

FINANCIAL STATEMENTS



THE CAMPUS KITCHENS PROJECT, INC.

**FOR THE YEAR ENDED JUNE 30, 2018
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2017**

THE CAMPUS KITCHENS PROJECT, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Campus Kitchens Project, Inc.
Washington, D.C.

We have audited the accompanying financial statements of The Campus Kitchens Project, Inc. (CKP) which comprise the statement of financial position as of June 30, 2018, and the related statements of activities and change in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CKP as of June 30, 2018, and the change in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Report on Summarized Comparative Information

We have previously audited CKP's 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 23, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Gelman Rosenberg & Freedman

October 15, 2018

THE CAMPUS KITCHENS PROJECT, INC.
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2018
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2017

ASSETS		<u>2018</u>	<u>2017</u>
CURRENT ASSETS			
Cash and cash equivalents	\$	192,087	\$ 291,133
Investments		571,794	549,779
Accounts receivable		1,200	13,036
Grants receivable		288,844	227,374
Prepaid expenses		<u>6,814</u>	<u>2,139</u>
Total current assets		<u>1,060,739</u>	<u>1,083,461</u>
FIXED ASSETS			
Equipment		27,171	27,171
Less: Accumulated depreciation and amortization		<u>(27,171)</u>	<u>(27,171)</u>
Net fixed assets		<u>-</u>	<u>-</u>
OTHER ASSETS			
Grants receivable, net of current portion		<u>131,344</u>	<u>112,687</u>
TOTAL ASSETS		<u>\$ 1,192,083</u>	<u>\$ 1,196,148</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable	\$	10,192	\$ 547
Accrued salaries and related benefits		30,242	31,801
Deferred revenue		<u>-</u>	<u>1,095</u>
Total current liabilities		<u>40,434</u>	<u>33,443</u>
NET ASSETS			
Unrestricted		788,774	711,956
Temporarily restricted		<u>362,875</u>	<u>450,749</u>
Total net assets		<u>1,151,649</u>	<u>1,162,705</u>
TOTAL LIABILITIES AND NET ASSETS		<u>\$ 1,192,083</u>	<u>\$ 1,196,148</u>

THE CAMPUS KITCHENS PROJECT, INC.

**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2018
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2017**

	2018			2017
	Unrestricted	Temporarily Restricted	Total	Total
REVENUE AND SUPPORT				
Contributions	\$ 606,015	\$ 225,000	\$ 831,015	\$ 1,075,568
DCCK grants	-	-	-	200,000
Interest and dividends	41,536	-	41,536	5,996
Contributed services and materials	312,443	-	312,443	400,216
Other revenue	50,280	-	50,280	90,069
Net assets released from donor restrictions	<u>312,874</u>	<u>(312,874)</u>	<u>-</u>	<u>-</u>
Total revenue and support	<u>1,323,148</u>	<u>(87,874)</u>	<u>1,235,274</u>	<u>1,771,849</u>
EXPENSES				
Program Services:				
Campus Kitchens Project	<u>1,077,830</u>	<u>-</u>	<u>1,077,830</u>	<u>1,141,689</u>
Supporting Services:				
Development	40,466	-	40,466	54,537
Management and General	<u>108,513</u>	<u>-</u>	<u>108,513</u>	<u>151,729</u>
Total supporting services	<u>148,979</u>	<u>-</u>	<u>148,979</u>	<u>206,266</u>
Total expenses	<u>1,226,809</u>	<u>-</u>	<u>1,226,809</u>	<u>1,347,955</u>
Change in net assets before other item	96,339	(87,874)	8,465	423,894
OTHER ITEM				
Unrealized (loss) gain on investments	<u>(19,521)</u>	<u>-</u>	<u>(19,521)</u>	<u>54,799</u>
Change in net assets	76,818	(87,874)	(11,056)	478,693
Net assets at beginning of year	<u>711,956</u>	<u>450,749</u>	<u>1,162,705</u>	<u>684,012</u>
NET ASSETS AT END OF YEAR	<u>\$ 788,774</u>	<u>\$ 362,875</u>	<u>\$ 1,151,649</u>	<u>\$ 1,162,705</u>

