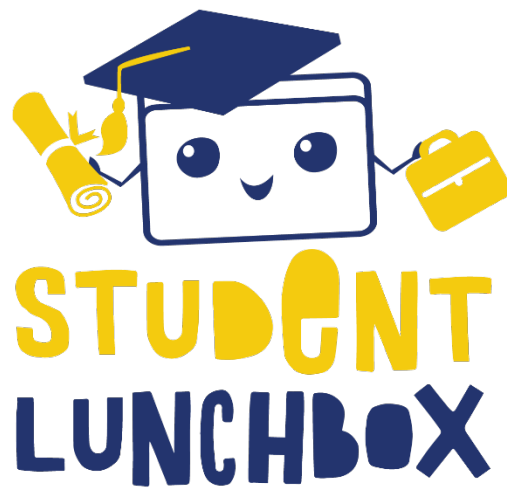


Management Report

Student LunchBox, Inc

For the period ended December 31, 2022



Prepared on
March 4, 2023

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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 envision increasing college graduation rates and engaging students in the model of community solidarity. We are also thankful to our community members and supporters who contribute to our growth and success by fighting college hunger helping Student LunchBox's One Vision, One Mission, One Lunch at a Time.

The following Financial Statements represent the financial activity for the Company during the year of 2022. This period has proven to have been successful in rescuing and delivering to college campuses a mix of fresh produce and shelf foods, effectively becoming an essential partner in replenishing college food pantries. 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.

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 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. Lastly, during 2022 we have added new volunteers to support the various roles in marketing and fundraising, which has been essential in promoting our continued efforts.

As the new year 2023 unfolds, we look forward to continuing successful operations delivering foods and other supplies to college campus pantries, as well as increase Student LunchBox's reach in engaging new sustaining donors who are not only interested in but also committed to our cause.

Student LunchBox, Inc

Statement of Financial Position As of December 31, 2022

ASSETS

Current Assets

Cash and cash equivalents	\$	161,114.27
Pledge receivables and other receivables		-
Prepaid expenses and other assets		275.00
Total Current Assets		<u>161,389.27</u>

Non-Current Assets

Equipment, Net		63,426.60
Total Non-Current Assets		<u>63,426.60</u>

TOTAL ASSETS	\$	<u><u>224,815.87</u></u>
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LIABILITIES AND NET ASSETS

Liabilities

Accounts payable	\$	-
Accrued expenses		-
Payroll withholding		287.00
Total Liabilities		<u>287.00</u>

Net Assets

Without donor restrictions		224,528.87
Total Net Assets		<u>224,528.87</u>

TOTAL LIABILITIES AND NET ASSETS	\$	<u><u>224,815.87</u></u>
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Student LunchBox, Inc

Statement of Activity For the Year Ended December 31, 2022

REVENUES

Individual donations	\$	3,594.06
Foundation grants		250,000.00
In-kind food donations (FMV)		252,356.00
Total Support and Revenue	\$	505,950.06

EXPENSES

Direct program services		
Cost of in-kind goods donated (FMV)		
California State University, Long Beach - Pantry	\$	82,962.71
California State University, Los Angeles - Housing		5,955.47
California State University, Los Angeles - Pantry		63,251.18
California State University, Northridge - WRRC		26,710.33
Long Beach City College		25,710.24
Los Angeles Pierce College		47,766.07
Total cost of in-kind goods donated (FMV)		252,356.00
Program expenses		25,456.80
Total direct program services		277,812.80
Administrative & general		7,128.25
Total Expenses	\$	284,941.05

Net Assets at the Beginning of the Year	\$	3,519.86
Change in Net Assets		221,009.01
Net Assets at the End of the Year	\$	224,528.87

