

THE COOPERATIVE FEEDING PROGRAM, INC.

d/b/a LIFENET4FAMILIES

Financial Statements

December 31, 2023 and 2022

Robbins and Moroney, P.A.
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
The Cooperative Feeding Program, Inc.
d/b/a LifeNet4Families
Fort Lauderdale, Florida

Opinion

We have audited the accompanying financial statements of The Cooperative Feeding Program, Inc., d/b/a LifeNet4Families (the "Agency"), a non-profit organization, which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, cash flows and functional expenses 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 Agency as of December 31, 2023 and 2022, and the changes in 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 audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issues by the Comptroller General of the United States. 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 the Agency and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 the Agency'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 and Government 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.

INDEPENDENT AUDITOR'S REPORT (continued)

In performing an audit in accordance with generally accepted auditing standards and Government 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 the Agency'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 the Agency'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.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 28, 2024, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Agency's internal control over financial reporting and compliance.

ROBBINS and MORONEY, P.A.
Certified Public Accountants

Robbins and Moroney, P.A.

Fort Lauderdale, Florida
June 28, 2024

THE COOPERATIVE FEEDING PROGRAM, INC.
d/b/a LIFENET4FAMILIES

Statements of Financial Position
December 31, 2023 and 2022

Assets	2023	2022
Current Assets		
Cash and Cash Equivalents	\$ 258,073	\$ 732,632
Investments	1,001,471	446,953
Grants and Other Receivables	116,171	488,416
Prepaid Expenses	31,779	29,517
Total Current Assets	1,407,494	1,697,518
Non-Current Assets		
Property and Equipment	1,100,607	1,097,727
Beneficial Interest in Assets Held by Community Foundation	1,104,967	1,015,092
Total Non-Current Assets	2,205,574	2,112,819
Total Assets	\$ 3,613,068	\$ 3,810,337
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable and Accrued Expenses	\$ 124,227	\$ 52,540
Deferred Revenue	32,999	63,273
Total Liabilities	157,226	115,813
Net Assets		
Without Donor Restrictions	1,772,994	1,764,506
With Donor Restrictions:	1,682,848	1,930,018
Total Net Assets	3,455,842	3,694,524
Total Liabilities and Net Assets	\$ 3,613,068	\$ 3,810,337

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

THE COOPERATIVE FEEDING PROGRAM, INC.
d/b/a LIFENET4FAMILIES

Statements of Activities
For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Net Assets Without Donor Restrictions		
Public Support and Revenues		
Contributions	\$ 723,382	\$ 763,906
Grants and Contracts	605,311	699,874
Fundraising Events	426,790	315,325
Less: Costs of Direct Benefits to Donors	(61,221)	(41,752)
Investment Income	54,519	(59,066)
Loss on Disposal of Assets	(7,870)	
Net Assets Released from Restrictions	657,126	431,120
Contributed Food, Services and Materials	848,533	410,345
Total Public Support and Revenues	<u>3,246,570</u>	<u>2,519,752</u>
Expenses		
Program Services	2,807,861	2,170,948
General and Administrative	237,731	254,925
Fundraising	192,490	147,792
Total Expenses	<u>3,238,082</u>	<u>2,573,665</u>
Change in Net Assets Without Donor Restrictions	<u>8,488</u>	<u>(53,913)</u>
Net Assets With Donor Restrictions		
Grants and Contracts	262,500	924,900
Investment Income	147,456	(215,103)
Net Assets Released from Restrictions	<u>(657,126)</u>	<u>(431,120)</u>
Change in Net Assets With Donor Restrictions	<u>(247,170)</u>	<u>278,677</u>
Change in Net Assets	<u>(238,682)</u>	<u>224,764</u>
Net Assets, Beginning of Year	<u>3,694,524</u>	<u>3,469,760</u>
Net Assets, End of Year	<u><u>\$ 3,455,842</u></u>	<u><u>\$ 3,694,524</u></u>