THE CAMPUS KITCHENS PROJECT, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2018
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2017

	2018				2017	
Program Services	Supporting Services					
Campus Kitchens Project	Development	Management and General	Total Supporting Services	Total Expenses	Total Expenses	
Personnel expenses	\$ 436,715	\$ 27,133	\$ 81,399	\$ 108,532	\$ 545,247	\$ 668,949
Donated food and beverage	170,000	-	-	-	170,000	202,366
Program grants and assistance	156,402	-	-	-	156,402	134,169
Donated rent	125,350	5,698	11,395	17,093	142,443	197,850
Travel	44,155	3,615	3,873	7,488	51,643	37,841
Professional services	40,695	1,190	4,654	5,844	46,539	39,682
Meetings and conventions	35,304	124	1,884	2,008	37,312	3,105
Technology and communications	22,650	80	1,192	1,272	23,922	11,755
Purchased food and beverage	17,537	-	-	-	17,537	19,227
Office expenses	7,843	2,615	2,085	4,700	12,543	5,957
Insurance	9,157	-	-	-	9,157	9,157
Kitchen costs	2,719	-	-	-	2,719	3,690
Interest and banking fees	-	-	1,515	1,515	1,515	2,003
Miscellaneous	9,303	11	516	527	9,830	12,204
TOTAL	\$ 1,077,830	\$ 40,466	\$ 108,513	\$ 148,979	\$ 1,226,809	\$ 1,347,955

See accompanying notes to financial statements.

THE CAMPUS KITCHENS PROJECT, INC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2017

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (11,056)	\$ 478,693
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:		
Unrealized loss (gain) on investments	19,521	(54,799)
Decrease (increase) in:		
Accounts receivable	11,836	(10,036)
Grants receivable	(80,127)	(265,061)
Prepaid expenses	(4,675)	3,522
Increase (decrease) in:		
Accounts payable	9,645	(4,161)
Accrued salaries and related benefits	(1,559)	(2,601)
Deferred revenue	<u>(1,095)</u>	<u>(105)</u>
Net cash (used) provided by operating activities	<u>(57,510)</u>	<u>145,452</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments - dividend reinvestment	<u>(41,536)</u>	<u>(5,996)</u>
Net cash used by investing activities	<u>(41,536)</u>	<u>(5,996)</u>
Net (decrease) increase in cash and cash equivalents	(99,046)	139,456
Cash and cash equivalents at beginning of year	<u>291,133</u>	<u>151,677</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 192,087</u>	<u>\$ 291,133</u>

THE CAMPUS KITCHENS PROJECT, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

Founded in 2001, The Campus Kitchens Project, Inc. (CKP) is a national organization that empowers student volunteers to fight hunger in their community. On university and high school campuses across the country, students transform unused food from dining halls, grocery stores, restaurants, and farmers' markets into meals that are delivered to local agencies serving those in need. By taking the initiative to run a community kitchen, students develop entrepreneurial and leadership skills, along with a commitment to serve their community, that they will carry with them into future careers. Each Campus Kitchen goes beyond meals by using food as a tool to promote poverty solutions, implement garden initiatives, participate in nutrition education, and convene food policy events. In 2002, CKP was incorporated as an affiliated corporation under common control with D.C. Central Kitchen, Inc. (DCKK), a not-for-profit organization. DCKK developed the concept of the "Community Kitchen," a program that includes food recycling, meal distribution and job training to provide a solution that addresses both the immediate problems and the root causes of hunger.

The mission of CKP is to empower students to create sustainable solutions to hunger and food waste.

As of June 30, 2018, CKP operated 4 "owned" and 59 "affiliate" schools. The contracts that define CKP's relationships with its "owned" and "affiliate" schools differ mainly in the burden of cost and assumption of liability.

