets			
Equipment	\$ 9,104	\$ 394	\$ 9,498
Furniture	740	-	740
Trademarks	-	350	350
Total Purchases of Long-Term Assets	\$ 9,844	\$ 744	\$ 10,588
Total Expenses & Purchases	\$ 1,551,674	\$ 55,104	\$ 1,606,778

NOTE 6 – ENVIRONMENTAL AND SOCIAL RESPONSIBILITY UPDATE

SLB received a total of 661,070 and 360,188 pounds of donated goods consisting of a mix of fresh produce and packaged food products, school essentials, toiletries and clothing items for the years ended December 31, 2024 and December 31, 2023, 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 2024 alone we have provided food to help prepare nearly 550,000 meals. Furthermore, as an Organization committed to sustainability and social responsibility, the combined efforts have resulted in a proportionate reduction of CO2e emissions estimated at 424.77 mt. (metric tons) and a water usage savings of approximately 75.80 million gallons.

NOTE 7 – SUBSEQUENT EVENTS

Management has evaluated subsequent events occurring through March 9, 2025, the date on which the financial statements were available for issue, and has concluded that there have been no additional events or transactions requiring disclosure.