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

**THE COOPERATIVE FEEDING PROGRAM, INC.
d/b/a LIFENET4FAMILIES**

Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ (238,682)	\$ 224,764
Adjustments to Reconcile Change in Net Assets to Net Cash from Operating Activities		
Depreciation	55,636	54,669
Unrealized (Gain) Loss on Investments	(25,745)	76,701
Loss on Disposal of Assets	7,870	
Net Investment (Income) Loss from Beneficial Interest in Assets Held by Community Foundation	(147,456)	215,103
Changes in Assets and Liabilities:		
Decrease (Increase) in Grants and Other Receivables	372,245	(421,688)
Increase in Prepaid Expenses	(2,262)	(23,573)
Increase in Accounts Payable and Accrued Expenses	71,687	32,247
Decrease in Deferred Revenue	<u>(30,274)</u>	<u>(15,684)</u>
Net Cash Flows from Operating Activities	<u>63,019</u>	<u>142,539</u>
Cash Flows from Investing Activities		
Distributions from Beneficial Interest	57,581	57,534
Purchase of Investments	(528,773)	(17,745)
Purchase of Property and Equipment	<u>(66,386)</u>	
Net Cash Flows from Investing Activities	<u>(537,578)</u>	<u>39,789</u>
Cash Flows from Financing Activities		
Payments on Mortgage Payable		<u>(2,675)</u>
Net Cash Flows from Financing Activities	<u>-</u>	<u>(2,675)</u>
Net Change in Cash and Cash Equivalents	(474,559)	179,653
Cash and Cash Equivalents, Beginning of Year	<u>732,632</u>	<u>552,979</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 258,073</u></u>	<u><u>\$ 732,632</u></u>

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

THE COOPERATIVE FEEDING PROGRAM, INC.
d/b/a LIFENET4FAMILIES

Statements of Functional Expenses
For the Years Ended December 31, 2023 and 2022

2023	Program Services	General and Administrative	Fundraising	Total
Food and Supplies	\$ 1,433,813	\$	\$	\$ 1,433,813
Salaries and Benefits	764,372	93,519	96,381	954,272
Individual Assistance	166,678			166,678
Repairs and Maintenance	91,985	1,643	425	94,053
Security	152,574	4,150	1,073	157,797
Professional Fees	37,458	66,729	764	104,951
Advertising and Promotion		8,633	89,079	97,712
Utilities	51,487	1,401	362	53,250
Depreciation	53,795	1,463	378	55,636
Contract Labor	25,902			25,902
Office	13,571	27,488	2,714	43,773
Insurance		16,478		16,478
Telephone	5,637	690	711	7,038
Conferences and Meetings	767	6,630	384	7,781
Miscellaneous	5,246	1,863		7,109
Licenses and Permits		3,925		3,925
Vehicles	4,576	1,144		5,720
Dues and Subscriptions		1,975	219	2,194
	<u>\$ 2,807,861</u>	<u>\$ 237,731</u>	<u>\$ 192,490</u>	<u>\$ 3,238,082</u>

2022	Program Services	General and Administrative	Fundraising	Total
Food and Supplies	\$ 973,270	\$	\$	\$ 973,270
Salaries and Benefits	600,283	83,671	83,671	767,625
Individual Assistance	205,661			205,661
Repairs and Maintenance	98,641	31,583	514	130,738
Security	97,142	2,642	683	100,467
Professional Fees	29,637	56,957	908	87,502
Advertising and Promotion		18,095	50,371	68,466
Utilities	55,883	1,520	393	57,796
Depreciation	52,858	1,439	372	54,669
Contract Labor	36,900	7,720	7,720	52,340
Office	10,357	18,472	2,062	30,891
Insurance		13,999		13,999
Telephone	4,740	661	660	6,061
Environmental Cleanup		5,956		5,956
Conferences and Meetings	491	4,279	245	5,015
Miscellaneous	2,694	1,655		4,349
Licenses and Permits		3,945		3,945
Vehicles	2,391	598		2,989
Dues and Subscriptions		1,733	193	1,926
	<u>\$ 2,170,948</u>	<u>\$ 254,925</u>	<u>\$ 147,792</u>	<u>\$ 2,573,665</u>

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

THE COOPERATIVE FEEDING PROGRAM, INC.
d/b/a LIFENET4FAMILIES
Notes to Financial Statements
December 31, 2023 and 2022

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization: The Cooperative Feeding Program, Inc., d/b/a LifeNet4Families (the "Agency") is a non-profit organization whose mission is to be part of a seamless system of care in Broward County to reduce the pain and suffering of individuals and families in poverty by providing necessary food, ancillary services, and referrals.