- **Owned:** The Campus Kitchens who fall under the "owned" model are those for which CKP provides 100% of the staffing, funding and ongoing assistance. These were the first of CKP's Campus Kitchens, and therefore, acted as "pilot" programs, over which CKP retains control and for which CKP assumes liability and provides indemnification to the host school for the work of the program.
- **Affiliate:** Under our "affiliate" model, the host school assumes the staffing responsibilities, ongoing costs and liability for the Campus Kitchens program. Based on available funding and the school's proposed budget, CKP provides a multi-year grant to the school to help defray these costs. CKP provides ongoing technical support, training and licensing of its name and marks to all affiliate schools.

Both owned and affiliated Campus Kitchens programs coordinate food donations, prepare and deliver meals to area community service agencies, create and deliver programs that address the underlying root causes of hunger, and provide service-learning opportunities for students. Since its inception in 2001, CKP has prevented the waste of over 7,000,000 pounds of food and delivered 3,259,927 meals to local partner agencies.

CKP began the process to transition the owned schools to affiliate models in fiscal year 2018, with the goal of having no owned schools by the end of fiscal year 2019. As of report date, this goal has been accomplished.

Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*.

THE CAMPUS KITCHENS PROJECT, INC.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

Basis of presentation (continued) -

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with CKP's financial statements for the year ended June 30, 2017, from which the summarized information was derived.

The accompanying financial statements represent the activity of CKP only. The financial statements of DCCK have been combined with CKP in accordance with FASB ASC 958-810, *Not-for-Profit Entities, Consolidation*. The consolidated financial statements are available at DCCK's headquarters.

Cash and cash equivalents -

CKP considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

Bank deposit accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000. At times during the year, CKP maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Investments -

Investments are recorded at their readily determinable fair value. Interest, dividends, realized and unrealized gains and losses are reported separately in the Statement of Activities and Change in Net Assets.

Accounts and grants receivable -

Accounts and grants receivable are recorded at their net realizable value, which approximates fair value. Grants receivable that are expected to be collected in future years are recorded at fair value, measured as the present value of their future cash flows.

The discounts on these amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in grants and contribution revenue. Management considers all accounts and grants receivable to be fully collectible. Accordingly, an allowance for doubtful accounts has not been established.

Fixed assets -

Fixed assets in excess of \$10,000 are capitalized and stated at cost. Fixed assets are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally two to ten years. The cost of maintenance and repairs is recorded as expenses are incurred. As of June 30, 2018, fixed assets were fully depreciated and still in use. No depreciation expense was recorded for the year ended June 30, 2018.

Income taxes -

CKP is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements. CKP is not a private foundation.

THE CAMPUS KITCHENS PROJECT, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Income taxes (continued) -

As discussed in the "Organization" section above, each of the owned Campus Kitchens is a single-member LLC owned entirely by CKP. The owned Campus Kitchens are treated as a "disregarded entity" for income tax purposes and, as such, their financial activity is reported in conjunction with the Federal tax filings of CKP.

Uncertain tax positions -

For the year ended June 30, 2018, CKP has documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

Grants to affiliates -

CKP provides initial funding to Campus Kitchens affiliates in accordance with affiliate agreements. These grants are recorded as contributions made at the date the affiliation agreement is signed. The unpaid portion of these grants is reported as a liability at the end of the year. As of June 30, 2018, a total of \$10,000 was owed to the Campus Kitchens affiliates. Accordingly, the balance was included in accounts payable in the accompanying financial statements.

Net asset classification -

The net assets are reported in two self-balancing groups as follows:

- **Unrestricted net assets** include unrestricted revenue and contributions received without donor-imposed restrictions. These net assets are available for the operation of CKP.
- **Temporarily restricted net assets** include revenue and contributions subject to donor-imposed stipulations that will be met by the actions of CKP and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities and Change in Net Assets as net assets released from restrictions.

