

**THE FAMILY PANTRY - DAMIEN'S PLACE CORP.
INDEX TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019**

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November 15, 2021

To the Board of Directors:

Re: The Family Pantry - Damien's Place Corp.

We have audited the accompanying financial statements of The Family Pantry - Damien's Place Corp. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

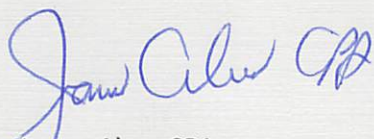
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Ours 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 judgement, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Family Pantry - Damien's Place Corp. as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with principles generally accepted in the United States of America.



James Alves CPA

THE FAMILY PANTRY - DAMIEN'S PLACE CORP.
 STATEMENTS OF FINANCIAL POSITION
 FOR YEARS ENDED DECEMBER 31, 2020 AND 2019

ASSETS

	<u>2020</u>	<u>2019</u>
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 365,233	\$ 209,166
Inventory	43,629	43,629
Security deposit	1,200	1,200
	\$ 410,062	\$ 253,995
<u>PROPERTY AND EQUIPMENT</u>		
Equipment	\$ 26,672	\$ 26,672
Motor vehicles	74,259	74,259
	\$ 100,931	\$ 100,931
Subtotals	\$ 100,931	\$ 100,931
Less: accumulated depreciation	(95,634)	(86,763)
	\$ 5,297	\$ 14,168
NET PROPERTY AND EQUIPMENT		
	\$ 415,359	\$ 268,163
<u>TOTAL ASSETS</u>		
	\$ 415,359	\$ 268,163

LIABILITIES AND NET ASSETS

<u>UNRESTRICTED NET ASSETS</u>	<u>\$ 415,359</u>	<u>\$ 268,163</u>
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See Accountants' Report and Accompanying Notes

EXHIBIT B

**THE FAMILY PANTRY - DAMIEN'S PLACE CORP.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<u>UNRESTRICTED REVENUE AND SUPPORT</u>		
In-kind revenue	\$ 914,888	\$ 1,046,425
Donations	293,020	191,877
Interest Income	320	167
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TOTAL UNRESTRICTED REVENUE AND SUPPORT	\$ 1,208,228	\$ 1,238,469
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<u>EXPENSES</u>		
In-kind revenue	\$ 914,888	\$ 1,046,425
Food	43,387	36,608
Payroll and related taxes	38,167	34,031
Rent	20,892	15,600
Insurance	2,834	5,003
Repairs and maintenance	480	6,744
Warehouse expense	12,017	2,969
Office supplies	2,981	2,665
Utilities	3,094	5,310
Vehicle	6,731	11,254
Miscellaneous	4,510	12,400
Telephone	2,199	2,084
Depreciation	8,852	9,252
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TOTAL EXPENSES	\$ 1,061,032	\$ 1,190,345
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CHANGE IN NET ASSETS	\$ 147,196	\$ 48,124
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NET ASSETS, BEGINNING OF YEAR	268,163	220,039
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NET ASSETS, END OF YEAR	\$ 415,359	\$ 268,163
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See Accountants' Report and Accompanying Notes

EXHIBIT C

**THE FAMILY PANTRY - DAMIEN'S PLACE CORP.
STATEMENTS OF CASH FLOWS
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<u>OPERATING ACTIVITIES</u>		
Change in net assets	\$ 147,196	\$ 48,124
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	8,852	9,252
Increase in inventory		<u>(5,561)</u>
Total adjustments	\$ 156,048	\$ 51,815
 NET CASH PROVIDED BY (APPLIED TO) OPERATING ACTIVITIES	 <u>156,048</u>	 <u>51,815</u>
 NET INCREASE IN CASH AND CASH EQUIVALENTS	 \$ 156,048	 \$ 51,815
 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	 <u>209,185</u>	 <u>157,370</u>
 CASH AND CASH EQUIVALENTS, END OF YEAR	 <u>\$ 365,233</u>	 <u>\$ 209,185</u>

See Accountants' Report and Accompanying Notes

THE FAMILY PANTRY - DAMIEN'S PLACE CORP.
NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE A - ORGANIZATION

The Family Pantry - Damien's Place Corp. is a not-for-profit corporation organized on October 28, 1993 under the laws of the Commonwealth of Massachusetts. The Corporation was established to distribute food, which is provided free of charge. These services are for the poor and underprivileged in the Wareham/Buzzards Bay area.

NOTE B - SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Financial statement presentation follows the recommendation of Professional Standards. Under Professional Standards, the Corporation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. A description of the three net asset categories is as follows:

Unrestricted Net Assets - Net assets that are not subject to donor-imposed restrictions. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

Temporarily Restricted Net Assets - Net assets whose use by the Corporation is subject to donor-imposed restrictions that can be fulfilled by actions of the Corporation pursuant to those restrictions or that expire by the passage of time. No temporarily restricted assets were held during 2020 and 2019 and accordingly, these financial statements do not reflect any activity related to this class of net assets.