Date of Management's Review: In preparing the financial statements, the Agency has evaluated events and transactions for potential recognition or disclosure through June 28, 2024, the date that these financial statements were available to be issued.

Basis of Accounting: The financial statements of the Agency have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Financial Statement Presentation: Net assets, revenues, 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:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Agency reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the contribution is received. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Cash and Cash Equivalents: Cash equivalents consist of highly liquid investments with an initial maturity of three months or less.

Investments: Investments are stated at fair value. Fair value is defined as 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.

Grants and Other Receivables: Grants and other receivables are stated at the amount management expects to collect from outstanding balances. 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 the receivable. At December 31, 2023 and 2022, the valuation allowance for uncollectable amounts was \$0. Changes in the valuation allowance have not been material to the financial statements.

1. **ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Property and Equipment: Donated property and equipment are recorded at fair market value at the date of donation. Purchased property and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Maintenance and minor repairs are charged to expense when incurred. Additions and major renewals are capitalized. The cost and accumulated depreciation of assets sold or retired is removed from the respective accounts and any gain or loss is reflected in income.

Contributed Food, Services and Materials: Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. Contributed food and materials are also recorded at their fair values in the period received.

Income Taxes: As a non-profit corporation under Internal Revenue Code Section 501(c)(3), the Agency is exempt from corporate income taxation on income related to its exempt function. Therefore, no provision for income taxes has been made in the accompanying financial statements.

The Agency has not incurred any interest or penalties on its income tax returns.

The Agency's tax returns are subject to possible examination by the taxing authorities. For federal income tax purposes, the tax returns remain open for possible examination for a period of three years after the respective filing deadlines of those returns.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Functional Allocation of Expenses: The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and detailed in the statement of functional expenses. Certain costs have been allocated among the programs and supporting services benefited.

Fair Value of Financial Instruments: Cash equivalents, grants and other receivables, prepaid expenses, accounts payable and accrued expenses and deferred revenue are reflected in the financial statements at cost which approximates fair value because of their short-term nature.

2. **LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The Agency has a policy to manage its liquidity and reserves following three guiding principles: operating within a prudent range of financial stability, maintaining adequate liquidity to fund near-term operations, and maintain sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The following table reflects the Agency's financial assets as of December 31, 2023 and 2022, reduced by amounts not available for general expenditures within one year.

THE COOPERATIVE FEEDING PROGRAM, INC.
d/b/a LIFENET4FAMILIES
Notes to Financial Statements
December 31, 2023 and 2022

2. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (Continued)

	<u>2023</u>	<u>2022</u>
Cash and Cash Equivalents	\$ 258,073	\$ 732,632
Investments	1,001,471	446,953
Grants and Other Receivable	116,171	488,416
Beneficial Interest in Assets Held by Community Foundation	<u>1,104,967</u>	<u>1,015,092</u>
Total Financial Assets at December 31, 2023 and 2022	<u>2,480,682</u>	<u>2,683,093</u>
Less Amounts Not Available to be Used Within One Year:		
Net Assets with Donor Restrictions	1,682,849	1,930,018
Less: Net Assets with Purpose Restrictions to be Met in Less Than One Year	<u>(635,462)</u>	<u>(651,091)</u>
	<u>1,047,387</u>	<u>1,278,927</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 1,433,295</u>	<u>\$ 1,404,166</u>

3. INVESTMENTS

At December 31, 2023 and 2022 investments were comprised of the following:

	<u>2023</u>	<u>2022</u>
ETF Fixed Income Funds	\$ 509,115	\$
Mutual Funds	492,356	446,953
	<u>\$ 1,001,471</u>	<u>\$ 446,953</u>

Investment income is summarized as follows:

	<u>2023</u>	<u>2022</u>
Interest and Dividends	\$ 28,774	\$ 17,635
Unrealized Gain (Loss) on Investments	25,745	(76,701)
Net Investment Gain (Loss) from Beneficial Interest in Assets Held by Community Foundation	<u>147,456</u>	<u>(215,103)</u>
	<u>\$ 201,975</u>	<u>\$ (274,169)</u>

4. GRANTS AND OTHER RECEIVABLES

At December 31, 2023 and 2022, grants and other receivables consisted of:

