

**MARTIN LUTHER KING CENTER
KITCHEN FOR THE POOR®
AND
ACCOUNTANT'S REPORT**

December 31, 2022

**MARTIN LUTHER KING CENTER
KITCHEN FOR THE POOR**

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MARTIN LUTHER KING CENTER
KITCHEN FOR THE POOR[®]

Board of Directors
Martin Luther King Center
Kitchen for the Poor®
650 Vance St.
Toledo, Ohio 43602

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

I have reviewed the accompanying financial statements of Martin Luther King Center (an Ohio Non-Profit corporation), which comprise the balance sheet as of December 31, 2023, and the related statements of income and retained earnings and cash flows for the calendar year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

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.

Accountant's Responsibility

My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my (our) procedures provide a reasonable basis for my conclusion.

I am required to be independent of Martin Luther King Center and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my review.

Accountant's Conclusion

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

The supplementary information included in Schedule of Functional Expenditures is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the review procedures applied in my review of the basic financial statements. I am not aware of any material modifications that should be made to the supplementary information. I have not audited the supplementary information and do not express an opinion on such information

Ronald W. Coon, Sr.

MARTIN LUTHER KING CENTER
KITCHEN FOR THE POOR®
Ronald W. Coon, Sr, MPPA.
Certified Public Accountant
Diplomate, American Board of Forensic Accounting
Certified Fraud Examiner
Fellow, American College of Forensic Examiners Institute

October 16, 2023

MARTIN LUTHER KING CENTER KITCHEN FOR THE POOR®
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022

ASSETS

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	TOTAL
Current Assets			
Cash and Cash Equivalents (Note 5)	295,496	0	295,496
Self Imposed Restrictions (Note 6)	285,975	0	285,975
Grants Receivable (Gross/Net)	0	19,176	19,176
Inventory	4,090	0	4,090
Grants Awarded	<u>27,000</u>	<u>70,000</u>	<u>97,000</u>
Total Current Assets	612,561	89,176	701,737
Property and Equipment (Note 7)	76,120	0	76,120
Other Assets			
Prepays	0	0	0
Prepaid Interest	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Assets	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL ASSETS	<u>\$ 688,681</u>	<u>\$ 89,176</u>	<u>\$ 777,857</u>

THE ACCOUNTANTS REVIEW REPORT AND NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

MARTIN LUTHER KING CENTER KITCHEN FOR THE POOR®

LIABILITIES & NET ASSETS

	LIABILITIES		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	TOTAL
Current Liabilities			
Accounts Payable	0	0	0
Taxes Payable	144	0	144
PPP Loan	0	0	0
Unearned Grant Revenue	<u>97,000</u>	<u>0</u>	<u>97,000</u>
Total Current Liabilities	97,144	0	97,144
Long Term Liabilities			
None	<u>0</u>	<u>0</u>	<u>0</u>
Total Long Term Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL LIABILITIES	97,144	0	97,144
NET ASSETS			
Comprehensive Income	0	0	0
Without Donor Restrictions	305,562	0	305,562
Board Imposed Restrictions (Note 6)	285,975	0	285,975
With Donor Restrictions	<u>0</u>	<u>89,176</u>	<u>89,176</u>
TOTAL NET ASSETS	591,537	89,176	680,713
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 688,681</u>	<u>\$ 89,176</u>	<u>\$ 777,857</u>

THE ACCOUNTANTS REVIEW REPORT AND NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

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KITCHEN FOR THE POOR.®

MARTIN LUTHER KING CENTER KITCHEN FOR THE POOR®
STATEMENT OF ACTIVITIES
FOR CALENDAR YEAR ENDING DECEMBER 31, 2022

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	TOTAL
SUPPORT			
Donations	204,926	0	204,926
In-Kind Donations	376,590	0	376,590
Foundation Grants	82,500	0	82,500
Grants	0	60,000	60,000
Estate Gifts	0	0	0
Fund-Raising (net of \$0 Exp)	0	0	0
Interest and Dividends	<u>334</u>	<u>0</u>	<u>334</u>
TOTAL SUPPORT REVENUE	664,350	60,000	724,350
Expenditures			
Cost of Meals	215,155	6,000	221,155
Cost of Commodities	85,226	0	85,226
Expenditures	334,282	61,166	395,448
Interest	0	0	0
Depreciation	<u>3,883</u>	<u>0</u>	<u>3,883</u>
Total Support Services	638,546	67,166	705,712
 Adjustments	 0	 0	 0
 Change in Net Assets	 25,804	 (7,166)	 18,638
 Beginning Net Assets (as Restated)	 565,733	 96,342	 662,075
 Ending Net Assets	 591,537	 89,176	 680,713