Permanently Restricted Net Assets - Net assets subject to donor-imposed restrictions that they be maintained permanently by the Corporation. No permanently restricted assets were held during 2020 and 2019 and accordingly, these financial statements do not reflect any activity related to this class of net assets.

Contributions that are limited to use are reflected as unrestricted revenue, if these funds are received and spent during the same year and if they support activities of the Corporation within the limits of the articles of organization.

Tax-Exempt Status

The Corporation qualifies for tax-exempt status under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is reflected in the accompanying financial statements.

Management has evaluated significant tax positions against the criteria established by Professional Standards and believes there are no such tax positions requiring accounting recognition in the financial statements. Management does not believe its evaluation of tax positions will significantly change within twelve months of December 31, 2020. Any changes in tax position will be recorded when the ultimate outcome becomes known. The Company's income tax returns are subject to examination by taxing authorities generally for the years ended December 31, 2018, 2019, and 2020.

**THE FAMILY PANTRY - DAMIEN'S PLACE CORP.
NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE B - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Corporation considers all highly liquid investments with maturities of three months or less to be cash equivalents.

Inventory

Inventories of food are stated at the lower of cost or donated value, determined using the first-in, first-out (FIFO) method, or market.

Property and Management

Property and equipment are presented at cost if purchased, or at estimated fair market value if donated. Depreciation is computed using the straight-line method over the useful lives of three to seven years. The Corporation does not have a formal capitalization policy, although assets whose cost exceeds \$500 and whose life extends beyond one year, have been capitalized.

Revenue Recognition

Contributions that are restricted by the donor are reported as increases in unrestricted net assets, if the restrictions expire in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily restricted or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), 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. At December 31, 2020 and 2019, there were no temporarily restricted or permanently restricted net assets.

Expense Allocation

The Corporation has only one program, which is the food pantry. All expenses incurred in 2020 and 2019 are directly related to this program. Therefore, no expenses are allocated to supporting services.

**THE FAMILY PANTRY - DAMIEN'S PLACE CORP.
NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE B - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Assets

Donated assets, such as inventory and other non-cash donations, are recorded as contributions at their estimated fair market value on the date of the donation.

Donated Services

Donated services are recognized as contributions in accordance with Professional Standards, if the services (a) create or enhance non-financial assets or (b) require specialized skill, are performed by people with those skills, and would otherwise be purchased by the Corporation.

NOTE C - CONCENTRATION OF CREDIT RISK

The Organization maintains its cash deposits at local financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). Deposits at FDIC insured institutions are insured up to at least \$250,000 per depositor through December, 2020. Non-interest-bearing accounts are further insured by FDIC's temporary Transaction Account Guarantee Program, which provides depositors with unlimited coverage for non-interest-bearing transaction accounts.

As of December 31, 2020 and 2019 cash balances did not exceed the federally insured limits.

The corporation purchases the majority of its food inventory from a food bank at a price substantially below market value. The Corporation must adhere to the food bank's policies regarding payment and submission of monthly reports in order to continue to purchase food inventory. If the Corporation was unable to purchase inventory from the food bank, it might not be able to purchase elsewhere at similar cost. As of December 31, 2020 and 2019 management is not aware of any circumstances that exist that might jeopardize the Corporation's ability to purchase inventory from the food bank.

NOTE D - DONATED GOODS AND SERVICES

The value of donated goods and services included as in-kind revenue in the financial statements and the corresponding program expenses for the year ended December 31, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Food	\$ 914,888	\$ 857,109
Bookkeeping Services	33,629	33,629
Total	<u>\$ 948,517</u>	<u>\$ 890,738</u>

The value of the bookkeeping services was determined based on the number of hours volunteered at a rate of \$29 per hour for 2020 and 2019.

**THE FAMILY PANTRY - DAMIEN'S PLACE CORP.
NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE D - DONATED GOODS AND SERVICES (CONTINUED)

Volunteers provided assistance throughout the year that was not recognized as contributions in the financial statements, since the recognition criteria under Professional Standards was not met. The Corporation received approximately 8,100 volunteer hours for the years ended December 31, 2020 and 2019.

NOTE E - OPERATING LEASE

On March 1, 2007, the Corporation entered into an annual lease with an unrelated party for a building. The lease shall renew annually, unless terminated by either party in writing. The lease was renewed in March 2009. The lease requires monthly payments of \$1,200 per month for the first year of the lease. Future rental payment increases are determined and agreed upon by both the Landlord and the Organization on a recurring annual basis. Rent expense totaled \$20892 in 2020 and \$14,400 in 2019.

NOTE F - SUBSEQUENT EVENTS

Subsequent events have been evaluated through November 15, 2021, the date the financial statements are available to be issued. No events occurring subsequent to year end requiring disclosure were noted as of November 15, 2021.