	<u>2023</u>	<u>2022</u>
Grants	\$ 116,171	\$ 485,916
Other Receivables		2,500
	<u>\$ 116,171</u>	<u>\$ 488,416</u>

THE COOPERATIVE FEEDING PROGRAM, INC.
d/b/a LIFENET4FAMILIES
Notes to Financial Statements
December 31, 2023 and 2022

5. PROPERTY AND EQUIPMENT

At December 31, 2023 and 2022, property and equipment consisted of:

	<u>2023</u>	<u>2022</u>
Land	\$ 319,149	\$ 319,149
Vehicles	109,760	109,760
Kitchen Equipment	29,832	45,911
Building and Improvements	1,546,682	1,503,283
Furniture and Fixtures	31,567	34,932
Machinery and Equipment	74,490	98,618
Total Property and Equipment	2,111,480	2,111,653
Less: Accumulated Depreciation	(1,010,873)	(1,013,926)
Net Book Value	<u>\$ 1,100,607</u>	<u>\$ 1,097,727</u>

6. RESTRICTIONS ON ASSETS

At December 31, 2023 and 2022, net assets with donor restrictions are available for the following purposes or periods:

	<u>2023</u>	<u>2022</u>
Program Services	\$ 218,750	\$ 549,900
Environmental Cleanup	38,298	44,192
Endowment	1,104,967	1,015,092
Future Periods	320,833	320,834
	<u>\$ 1,682,848</u>	<u>\$ 1,930,018</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by donors as follows:

	<u>2023</u>	<u>2022</u>
Program Services	\$ 593,651	\$ 367,630
Environmental Cleanup	5,894	5,956
Endowment Distribution	57,581	57,534
	<u>\$ 657,126</u>	<u>\$ 431,120</u>

7. CONTRIBUTED FOOD, SERVICES AND MATERIALS

The value of contributed food, services and materials included in the financial statements for the year ended December 31, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Public Support and Revenues		
Food and Supplies	\$ 776,036	\$ 338,617
Individual Assistance	72,497	71,728
	<u>\$ 848,533</u>	<u>\$ 410,345</u>

THE COOPERATIVE FEEDING PROGRAM, INC.
d/b/a LIFENET4FAMILIES
Notes to Financial Statements
December 31, 2023 and 2022

7. CONTRIBUTED FOOD, SERVICES AND MATERIALS (continued)

	<u>2023</u>	<u>2022</u>
Expenses		
Program Services	\$ 848,533	\$ 410,345

The Agency received 435,975 and 190,234 pounds of donated food from various non-governmental and governmental entities during the years ended December 31, 2023 and 2022, respectively. The average fair value of one pound of donated food was determined to be \$1.78 for the years ended December 31, 2023 and 2022, respectively. These amounts were based upon a study performed in 2019 by the Agency using published prices from local sources and have been adjusted subsequently for increases in food-at-home prices as calculated by the United States Department of Agriculture.

8. CONTINGENCIES

In prior years, the Agency became aware of an environmental contamination risk caused by a former owner of the Agency's premises. The contamination was caused by abandoned underground fuel reservoirs. The Agency has engaged an environmental engineer to install and monitor test wells. The cost of remediation of any additional contamination is unknown at this time. Due to the inability to determine the costs of the additional repairs, if any, necessary to correct this problem, the Agency has not recorded this contingent liability.

In the normal course of activities, the Agency receives grants and other forms of reimbursements from various government agencies. These activities are subject to audit by agents of the funding authority, the purpose of which is to ensure compliance with conditions precedent to providing such funds. Management of the Agency believes that the liability, if any, for any reimbursement which may arise as a result of audits would not be material.

9. CONCENTRATIONS OF CREDIT RISK

Financial instruments which potentially subject the Agency to concentrations of credit risk consist principally of cash equivalents, unsecured receivables, investments and beneficial interest in assets held by community foundation.

The Agency's ability to collect its receivables is dependent upon economic conditions and the financial condition of its customers. The Agency has not experienced significant losses related to receivables. Management believes no additional credit risk is inherent in the Agency's receivables.

At December 31, 2023 and 2022, the Agency had \$258,073 and \$732,632 in cash, of which \$15,359 and \$524,736 was in excess of the federally insured limits, respectively.