THE ACCOUNTANTS REVIEW REPORT AND NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

MARTIN LUTHER KING CENTER KITCHEN FOR THE POOR®
STATEMENT OF CHANGES IN CASH FLOW
FOR CALENDAR YEAR ENDED DECEMBER 31, 2022

OPERATING ACTIVITIES

Cash Inflows		
From Donations	\$ 211,415	
From Fund-raising	1,027	
From Interest	590	
From Grants	<u>118,647</u>	
Total Cash Inflows		331,679
 Cash Outflows		
Paid for Meals	42,340	
Paid Wages	89,965	
Paid Program Services	<u>139,502</u>	
Total Cash Outflows		<u>271,807</u>
 TOTAL CASH FLOWS FROM OPERATING ACTIVITIES		 59,872

INVESTING ACTIVITIES

Cash Inflows		
NONE		
 Cash Outflows		
NONE		
 TOTAL CASH OUTFLOWS FROM INVESTING ACTIVITIES		 0

FINANCING ACTIVITIES

From PPP Loan Interest	206	
 TOTAL CASH INFLOWS FROM FINANCING ACTIVITIES		 206
 NET CASH FLOWS FROM ALL ACTIVITIES		 60,078
 BEGINNING CASH JANUARY 1, 2022		 <u>492,143</u>
 ENDING CASH DECEMBER 31, 2022		 \$ <u>552,221</u>

THE ACCOUNTANTS REVIEW REPORT AND NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

MARTIN LUTHER KING CENTER KITCHEN FOR THE POOR®
STATEMENT OF CHANGES IN CASH FLOW (cont'd)
FOR CALENDAR YEAR ENDED DECEMBER 31, 2022

NON-CASH TRANSACTIONS

Donated Labor	62,496
Donated Expenditures	1,193
Donated Food and Commodities	<u>185,996</u>
TOTAL NON-CASH TRANSACTIONS	249,685

MARTIN LUTHER KING CENTER
KITCHEN FOR THE POOR®

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KITCHEN FOR THE POOR.®

MARTIN LUTHER KING CENTER KITCHEN FOR THE POOR®
STATEMENT OF FUNCTIONAL EXPENDITURES
FOR CALENDAR YEAR ENDED DECEMBER 31, 2022
SCHEDULE 2

	Program Costs	Management Costs	Fund Raising	TOTAL
Wages	58,881	36,000	4,500	99,381
In-Kind Wages	134,261	0	0	134,261
Payroll Taxes	5,565	3,402	425	9,392
Employee Benefits	1,109	0	0	1,109
Administrative	0	0	0	0
Advertising	160	0	165	325
Alarm	7,451	828	0	8,279
Auto Expense	12,867	1,609	1,609	16,085
Bank Fees	0	0	0	0
Client Assistance	21,931	0	0	21,931
Dues & Subscriptions	545	445	0	990
Outsourcing	36,995	0	0	36,995
Insurance	3,461	400	100	3,961
Kitchen Supplies	3,608	0	0	3,608
Office Supplies	2,713	2,170	542	5,425
Postage	722	550	150	1,422
Printing	244	0	0	244
Professional Fees	17,653	1,700	0	19,353
Real Estate Taxes	1,395	1,394	0	2,789
Repairs & Maintenance	6,389	2,129	0	8,518
Stipens	3,550	0	0	3,550
Utilities	6,227	2,076	0	8,303
Telephone	2,916	972	0	3,888
Waste Disposal	5,639	0	0	5,639
Software/IT	0	0	0	0
TOTAL EXPENDITURES	<u>334,282</u>	<u>53,675</u>	<u>7,491</u>	<u>395,448</u>

THE ACCOUNTANTS REVIEW REPORT AND NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

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KITCHEN FOR THE POOR.®

MARTIN LUTHER KING CENTER KITCHEN FOR THE POOR®
NOTES TO FINANCIAL STATEMENTS

Note 1: ORGANIZATION

ORGANIZATION - The Martin Luther King Center Kitchen for the Poor® (Organization) has been granted the status as a non-profit Corporation in the State of Ohio and 5739.02 (B)(12) of the Ohio Revised Code. The Organization was formed primarily for the purpose of charitable services to the community by providing hot meals, outreach and counseling for the indigent in the City of Toledo. Its officers and trustees serve as volunteers and no net income inures to the benefit of any individual.

