

FRIENDS OF NIGHT PEOPLE, INC.

Financial Statements and
Independent Auditors' Report

December 31, 2022 and 2021

FRIENDS OF NIGHT PEOPLE, INC.

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Friends of Night People, Inc.:

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Friends of Night People, Inc. (the Organization) (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Friends of Night People, Inc. as of December 31, 2022 and 2021, and the changes in its 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 audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 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.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits 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 Organization'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 Organization'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 audits.

EFPR Group, CPAs, PLLC

Williamsville, New York
June 30, 2023

FRIENDS OF NIGHT PEOPLE, INC.
Statements of Financial Position
December 31, 2022 and 2021

	<u>Assets</u>	<u>2022</u>	<u>2021</u>
Current assets:			
Cash and equivalents		\$ 706,989	883,092
Prepaid expenses		15,134	8,898
Investments, at fair value		<u>410,549</u>	<u>493,531</u>
Total current assets		<u>1,132,672</u>	<u>1,385,521</u>
Property and equipment, at cost		1,209,965	1,100,066
Less accumulated depreciation		<u>(969,458)</u>	<u>(925,298)</u>
Net property and equipment		<u>240,507</u>	<u>174,768</u>
Beneficial interest in assets held by Community Foundation		<u>688,457</u>	<u>661,062</u>
Total assets		<u><u>\$ 2,061,636</u></u>	<u><u>2,221,351</u></u>
<u>Liabilities and Net Assets</u>			
Current liabilities - accrued expenses		15,604	10,721
Net assets without donor restrictions		<u>2,046,032</u>	<u>2,210,630</u>
Total liabilities and net assets		<u><u>\$ 2,061,636</u></u>	<u><u>2,221,351</u></u>

See accompanying notes to financial statements.

FRIENDS OF NIGHT PEOPLE, INC.
Statement of Activities
Year ended December 31, 2022
with comparative totals for 2021

	Without donor <u>restrictions</u>	With donor <u>restrictions</u>	<u>Total</u>	
			<u>2022</u>	<u>2021</u>
Revenue and other support:				
Contributions	\$ 793,371	-	793,371	990,524
Special events revenue	42,090	-	42,090	8,537
Contributed nonfinancial assets	226,505	-	226,505	278,321
Investment income	(176,836)	-	(176,836)	162,056
Miscellaneous income	<u>33,074</u>	<u>-</u>	<u>33,074</u>	<u>-</u>
Total revenue and other support	918,204	-	918,204	1,439,438
Expenses:				
Program services	989,631	-	989,631	933,422
Management and general	54,893	-	54,893	40,313
Fundraising	<u>38,278</u>	<u>-</u>	<u>38,278</u>	<u>26,705</u>
Total expenses	<u>1,082,802</u>	<u>-</u>	<u>1,082,802</u>	<u>1,000,440</u>
Change in net assets	(164,598)	-	(164,598)	438,998
Net assets at beginning of year	<u>2,210,630</u>	<u>-</u>	<u>2,210,630</u>	<u>1,771,632</u>
Net assets at end of year	<u>\$ 2,046,032</u>	<u>-</u>	<u>2,046,032</u>	<u>2,210,630</u>

See accompanying notes to financial statements.

FRIENDS OF NIGHT PEOPLE, INC.
Statement of Activities
Year ended December 31, 2021

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Revenue and other support:			
Contributions	\$ 990,524	-	990,524
Special events revenue	8,537	-	8,537
Contributed nonfinancial assets	278,321	-	278,321
Investment income	<u>162,056</u>	<u>-</u>	<u>162,056</u>
	1,439,438	-	1,439,438
Net assets released from restrictions	<u>2,097</u>	<u>(2,097)</u>	<u>-</u>
Total revenue and other support	<u>1,441,535</u>	<u>(2,097)</u>	<u>1,439,438</u>
Expenses:			
Program services	933,422	-	933,422
Management and general	40,313	-	40,313
Fundraising	<u>26,705</u>	<u>-</u>	<u>26,705</u>
Total expenses	<u>1,000,440</u>	<u>-</u>	<u>1,000,440</u>
Change in net assets	441,095	(2,097)	438,998
Net assets at beginning of year	<u>1,769,535</u>	<u>2,097</u>	<u>1,771,632</u>
Net assets at end of year	<u><u>\$ 2,210,630</u></u>	<u><u>-</u></u>	<u><u>2,210,630</u></u>

See accompanying notes to financial statements.