The Agency's investments and beneficial interest in assets held by community foundation are exposed to various risks such as interest rate, market and credit risk. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the value of investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

10. BENEFICIAL INTEREST IN ASSETS HELD BY COMMUNITY FOUNDATION

On July 16, 2007, the Agency entered into an agreement with the Community Foundation of Broward (the "Foundation") to establish a fund to manage the assets of an endowment fund (the "Fund"). The Agency carries its investment in the beneficial interest at fair market value which at December 31, 2023 and 2022 was \$1,104,967 and \$1,015,092, respectively.

The Foundation is to invest the fund balance in accordance with its normal investment guidelines and procedures. Distributions to the Agency are based on the Foundation's stated "income return percentage" for the period, multiplied by the weighted average market value of the funds. These funds are the property of the Foundation owned by it in its normal capacity.

Accounting Standards Codification 958 ("ASC 958"), "Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds" provides guidance on the net asset classification of donor-restricted endowment funds for a non-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). ASC 958 also requires additional disclosures about an organization's endowment funds (both donor-restricted endowment funds and board-designated endowment funds), whether or not the organization is subject to UPMIFA.

The State of Florida enacted the "Florida Uniform Prudent Management of Institutional Funds Act ("FUPMIFA") effective July 1, 2012, the provisions of which apply to endowment funds existing on or established after that date. The Board of Directors, on the advice of legal counsel, has determined that the majority of the Agency's permanently restricted net assets meet the definition of endowment funds under FUPMIFA.

The Board of Directors of the Agency has interpreted the Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Agency classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Agency in a manner consistent with the standard of prudence prescribed by FUPMIFA.

In accordance with FUPMIFA, the Agency considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Agency, and (7) the Agency's investment policies.

Endowment Investment and Spending Policies: The Agency has adopted investment and spending policies, approved by the Board of Directors, for endowment assets. In order to meet its needs, the investment strategy for the Agency's endowment assets is to emphasize a balanced investment strategy, incorporating annual capital appreciation, as well as dividend and interest income.

THE COOPERATIVE FEEDING PROGRAM, INC.
d/b/a LIFENET4FAMILIES
Notes to Financial Statements
December 31, 2023 and 2022

10. BENEFICIAL INTEREST IN ASSETS HELD BY COMMUNITY FOUNDATION (continued)

The primary objectives in the investment management of the Agency's endowment assets shall be:

1. Preservation of Principal: To preserve the principal of the Agency's endowment assets against loss.
2. Preservation of Principal Purchasing Power: To achieve endowment investment returns equal to or greater than the rate of inflation.
3. Risk control is to be considered a critical element in the investment of the Agency's endowment assets.
4. Long Term Growth of Principal: To encourage the long-term growth of endowment principal without excessive risk.

The Agency's Finance Committee will attempt to balance the Agency's shorter-term budget process with its goal to preserve principal and its purchasing power in perpetuity by designing a spending policy which is flexible and is based on investment results.

From time to time, donor restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Agency has interpreted FUPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At December 31, 2022, funds with original gift values of \$1,085,000, fair market values of \$1,015,092 and deficiencies of \$69,908 were reported in net assets with donor restrictions. At December 31, 2023, the fair market value exceeded the original gift value.

Endowment net asset composition by type of fund as of December 31, 2023 and 2022 is as follows:

	<u>Net Assets with Donor Restrictions</u>		
	<u>Original Gift Amount</u>	<u>Accumulated Gains (Loss)</u>	<u>Total Endowment Net Assets</u>
Endowment Net Assets, December 31, 2021	\$ 1,085,000	\$ 202,729	\$ 1,287,729
Net Investment Income on Beneficial Interest		(215,103)	(215,103)
Appropriation of Endowment Net Assets			
for Expenditure		(57,534)	(57,534)
Endowment Net Assets, December 31, 2022	\$ 1,085,000	\$ (69,908)	\$ 1,015,092
Net Investment Income on Beneficial Interest		147,456	147,456
Appropriation of Endowment Net Assets			
for Expenditure		(57,581)	(57,581)
Endowment Net Assets, December 31, 2023	<u>\$ 1,085,000</u>	<u>\$ 19,967</u>	<u>\$ 1,104,967</u>

11. FAIR VALUE MEASUREMENTS

Accounting Standards Codification 820 ("ASC 820"), Fair Value Measurements, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Agency has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value on a recurring basis:

Mutual Funds and ETF Fixed Income Funds: Valued at the closing net asset value of the shares held at year end as reported on the active market on which the funds are traded.