PURPOSE - Martin Luther King Center Kitchen for the Poor® activities to date include the preparation and serving hot meals to the indigent. They (the Organization) provides counseling and outreach to those that are in need of such services.

MISSION - We offer hope and acceptance to those in need, keeping in mind the dignity of all persons.

We help anyone who walks through our doors, regardless of age, sex, religion, political beliefs or race. We feed the homeless and those with low incomes. We provide hope where there seems to be none.

Note 2: SIGNIFICANT ACCOUNTING POLICIES

METHOD OF ACCOUNTING - The Martin Luther King Center Kitchen for the Poor utilizes the accrual method of accounting. That is that the organization recognizes revenue when earned and expenditures when incurred.

INCOME TAX STATUS - The Martin Luther King Center Kitchen for the Poor® is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

MARTIN LUTHER KING CENTER KITCHEN FOR THE POOR®
NOTES TO FINANCIAL STATEMENTS

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Note 2: **SIGNIFICANT ACCOUNTING POLICIES** (cont'd)

Management of the Organization is required to determine whether a tax position of the Organization is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. Management of the organization is not aware of any tax positions for which it is reasonably possible that the total amounts of the unrecognized tax benefits will significantly change in the next twelve months. However, management's conclusions may be subject to review and adjustment at a later date based on factors including, but not limited to , new tax laws, regulations, and administrative interpretations (including relevant court decisions). The Martin Luther King Center Kitchen for the Poor's federal tax returns for the prior three fiscal years remain subject to examination by the Internal Revenue Service.

DEFERRED REVENUE - Income from grants is deferred and recognized over the periods to which the grants relate.

EXPENDITURE ALLOCATION - Expenditures are charged to programs and supporting services on the basis of periodic time and expenditure studies. Management and general expenditures include those expenditures that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

PROPERTY AND EQUIPMENT - The Organization capitalizes all expenditures in excess of \$1,000 for property and equipment at cost. Contributions of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment is depreciated using the straight line method.

MARTIN LUTHER KING CENTER KITCHEN FOR THE POOR®
NOTES TO FINANCIAL STATEMENTS

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Note 2: SIGNIFICANT ACCOUNTING POLICIES(cont'd)

DONATED PROPERTY AND EQUIPMENT - Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment is depreciated using the straight line method.

CONTRIBUTIONS - Gifts of cash and other assets received without donor stipulations are reported as support and net assets without donor restrictions. Gifts received with a donor stipulation that limits their use are reported as support and net assets with donor restrictions. When a donor-stipulated time restriction ends, or purpose restriction is accomplished, 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. Gifts having donor stipulations that are satisfied in the period the gift is received are reported as support and net assets without donor restrictions.

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Gifts of land, buildings, equipment, and other long-lived assets are reported as support and net assets without donor restrictions unless explicit donor stipulations specify how such assets must be used, in which case the gifts are reported as support and net assets with donor restrictions. Absent explicit donor stipulations for the time long-lived assets must be held, expirations of restrictions resulting in reclassification of net assets with donor restrictions to net assets without donor restrictions are reported when the long-lived assets are placed in service.

MARTIN LUTHER KING CENTER KITCHEN FOR THE POOR®
NOTES TO FINANCIAL STATEMENTS

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Note 2: SIGNIFICANT ACCOUNTING POLICIES(cont'd)

Unconditional gifts expected to be collected within one year are reported at their net realizable value. Unconditional gifts expected to be collected in future years are initially reported at fair value determined using the discounted present value of estimated future cash flows technique. The resulting discount is amortized using the level-yield method and is reported as contribution revenue.

Conditional gifts depend on the occurrence of a specified future and uncertain event to bind the potential donor and are recognized as assets and revenue when the conditions are substantially met, and the gift becomes unconditional

DONATED SERVICES - A number of people have contributed significant amounts of time to the activities of the Organization without compensation. The financial statements do reflect a substantial portion of their value, since their services are integral to the Organization fulfilling its mission statement. Those hours donated that are missed would represent an immaterial portion with regard to the financial statements taken as a whole. Those amounts that can be recorded are recorded at the value of \$23.88 per hour of donated time.

DONATED GOODS - A number of people have contributed significant goods to the Organization. The value of these goods are determined at the fair market value at the time of the donation. The financial statements do reflect a substantial portion of their value, since these goods are integral to the Organization fulfilling its mission statement. Those goods donated that are missed would represent an immaterial portion with regard to the financial statements taken as a whole.