FRIENDS OF NIGHT PEOPLE, INC.
Statement of Functional Expenses
Year ended December 31, 2022
with comparative totals for 2021

	Program services	Management and general	Fundraising	Total	
				2022	2021
Salaries and wages	\$ 345,803	15,833	-	361,636	291,678
Payroll taxes and employee benefits	58,444	2,676	-	61,120	56,711
Total salaries and related benefits	404,247	18,509	-	422,756	348,389
Meals	331,443	-	-	331,443	438,827
Depreciation	39,744	4,416	-	44,160	52,572
Insurance	29,762	3,307	-	33,069	22,516
Professional services	14,528	23,270	-	37,798	20,638
Repairs and maintenance	52,050	-	-	52,050	21,403
Program supplies	65,343	-	-	65,343	16,613
Utilities	22,865	2,540	-	25,405	17,087
Printing	-	-	21,181	21,181	13,835
Special events	-	-	15,152	15,152	9,725
Miscellaneous	6,050	672	-	6,722	7,669
Trash removal	6,433	-	-	6,433	5,861
Bank service charges	5,054	-	-	5,054	5,065
Office supplies	5,618	624	-	6,242	8,163
Telephone	4,412	490	-	4,902	4,374
Postage	-	834	1,945	2,779	4,493
Training	2,082	231	-	2,313	3,210
Total expenses	<u>\$ 989,631</u>	<u>54,893</u>	<u>38,278</u>	<u>1,082,802</u>	<u>1,000,440</u>

See accompanying notes to financial statements.

FRIENDS OF NIGHT PEOPLE, INC.
Statement of Functional Expenses
Year ended December 31, 2021

	Program <u>services</u>	Management and <u>general</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and wages	\$ 278,451	13,227	-	291,678
Payroll taxes and employee benefits	<u>54,139</u>	<u>2,572</u>	<u>-</u>	<u>56,711</u>
Total salaries and related benefits	332,590	15,799	-	348,389
Meals	438,827	-	-	438,827
Depreciation	47,315	5,257	-	52,572
Insurance	20,264	2,252	-	22,516
Professional services	9,031	11,607	-	20,638
Repairs and maintenance	21,403	-	-	21,403
Program supplies	16,613	-	-	16,613
Utilities	15,378	1,709	-	17,087
Printing	-	-	13,835	13,835
Special events	-	-	9,725	9,725
Miscellaneous	6,902	767	-	7,669
Trash removal	5,861	-	-	5,861
Bank service charges	5,065	-	-	5,065
Office supplies	7,347	816	-	8,163
Telephone	3,937	437	-	4,374
Postage	-	1,348	3,145	4,493
Training	<u>2,889</u>	<u>321</u>	<u>-</u>	<u>3,210</u>
Total expenses	<u>\$ 933,422</u>	<u>40,313</u>	<u>26,705</u>	<u>1,000,440</u>

See accompanying notes to financial statements.

