

THE FAMILY PANTRY – DAMIEN’S PLACE CORP.

Financial Statements

December 31, 2021 and 2020

THE FAMILY PANTRY- DAMIEN'S PLACE CORP.
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FOR YEARS ENDED DECEMBER 31, 2021 AND 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of The Family Pantry – Damien's Place Corp.

Opinion

We have audited the accompanying financial statements of The Family Pantry – Damien's Place Corp. (a nonprofit organization, herein referred to as "the Organization"), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2021 and 2020, 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 Auditor's 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 audit.

Hague, Sahady & Co., CPAs, P.C.

Hague, Sahady & Co., CPAs, P.C.

Fall River, Massachusetts

June 7, 2022

THE FAMILY PANTRY- DAMIEN'S PLACE CORP.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020

ASSETS

	<u>2021</u>	<u>2020</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 542,416	\$ 365,233
Inventory	34,689	43,629
Security deposit	1,200	1,200
TOTAL CURRENT ASSETS	578,305	410,062
PROPERTY AND EQUIPMENT		
Equipment	33,999	26,672
Motor vehicles	74,259	74,259
Subtotals	108,258	100,931
Less: accumulated depreciation	(100,764)	(95,634)
NET PROPERTY AND EQUIPMENT	7,494	5,297
TOTAL ASSETS	\$ 585,799	\$ 415,359

LIABILITIES AND NET ASSETS

UNRESTRICTED NET ASSETS	\$ 585,799	\$ 415,359
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See Independent Auditors' Report and Accompanying Notes

THE FAMILY PANTRY- DAMIEN'S PLACE CORP.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<u>UNRESTRICTED REVENUE AND SUPPORT</u>		
In-kind revenue (see Note D)	\$ 1,032,310	\$ 914,888
Donations	490,849	293,020
Interest income	608	320
	<hr/>	<hr/>
TOTAL UNRESTRICTED REVENUE AND SUPPORT	1,523,767	1,208,228
<u>EXPENSES</u>		
In-kind expense (see Note D)	1,032,310	914,888
Food	180,183	43,387
Payroll and related taxes	53,484	38,167
Rent	19,200	20,892
Insurance	4,406	2,834
Repairs and maintenance	480	480
Warehouse expense	13,081	12,017
Office supplies	4,154	2,981
Utilities	3,482	3,094
Vehicle	8,873	6,731
Miscellaneous	24,137	4,510
Telephone	2,081	2,199
Training and seminars	2,326	-
Depreciation	5,130	8,852
	<hr/>	<hr/>
TOTAL EXPENSES	1,353,327	1,061,032
CHANGE IN NET ASSETS	170,440	147,196
NET ASSETS - BEGINNING OF YEAR	<hr/> 415,359	<hr/> 268,163
NET ASSETS - END OF YEAR	<u>\$ 585,799</u>	<u>\$ 415,359</u>

See Independent Auditors' Report and Accompanying Notes

THE FAMILY PANTRY- DAMIEN'S PLACE CORP.
STATEMENTS OF CASH FLOWS
FOR YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<u>OPERATING ACTIVITIES</u>		
Change in net assets	\$ 170,440	\$ 147,196
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	5,130	8,852
Increase (decrease) in inventory	(8,940)	-
Misc other adjustments	<u>3,226</u>	<u>-</u>
Total adjustments	(584)	8,852
 NET CASH PROVIDED BY (APPLIED TO) OPERATING ACTIVITIES	 <u>169,856</u>	 <u>156,048</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	7,327	-
NET INC (DECR) IN CASH AND CASH EQUIVALENTS	177,183	156,048
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>365,233</u>	<u>209,185</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 542,416</u>	<u>\$ 365,233</u>

See Independent Auditors' Report and Accompanying Notes

THE FAMILY PANTRY- DAMIEN'S PLACE CORP.
NOTES TO THE FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2021 AND 2020

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 2021 and 2020 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 2021 and 2020 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, 2021. 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, 2019, 2020, and 2021.

THE FAMILY PANTRY- DAMIEN'S PLACE CORP.
NOTES TO THE FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2021 AND 2020

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, 2021 and 2020, 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 2021 and 2020 are directly related to this program. Therefore, no expenses are allocated to supporting services.

THE FAMILY PANTRY- DAMIEN'S PLACE CORP.
NOTES TO THE FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2021 AND 2020

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, 2021. 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, 2021 and 2020 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, 2021 and 2020 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, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Food	\$ 1,008,910	\$ 881,259
Bookkeeping Services	<u>23,400</u>	<u>33,629</u>
Total	\$ 1,032,310	\$ 914,888
 Volunteer Hours	 8,100	 8,100

The value of the bookkeeping services was determined based an average of 15 hours per week volunteered at a rate of \$30 per hour for 2021 and were based on the estimated hours volunteered (20 per week) at a rate of \$29 per hour for 2020.

THE FAMILY PANTRY- DAMIEN'S PLACE CORP.
NOTES TO THE FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2021 AND 2020

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, 2021 and 2020.

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 \$19,200 in 2021 (or \$1,600 per month) and \$20,892 in 2020.

NOTE F - SUBSEQUENT EVENTS

Subsequent events have been evaluated through June 7, 2022, the date the financial statements are available to be issued. No events occurring subsequent to year end requiring disclosure were noted as of June 7, 2022.