ESTIMATES - Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

EXPENDITURE ALLOCATION - Expenditures are charged to programs and supporting services on the basis of periodic time and expenditure studies. Management and general expenditures include those expenditures that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

MARTIN LUTHER KING CENTER KITCHEN FOR THE POOR®
NOTES TO FINANCIAL STATEMENTS

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Note 2: SIGNIFICANT ACCOUNTING POLICIES (cont'd)

RESTRICTED AND UNRESTRICTED REVENUE - Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

FUND ACCOUNTING - In order to ensure observance of limitations and restrictions placed on the resources available to the Corporation, the internal accounts of the Organization are maintained on accordance with principles of fund accounting. This is the procedure by which resources are classified for accounting and reporting purposes into funds that are in accordance with the activities or objectives specified. Restricted funds maintained by the Organization and their objectives are as follows:

Community Development Block Grant (Toledo Subrecipient for Years 47 & 48) - Operating Grant used for staff and overhead expenses for the Organization's activities which benefit low and moderate income households.

Federal Emergency Management Agency (FEMA) - Operating Grant used for the acquisition of food for the serving of the hot meals.

Net Assets Without Donor Restrictions - Net assets that are not subject to or are no longer subject to donor-imposed stipulations.

Net Assets With Donor Restriction - Net assets whose use is limited by donor-imposed time and/or purpose restrictions.

MARTIN LUTHER KING CENTER KITCHEN FOR THE POOR®
NOTES TO FINANCIAL STATEMENTS

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Note 2: SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Formerly Permanently Restricted Net Assets - Net assets/Resources received from a donor or grantor which have donor-imposed restrictions limiting the association's use of an asset that may not be removed with the passage of time nor by meeting certain requirements. At December 31 the Association had monies permanently restricted. In June 2009, the Ohio General Assembly established the use of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) which established a "safe harbor" annual spending limit of 5 percent of the fund's average value over the preceding 12 quarters, without regard to the historic gift value. The Cabinet adopted UPMIFA to distribute funds, but uses 20 quarters or again five years. Interest income was combined with the permanently restricted principle in anticipation of using UPMIFA. This year there were \$0 of Donations.

Note 3: LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprised of the following as of December 31:

Cash and Cash Equivalents	\$ 287,206
Accounts Receivable	18,235
Investments	<u>0</u>
Financial assets available to meet cash	<u>\$ 305,441</u>
Needs for general expenditures within one year.	

The Organization has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet 90 days of normal operating expenses, which are, on average, approximately \$178,478. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

LONG TERM ASSETS - The Organization owns personal property consisting of vehicles, information technologies, furniture & Fixtures, equipment and real estate for the furtherance of the Organization's mission.

LINE OF CREDIT - As part of its liquidity management, the Organization does not have a line of credit at this time. The Organization is still undecided as to establishing one as of the financial statement date.

MARTIN LUTHER KING CENTER KITCHEN FOR THE POOR®
NOTES TO FINANCIAL STATEMENTS

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Note 3: **LIQUIDITY AND AVAILABILITY** (cont'd)

ENDOWMENTS - The Center does not have an endowment fund at this time. No appropriations for the endowment will be available during the next 12 months

Note 4: **RELATED PARTY TRANSACTIONS**

Lo Salem Baptist Church - The Organization is an outgrowth of the mission function of this Church. The late Reverend H. Savage, the minister of the Church founded this Organization and the two entities share common space and the director is the son of the founder.

Note 5: **CASH AND CASH EQUIVALENTS**

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalent accounts in financial institutions. Cash and cash equivalents will exceed the federally insured limits (\$250,000) from time to time. The current amount totaled \$581,470 which is \$45,496 in excess of the Federally insured limits.

Note 6: **CAPITAL PROJECTS FUNDS**

The Organization sets aside cash contributions that are specifically designated for Capital Projects. As of December 31, 2022 the amount of funds restricted for this use is \$285,975. These were bequests from an estate. The Board designated for future expansion in the Capital Projects Fund. It is still unclear at this time if there will be any future bequests from these estates.

Note 7: **PROPERTY, PLANT AND EQUIPMENT**

The Property, Plant and Equipment for the organization are generally purchased with unrestricted net assets. Some of these assets are leased/purchased using restricted funding. Even though the funding agency may have the right to reclaim any assets so purchased with restricted funds, the funding agency treats leased assets as sunk costs. Since the Organization negotiates a favorable lease arrangement, the funding agency usually does not interfere with that arrangement.