FRIENDS OF NIGHT PEOPLE, INC.
Statements of Cash Flows
Years ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Change in net assets	\$ (164,598)	438,998
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	44,160	52,572
Realized loss (gain) on sale of investments	69,061	(120,873)
Unrealized depreciation (appreciation) in fair value of investments	113,443	(36,391)
Changes in:		
Prepaid expenses	(6,236)	(3,669)
Accrued expenses	<u>4,883</u>	<u>1,704</u>
Net cash provided by operating activities	<u>60,713</u>	<u>332,341</u>
Cash flows from investing activities:		
Change in investments, net	(99,522)	88,479
Additions to property and equipment	(109,899)	-
Changes in beneficial interest in assets held by Community Foundation	<u>(27,395)</u>	<u>(329,887)</u>
Net cash used in investing activities	<u>(236,816)</u>	<u>(241,408)</u>
Net change in cash and equivalents	(176,103)	90,933
Cash and equivalents at beginning of year	<u>883,092</u>	<u>792,159</u>
Cash and equivalents at end of year	<u>\$ 706,989</u>	<u>883,092</u>

See accompanying notes to financial statements.

FRIENDS OF NIGHT PEOPLE, INC.

Notes to Financial Statements

December 31, 2022 and 2021

(1) Summary of Significant Accounting Policies

(a) Nature of Activities

Friends of Night People, Inc. (the Organization) is a not-for-profit corporation whose purpose is to provide food and necessities to address the effects and impacts of poverty. The Organization operates multiple soup kitchens in Buffalo, New York and provides case management, clothing, medical care and a food pantry to the homeless and working poor.

(b) Basis of Accounting

The accompanying financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

(c) Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets without donor restrictions represents resources available for the general support of the Organization's activities. Net assets with donor restrictions are those whose use has been limited by donor-imposed stipulations that either expire with the passage of time or can be fulfilled by actions of the Organization.

(d) Estimates

The preparation of financial statements in accordance 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.

(e) Cash and Equivalents

For purposes of reporting cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

(f) Concentration of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and equivalent accounts in financial institutions. Although the accounts exceed the federally insured deposit amount, management does not anticipate nonperformance by the financial institution.

FRIENDS OF NIGHT PEOPLE, INC.
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(g) Capitalization and Depreciation

Property and equipment are recorded at cost or fair market value at the date of the gift in the case of donated equipment. If donors stipulate how long the assets must be used, the contributions are recorded as support with donor restrictions. In the absence of such stipulations, contributions of equipment are recorded as support without donor restrictions. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives using the straight-line method. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property and equipment, the appropriate property and equipment accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the statements of activities.

Equipment was purchased with service awards where the resource provider retains a right to the assets. In the event that the Organization were to dissolve or no longer need this equipment, the resource provider has the right to recoup the equipment.

(h) Long-Lived Assets

The Organization reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. In determining whether there is an impairment of long-lived assets, the Organization compares the sum of the expected future net cash flows (undiscounted and without interest charges) to the carrying amount of the assets. At December 31, 2022 and 2021, no impairment has been recognized by the Organization.

(i) Contributed Services

A substantial number of unpaid volunteers have made significant contributions of their time in helping those who are experiencing homelessness and poverty. The value of this contributed time is not reflected in these financial statements because the criteria for recognition under accounting principles generally accepted in the United States of America has not been satisfied, as no objective basis is available to measure the value of such services.

(j) Contributions

Contributions are recognized when the donor makes an unconditional promise to give to the Organization. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets are reclassified accordingly.

FRIENDS OF NIGHT PEOPLE, INC.
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(k) Contracts with Customers

Under Accounting Standards Update (ASU) No. 2014-09 (Topic 606) - Revenue from Contracts with Customers, revenue is recognized when promised goods or services are transferred to customers in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for these goods or services. The Organization utilizes a five-step framework as identified in ASU No. 2014-09. The primary source of revenue from contracts with customers for the Organization is special events revenue.

Special events revenue, excluding any contribution component, consists of a single performance obligation and revenue is recognized at a point in time when the event occurs. There are minimal factors that could impact the nature, amount and timing of the uncertainties involving this revenue and the related cash flows.

Special events revenue is generally nonrefundable and is due before the event occurs or at the start of the event. Special events revenue that is received in advance is deferred and recognized when the event takes place.