Student LunchBox, Inc

Statement of Functional Expenses For the Year Ended December 31, 2022

	Program Expenses	Administrative & General	Total Expenses
Salaries and wages	\$ 6,923.09	\$ 4,615.39	\$ 11,538.48
Payroll taxes	701.82	467.88	1,169.70
Other employee benefits	442.64	295.09	737.73
Professional service fees	-	49.11	49.11
Advertising and marketing	4,424.29	37.84	4,462.13
Office expenses	859.53	860.32	1,719.85
IT-related office expenses	604.01	402.68	1,006.69
Travel	3,489.44	-	3,489.44
Depreciation	3,808.32	-	3,808.32
Insurance	2,645.88	399.94	3,045.82
Other:			
Taxes & Licenses	59.56	-	59.56
Vehicle expenses	1,498.22	-	1,498.22
	<hr/>	<hr/>	<hr/>
	\$ 25,456.80	\$ 7,128.25	\$ 32,585.05
Other In-Kind Expenses & Costs:			
Cost of Goods Donated (FMV)	252,356.00	-	252,356.00
	<hr/>	<hr/>	<hr/>
	\$ 277,812.80	\$ 7,128.25	\$ 284,941.05

Student LunchBox, Inc

Statement of Cash Flows For the Year Ended December 31, 2022

Cash Flows from Operating Activities

Change in net assets	\$	221,009.01
Adjustment to reconcile change in net assets to net cash and cash equivalents provided by operating activities:		
Deprecitaion		3,808.32
Decrease (increase) in operating assets:		
Pledge receivables and other receivables		899.51
Prepaid expenses and other assets		(275.00)
Increase (decrease) in operating liabilities:		
Accrued liabilities		287.00
Net cash provided by operating activities	\$	225,728.84

Cash Flows from Investing Activities

Purchase of equipment		(62,786.90)
Net cash used by investing activities	\$	(62,786.90)

Cash Flows from Financing Activities

Payments of members' advances		(5,006.83)
Net cash used by financing activities	\$	(5,006.83)

Net increase in cash and cash equivalents	\$	157,935.11
Cash and cash equivalents at beginning of year		3,179.16
Cash and cash equivalents at end of year	\$	161,114.27

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, 2022, 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, 2022 We show a Collectible Balance of \$0.00.

In addition, SLB recognizes Equipment balances of \$67,639.28 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 4,212,69 through December 31, 2022, resulting in a net equipment value of \$63,426.59 as of the year ended.

NOTE 3 – UNCERTAINTY DUE TO COVID-19

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) emerged and spread worldwide. On March 11, 2020, the World Health Organization (WHO) characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the United States have declared a state of emergency at the time. It is anticipated that these impacts will continue for some time although to a lesser extent for 2023. There has been no material impact to the Organization’s operations. Changes to the operating environment of the Organization may increase operating costs and impact the level of its outreach in accordance with its mission. The future effects of these issues are unknown and cannot be reasonably estimated at this time.

NOTE 4– NON-CASH ACTIVITIES AND SOCIAL RESPONSIBILITY

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 \$252,236.00 and \$22,068.91 for the years December 31, 2022 and December 31, 2021, respectively. The donated food is recorded in the financial

statement as In-Kind Donations (FVM) non-cash contribution and as Cost of Goods Donated (FVM) expense (SLB's produce donation to partner pantries) at the fair value of estimated average for one pound of donated food product at the national level of \$1.84 and \$1.79 for 2022 and 2021, respectively. These values were based on a 2020 study performed by Feeding America adjusted by .05 for inflation for 2022. 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 contributions for the year ended 2022 is as follows:

School Name	Food Provided (Lbs)	Fair Value (\$ US)
California State University, Los Angeles Pantry	34,376	\$ 63,251.17
California State University, Los Angeles Housing	3,237	\$ 5,955.47
California State University, Long Beach	45,088	\$ 82,962.71
California State University, Northridge - Women's Research & Resource Center	14,516	\$ 26,710.34
Long Beach Community College	13,973	\$ 25,710.24
Los Angeles Pierce College	25,960	\$ 47,766.07
Total	137,150	\$ 252,356.00

SLB received a total of 137,150 and 12,329 pounds of food consisting of a mix of fresh produce and packaged food products for the twelve months ended December 31, 2022 and December 31, 2021, 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 during 2022 we provided 114,245 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 167 tons ppmv as well as and estimated water usage savings of approximately 16 million gallons.

NOTE 5 – SUBSEQUENT EVENTS

The Organization has further evaluated subsequent events occurring through March 4, 2023, the date that the financial statements were available to be issued, and has concluded that there have been no additional events requiring disclosure.