MARTIN LUTHER KING CENTER KITCHEN FOR THE POOR®
NOTES TO FINANCIAL STATEMENTS

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Note 7: PROPERTY, PLANT AND EQUIPMENT

In order to comply with generally accepted accounting principles and to provide a greater degree of control, the Organization has assumed that the program will continue over the estimated useful lives of the assets and has capitalized the major assets purchased within the last five years. Depreciation is provided by the straight-line basis over an estimated useful life of the respective assets.

	<u>COST</u>	<u>ACC. DEP'N</u>	<u>NET</u>
Land	5,000	0	5,000
Building	45,000	21,667	23,333
Improvements	103,868	58,521	45,347
Furniture & Fixtures	11,440	10,595	845
Vehicle	8,300	8,050	250
Equipment	<u>31,995</u>	<u>30,650</u>	<u>1,345</u>
TOTALS	<u>205,603</u>	<u>129,483</u>	<u>76,120</u>

Depreciation is provided using the straight-line method over the estimated useful lives of the assets as follows:

Office equipment	5 - 10 years
Vehicle	5 - 8 years
Buildings	50 - 60 years
Building Improvements	20 - 50 years
Land Improvements	15 - 50 years
Furniture & Fixtures	5 - 15 years

Depreciation for the year is \$3,883

Note 8: INVENTORY

Even-though the inventory is considered insignificant to the financial statements taken as a whole, the inventory is valued at the lower of cost or market based on the First-in, First out method of costing.

MARTIN LUTHER KING CENTER KITCHEN FOR THE POOR®
NOTES TO FINANCIAL STATEMENTS

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Note 9: THIRD PARTY REIMBURSEMENTS

The Organization receives from the City of Toledo Department of Housing and Neighborhood Revitalization which is directly funded by federal Community Development Block Grant monies, through the Department of Housing and Urban Development. In 2022, approximately 8.33% of the Organization's funding was through this program. This grant is awarded on an annual basis and not automatically renewed each year.

Note 10: ADVERTISING

The Organization uses advertising and Public Service Announcements to recruit funds for the Organization. The Organization expenses advertising costs the first time the advertising occurs.

Note 11: FUND-RAISING EXPENSES

The Organization treats all fund-raising costs as a total amount and does net them against the Fund-Raising Revenue.

The amounts that are related to direct costs to the fund-raising was 0.0% of the monies derived from the events. The remaining 0.0% is a surplus from the event and used for the Organization.

Note 12: SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 16, 2023, the report date of the financial statements. Subsequent Events are those events subsequent to the balance sheet date (December 31, 2022) and accountants report date (October 16, 2023) that would materially affect the future fiscal condition of the Organization. There were no items that would qualify as Subsequent Events.

MARTIN LUTHER KING CENTER KITCHEN FOR THE POOR®
NOTES TO FINANCIAL STATEMENTS

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Note 13: CONTINGIENCIES

In December 2019, a novel strain of coronavirus was reported in Wuhan, China. The World Health Organization has declared the outbreak to constitute a “Public Health Emergency of International Concern.” The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of COVID-19 on our operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on our clients, employees and vendors all of which are uncertain and cannot be predicted. We were considered an essential business by the Federal Government Guidance on Essential Businesses During COVID-19 Outbreak (issued March 18, 2020 and updated March 23, 2020) and the Governor of the State of Ohio. However, the Organization is slowly phasing in under the Governor’s guidelines to reopen this establishment. At this point, the extent to which COVID-19 has impacted our financial condition or results of operations cannot be determined at this time, most of it due to how the variables in the supply chain react to the Governor’s phase in.

NOTE 14 -- ACCOUNTING CHANGE

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers. The standard's core principle is that an organization will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the organization expects to be entitled in exchange for those goods or services. This standard also includes expanded disclosure requirements that result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contract with customers. The Company adopted this standard in 2019 and it did not have a significant impact on the recognition of revenues or related disclosures.

In February 2016, the FASB issued ASU 2016-02, Leases. The standard requires all leases with terms over 12 months to be capitalized as a right-of-use asset and lease liability on the statement of financial position at the date of lease commencement. Leases will be classified as either finance or operating, which will be relevant for the pattern of expense recognition in the statement of activities. This standard will be effective for the Company's year ending December 31, 2022. There were no leases during the year that would qualify under this pronouncement.