Billing, cash collections, and timing of revenue recognition can result in contract assets and liabilities on the statements of financial position. The Organization receives payments from customers, before revenue is recognized, resulting in deferred revenue. These deposits are liquidated when revenue is recognized. The Organization had no contract assets or liabilities as of December 31, 2022, 2021, 2020.

(l) Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on time and effort; other expenses are allocated based on direct usage and applicability.

(m) Subsequent Events

The Organization has evaluated subsequent events through the date of the report which is the date the financial statements were available to be issued.

(n) Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code); therefore, no provision for income taxes is reflected in the financial statements. The Organization has been classified as a publicly supported organization that is not a private foundation under Section 509(a) of the Code. The Organization presently discloses or recognizes income tax positions based on management's estimate of whether it is reasonably possible or probable that a liability has been incurred for unrecognized income taxes. Management has concluded that the Organization has taken no uncertain tax positions that require adjustment in its financial statements. U.S. Forms 990 filed by the Organization are subject to examination by taxing authorities.

FRIENDS OF NIGHT PEOPLE, INC.
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(o) Recent Accounting Standards Issued

In September 2020, the Financial Accounting Standards Board (FASB) issued ASU 2020-07, "Presentation and Disclosures for Not-for-Profit Entities for Contributed Nonfinancial Assets." ASU 2020-07 requires new presentation and disclosures for gift-in-kind donations to improve transparency on how those assets are used and valued. These financial statements and notes reflect retroactive adaption of this new standard.

(2) Liquidity

The Organization has \$1,117,538 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures, consisting of \$706,989 of cash and equivalents and \$410,549 of investments. None of these financial assets are subject to donor or contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position date.

Additionally, the Organization manages liquidity needed for operations primarily through budgeted monthly cash inflows and outflows. Cash inflows are generally predicted utilizing historic benchmarks since they are comprised mostly of contributions and service income. Cash outflows are planned accordingly so as not to exceed those expected inflows.

(3) Investments

Financial Instruments

The cost and fair value of investments at December 31, 2022 and 2021 were as follows:

	<u>2022</u>		<u>2021</u>	
	<u>Cost</u>	<u>Fair value</u>	<u>Cost</u>	<u>Fair value</u>
Mutual funds:				
Fidelity Investments				
Dividend Growth Fund	\$ 200,161	197,951	179,424	224,182
Fidelity Investments				
Intermediate Government				
Income Fund	42,588	39,954	42,057	43,640
Fidelity Investments				
Select Technology Fund	49,352	58,251	47,118	92,279
Fidelity Investments				
Capital and Income Fund	47,045	43,573	42,423	48,673
Fidelity Investments				
Corporate Bond Fund	<u>80,829</u>	<u>70,820</u>	<u>78,492</u>	<u>84,757</u>
Total investments	\$ <u>419,975</u>	<u>410,549</u>	<u>389,514</u>	<u>493,531</u>

FRIENDS OF NIGHT PEOPLE, INC.
Notes to Financial Statements, Continued

(3) Investments, Continued

Investments at December 31, 2022 and 2021 are stated at fair value. In accordance with the policy of carrying investments at fair value, the change in net unrealized appreciation (depreciation) is included in investment income (loss) in the statements of activities. A summary of investment income for the years ended December 31, 2022 and 2021 is as follows:

	<u>2022</u>	<u>2021</u>
Interest and dividends	\$ 7,989	6,222
Realized gain (loss) on sale of investments	(69,061)	120,873
Unrealized appreciation (depreciation) in fair value of investments	(113,443)	36,391
Investment expenses	<u>(2,321)</u>	<u>(1,430)</u>
Investment income (loss)	\$ <u>(176,836)</u>	<u>162,056</u>

(4) Beneficial Interest in Assets Held by Community Foundation

Financial Instruments

Investments are held in the Community Foundation for Greater Buffalo (the Community Foundation), a not-for-profit organization that pools funds of organizations and invests in marketable securities. Each participating organization is allocated investment units based on the amounts invested. The market value of the investment units is based on the value of the individual securities held by each fund. At December 31, 2022 and 2021, the fair value of the Organization's beneficial interest in assets held by Community Foundation amounted to \$688,457 and \$661,062, respectively.