Contributions and grants -

Unrestricted and temporarily restricted contributions and grants are recorded as revenue in the year notification is received from the donor. Temporarily restricted contributions and grants are recognized as unrestricted support only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Such funds in excess of expenses incurred are shown as temporarily restricted net assets in the accompanying financial statements. If donor restrictions are met in accordance with the donors' stipulations in the same year that it is received, contributions and grants are reported as unrestricted support.

Contributed services and materials -

Contributed services and materials consist of office space and food. Contributed services and materials are recorded at their fair market value as of the date of the gift.

THE CAMPUS KITCHENS PROJECT, INC.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

Contributed services and materials (continued) -

In addition, volunteers have donated significant amounts of their time to CKP; these donated services are not reflected in the financial statements since these services do not meet the criteria for recognition as contributed services.

Use of estimates -

The preparation of the 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 of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Investment risks and uncertainties -

CKP invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

Fair value measurement -

CKP adopted the provisions of FASB ASC 820, *Fair Value Measurement*. FASB ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs (assumptions that market participants would use in pricing assets and liabilities, including assumptions about risk) used to measure fair value, and enhances disclosure requirements for fair value measurements. CKP accounts for a significant portion of its financial instruments at fair value or considers fair value in their measurement.

New accounting pronouncement (not yet adopted) -

In June 2018, the FASB issued Accounting Standards Update (ASU) 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*, which is intended to clarify and improve current guidance about whether a transfer of assets is an exchange transaction or a contribution. The amendments in this ASU provide a more robust framework to determine when a transaction should be accounted for as a contribution under Subtopic 958-605 or as an exchange transaction accounted for under other guidance (for example, Topic 606). The amendments also provide additional guidance about how to determine whether a contribution is conditional or unconditional. The amendments in this ASU could result in more grants and contracts being accounted for as contributions than under previous GAAP. The ASU recommends application on a modified prospective basis; however, retrospective application is permitted. CKP has not yet decided on a transition method. The ASU is effective for years beginning after December 15, 2018.

THE CAMPUS KITCHENS PROJECT, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

New accounting pronouncement (not yet adopted) (continued) -

In August 2016, the FASB issued ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities* (Topic 958), intended to improve financial reporting for not-for-profit entities. The ASU will reduce the current three classes of net assets into two: with and without donor restrictions. The change in each of the classes of net assets must be reported on the Statement of Activities and Change in Net Assets. The ASU also requires various enhanced disclosures around topics such as board designations, liquidity, functional classification of expenses, investment expenses, donor restrictions, and underwater endowments. The ASU is effective for years beginning after December 15, 2017. Early adoption is permitted. The ASU should be applied on a retrospective basis in the year the ASU is first applied. While the ASU will change the presentation of CKP's financial statements, it is not expected to alter CKP's reported financial position.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606). The ASU establishes a comprehensive revenue recognition standard for virtually all industries under generally accepted accounting principles in the United States (U.S. GAAP) including those that previously followed industry-specific guidance. The guidance states that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The FASB issued ASU 2015-14 in August 2015 that deferred the effective date of ASU 2014-09 by a year; thus, the effective date is years beginning after December 15, 2018. Early adoption is permitted. CKP has not yet selected a transition method and is currently evaluating the effect that the updated standard will have on its financial statements.

CKP plans to adopt the new ASU at the respective required implementation date.

2. INVESTMENTS

In accordance with FASB ASC 820, *Fair Value Measurement*, CKP has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Investments recorded in the Statement of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1. These are investments where values are based on unadjusted quoted prices for identical assets in an active market CKP has the ability to access.

Level 2. These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

Level 3. These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

THE CAMPUS KITCHENS PROJECT, INC.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

2. INVESTMENTS (Continued)

Following is a description of the valuation methodology used for investments measured at fair value. There has been no changes in the methodologies used at June 30, 2018. There were no transfers between levels in the fair value hierarchy during the year ended June 30, 2018. Transfers between levels are recorded at the end of the reporting period, if applicable.