Beneficial Interest in Community Foundation: The fair value of the beneficial interest in the community foundation's investments is determined by the investment fund manager of the organization holding the assets. The composition of the assets held by the community foundation are invested pursuant to its governing instruments and valued accordingly.

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 the Agency believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

THE COOPERATIVE FEEDING PROGRAM, INC.
d/b/a LIFENET4FAMILIES
Notes to Financial Statements
December 31, 2023 and 2022

11. FAIR VALUE MEASUREMENTS (continued)

The following table sets forth by level, within the fair value hierarchy, the Agency's assets at fair value as of December 31, 2023 and 2022:

2023				
	Total	Level 1	Level 2	Level 3
Asset				
Mutual Funds	\$ 492,356	\$ 492,356	\$	\$
ETF Fixed Asset Funds	509,115	509,115		
Beneficial Interest in Community Foundation	1,104,967			1,104,967
Total Assets at Fair Value	\$ 2,106,438	\$ 1,001,471	\$	\$ 1,104,967

2022				
	Total	Level 1	Level 2	Level 3
Asset				
Mutual Funds	\$ 446,953	\$ 446,953	\$	\$
Beneficial Interest in Community Foundation	1,015,092			1,015,092
Total Assets at Fair Value	\$ 1,462,045	\$ 446,953	\$	\$ 1,015,092

Level 3 Gains and Losses

The table below sets forth a summary of changes in the fair value of the Agency's Level 3 assets and liabilities for the year ended December 31, 2023 and 2022:

	Level 3 Assets
	Beneficial Interest in Community Foundation
Balance, December 31, 2021	\$ 1,287,729
Investment Income	(215,103)
Distributions	(57,534)
Balance, December 31, 2022	\$ 1,015,092
Investment Income	147,456
Distributions	(57,581)
Balance, December 31, 2023	\$ 1,104,967

Investment income of \$147,46 and \$(215,103) is included in the change in net assets with donor restrictions as reported on the statement of activities for the years ended December 31, 2023 and 2022, respectively.

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
The Cooperative Feeding Program, Inc.
d/b/a LifeNet4Families
Fort Lauderdale, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller of the United States, the financial statements of The Cooperative Feeding Program, Inc., d/b/a LifeNet4Families (a non-profit organization) (the "Agency"), which comprise the statement of financial position as of December 31, 2023 and 2022, and the related statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated June 28, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS
(continued)**

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

ROBBINS and MORONEY, P.A.
Certified Public Accountants

Robbins and Moroney, P.A.

Fort Lauderdale, Florida
June 28, 2024

Robbins and Moroney, P.A.
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To the Board of Directors
The Cooperative Feeding Program, Inc.
d/b/a LifeNet4Families
Fort Lauderdale, Florida

We have audited the financial statements of The Cooperative Feeding Program, Inc., d/b/a LifeNet4Families (the "Agency") for the years ended December 31, 2023 and 2022, and have issued our report thereon dated June 28, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and Government Auditing Standards, as well as certain information related to the planned scope December 4, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices:

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Agency are described in Note 1 to the financial statements. No new accounting standards were adopted and the application of existing policies was not changed during the years ended December 31, 2023 and 2022. We noted no transactions entered into by the Agency during the year ending December 31, 2022 for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were the functional allocation of expenses, fair value of in-kind contributions and depreciation. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit:

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements:

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Board of Directors
The Cooperative Feeding Program, Inc.
d/b/a LifeNet4Families
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Disagreements with Management:

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations:

We have requested certain representations from management that are included in the management representation letter dated June 28, 2024.

Management Consultations with Other Independent Accountants:

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Agency's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues:

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Agency's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of Board of Directors and management of The Cooperative Feeding Program, Inc., d/b/a LifeNet4Families and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,
ROBBINS AND MORONEY, P.A.
Certified Public Accountants

Robbins and Moroney, P.A.

Fort Lauderdale, Florida
June 28, 2024

Robbins and Moroney, P.A.
Certified Public Accountants