The Organization's policy is to recognize all investment income in operations. A summary of the change in beneficial interest in assets held by Community Foundation for the years ended December 31, 2022 and 2021 is as follows:

	<u>2022</u>	<u>2021</u>
Balance at beginning of year	\$ 661,062	331,175
Contributions	131,250	242,734
Interest and dividends	6,506	4,913
Net gain (loss) on investment	(98,177)	89,751
Approved grants	(9,863)	(6,081)
Administrative fees	<u>(2,321)</u>	<u>(1,430)</u>
Balance at end of year	\$ <u>688,457</u>	<u>661,062</u>

FRIENDS OF NIGHT PEOPLE, INC.
Notes to Financial Statements, Continued

(5) Fair Value Measurements

A framework has been established 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 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization 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; and
- Inputs that are derived principally from or corroborated by observable market data through 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 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 measured at fair value. There have been no changes in the methodologies used at December 31, 2022 and 2021.

- Mutual funds - Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.
- Beneficial interest in assets held by Community Foundation - NAVs reported by fund managers are used as a practical expedient to estimate the fair values of its investments held through limited partnerships and other similar funds. Classification of these investments within the fair value hierarchy is based on the Community Foundation's ability to timely redeem its interest rather than on inputs used.

FRIENDS OF NIGHT PEOPLE, INC.
Notes to Financial Statements, Continued

(5) Fair Value Measurements, Continued

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 Organization 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 following tables set forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2022 and 2021:

<u>2022</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments	\$ 410,549	-	-	410,549
Beneficial interest in assets held by Community Foundation	<u>-</u>	<u>688,457</u>	<u>-</u>	<u>688,457</u>
Total	\$ <u>410,549</u>	<u>688,457</u>	<u>-</u>	<u>1,099,006</u>
<u>2021</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments	\$ 493,531	-	-	493,531
Beneficial interest in assets held by Community Foundation	<u>-</u>	<u>661,062</u>	<u>-</u>	<u>661,062</u>
Total	\$ <u>493,531</u>	<u>661,062</u>	<u>-</u>	<u>1,154,593</u>

Investments held by the Community Foundation are pooled with several other funds which have been determined to be level 2 assets as defined above. Additionally, the original designated endowment gift represents more specifically a beneficial interest in the Community Foundation.

(6) Property and Equipment

Property and equipment at December 31, 2022 and 2021 is summarized as follows:

	<u>2022</u>	<u>2021</u>
Land, building and improvements	\$ 782,085	705,048
Vehicles	79,926	47,064
Equipment	<u>347,954</u>	<u>347,954</u>
Total property and equipment	1,209,965	1,100,066
Less accumulated depreciation	<u>(969,458)</u>	<u>(925,298)</u>
Net property and equipment	\$ <u>240,507</u>	<u>174,768</u>

FRIENDS OF NIGHT PEOPLE, INC.
Notes to Financial Statements, Continued

(8) Contributed Nonfinancial Assets

For the years ended December 31, 2022 and 2021, contributed nonfinancial assets recognized within the statements of activities included contributed food in the amount of \$226,505 and \$278,321 respectively.

Contributed Food is reflected upon the receipt and is recorded as cost or estimated cost, where practicable, and as expenses for program services.

(9) Retirement Plan

The Organization participates in a simplified employee pension plan for all employees meeting certain employment and compensation requirements. For the years ended December 31, 2022 and 2021, the Organization contributed a discretionary amount to individual retirement accounts established by respective employees. The Organization's policy is to fund the current retirement benefit costs accrued which amounted to \$1,931 and \$6,331 for the years ended December 31, 2022 and 2021, respectively.