Equity Mutual funds - Valued at the daily closing price as reported by the fund. Mutual funds held by CKP are open-end mutual funds that are registered with the Securities and Exchange Commission (SEC). These funds are required to publish their daily value and to transact at that price. Mutual funds held by CKP are deemed to be actively traded.

The table below summarizes, the investments measured at fair value on a recurring basis, by level within the fair value hierarchy as of June 30, 2018.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Investments Measured in NAV</u>	<u>Total June 30, 2018</u>
Asset Class:					
Equity Mutual Funds	\$ <u>571,794</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>571,794</u>

The following investment income are reported separately in the Statement of Activities and Change in Net Assets:

Interest and dividends	\$ 41,536
Unrealized loss	<u>(19,521)</u>
TOTAL	\$ <u>22,015</u>

3. GRANTS RECEIVABLE

As of June 30, 2018, contributors to CKP have made written promises to give totaling \$420,188. Grants due in more than one year have been recorded at the present value of the estimated cash flows.

Grants are due as follows as of June 30, 2018:

Less than one year	\$ 288,844
One to five years	<u>131,344</u>
GRANTS RECEIVABLE	\$ <u>420,188</u>

4. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following as of June 30, 2018:

Campus Kitchens Project	\$ <u>362,875</u>
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THE CAMPUS KITCHENS PROJECT, INC.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

4. TEMPORARILY RESTRICTED NET ASSETS (Continued)

The following temporarily restricted net assets were released from donor restrictions by incurring expenses (or through the passage of time) which satisfied the restricted purposes specified by the donors:

Campus Kitchens Project	\$ <u>312,874</u>
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5. CONTRIBUTED SERVICES AND MATERIALS

During the year ended June 30, 2018, CKP was the beneficiary of donated services and materials which allowed CKP to provide greater resources toward various programs. To properly reflect total program expenses, the following donations have been included in revenue and expense for the year ended June 30, 2018.

Donated food and beverage	\$ 170,000
Donated rent	<u>142,443</u>
TOTAL	\$ <u>312,443</u>

CKP, through the combined efforts of its owned and affiliate Campus Kitchens, received 71,721 hours of donated services from approximately 32,015 volunteers. These volunteers assisted in the recovery of over 1 million pounds of food and the serving of over 377,713 meals. However, the value of the time donated is not reflected in the financial statements since the services do not meet the criteria for recognition. At \$23.56 per hour, this amounts to \$1,689,747 of additional contributions and program expenses. This hourly rate is the average estimated value per hour of volunteer time for the United States as compiled by Independent Sector, http://www.independentsector.org/volunteer_time.

The following programs have benefited from these donated services:

Campus Kitchens Project	\$ 295,350
Development	5,698
Management and General	<u>11,395</u>
TOTAL	\$ <u>312,443</u>

6. RETIREMENT PLAN

On January 1, 2014, DCCK adopted a Safe Harbor 401(k) retirement plan for all employees, including those employed by CKP. Employees are eligible to participate in the Plan after six full months of employment. DCCK uses the Basic Match: 100% of the first 3% of pay that is deferred; and 50% of the next 2% of pay. For the year ended June 30, 2018, CKP contributions totaled \$7,576. Accordingly, this amount is included in personnel expenses in the Statement of Functional Expenses.

7. RELATED PARTY

CKP is organized and operates to support the programs of DCCK. In addition, CKP shares common Board members with DCCK. Certain revenues and expenses related to CKP are received or paid by DCCK on behalf of CKP.

THE CAMPUS KITCHENS PROJECT, INC.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

7. RELATED PARTY (Continued)

From time to time, CKP and DCCK may make temporary operating loans to and from each other. CKP also reimburses DCCK for certain management and administrative support, which totaled \$93,030 for the year ended June 30, 2018. DCCK did not provide operating grants to CKP during the year ended June 30, 2018. There was no intercompany receivable or payable as of the year ended June 30, 2018.

8. SUBSEQUENT EVENTS

In preparing these financial statements, CKP has evaluated events and transactions for potential recognition or disclosure through October 15, 2018, the date the financial statements were issued.