

The Family Pantry – Damien’s Place Corp.
(A Nonprofit Organization)
Financial Statements
December 31, 2022 and 2021

The Family Pantry – Damien’s Place Corp.
For Years Ended December 31, 2022 and 2021

Table of Contents

Independent Auditor’s Report..... 1-2

Statements of Financial Position..... 3

Statements of Activities and Changes in Net Assets..... 4

Statements of Functional Expenses..... 5-8

Statements of Cash Flows 9

Notes to the Financial Statements 10-14

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INDEPENDENT AUDITOR'S REPORT

Board of Directors

The Family Pantry – Damien's Place Corporation

East Wareham, MA

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, 2022 and 2021, and the related statements of activities, functional expenses, 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, 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 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.

Other Matters

We have previously audited the Organization's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 7, 2022. In our opinion, the comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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

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

Fall River, Massachusetts

June 16, 2023

The Family Pantry – Damien’s Place Corp.

Statements of Financial Position

As of December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets		
<i>Current assets</i>		
Cash and cash equivalents	\$ 637,558	\$ 542,416
Investments (Note D)	100,186	-
Inventory	41,681	34,689
Security deposit	1,200	1,200
Other assets	3,630	-
<i>Total current assets</i>	<u>784,255</u>	<u>578,305</u>
<i>Property and equipment</i>		
Donated land (Note G)	380,000	-
Construction in progress	33,342	-
Equipment	33,999	33,999
Motor vehicles	74,259	74,259
Subtotals	521,600	108,258
Less: accumulated depreciation	<u>(102,353)</u>	<u>(100,764)</u>
<i>Net property and equipment</i>	<u>419,247</u>	<u>7,494</u>
<i>Other assets</i>		
Restricted cash and cash equivalents	337,366	-
<i>Total other assets</i>	<u>337,366</u>	<u>-</u>
<i>Total assets</i>	<u><u>\$ 1,540,868</u></u>	<u><u>\$ 585,799</u></u>
<i>Liabilities and net assets</i>		
<i>Net assets</i>		
With donor restrictions	702,366	-
Without donor restrictions	838,502	585,799
<i>Total net assets</i>	<u><u>\$ 1,540,868</u></u>	<u><u>\$ 585,799</u></u>

See Independent Auditors' Report and Accompanying Notes

The Family Pantry – Damien’s Place Corp.
Statement of Activities
For Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<i>Changes in net assets without donor restrictions</i>		
<i>Revenues</i>		
In-kind revenue (Note F)	\$ 1,007,353	\$ 1,032,310
Donations	556,146	490,850
Interest income	<u>770</u>	<u>608</u>
<i>Total revenues without donor restrictions</i>	<u>1,564,269</u>	<u>1,523,768</u>
<i>Expenses</i>		
<i>Program services</i>		
Food pantry	<u>1,236,710</u>	<u>1,313,075</u>
<i>Support services</i>		
Fundraising - capital campaign	59,270	-
Fundraising - general	14,337	7,215
Administrative	<u>34,591</u>	<u>33,038</u>
<i>Total expenses</i>	<u>1,344,908</u>	<u>1,353,328</u>
<i>Net assets released from donor restrictions</i>		
Capital campaign donations	<u>33,342</u>	<u>-</u>
<i>Total net assets released from donor restrictions</i>	<u>33,342</u>	<u>-</u>
<i>Increase in net assets without donor restrictions</i>	252,703	170,440
<i>Changes in net assets with donor restrictions</i>		
Contributions of nonfinancial assets (Note G)	365,000	-
Contributions - capital campaign (Note H)	<u>337,366</u>	<u>-</u>
<i>Increase in net assets with donor restrictions</i>	702,366	-
<i>Change in total net assets</i>	955,069	170,440
<i>Net assets - beginning of year</i>	<u>585,799</u>	<u>415,359</u>
<i>Net assets - end of year</i>	<u><u>\$ 1,540,868</u></u>	<u><u>\$ 585,799</u></u>

See Independent Auditors' Report and Accompanying Notes

The Family Pantry – Damien’s Place Corp.
Statements of Functional Expenses
For Years Ended December 31, 2022 and 2021

	For the Year Ended December 31, 2022					
	Program Services	Support Services				TOTAL
	Food Distribution	Fundraising - Capital Campaign	Fundraising - General	Total Fundraising	Administrative	
Expenditures						
Marion Road						
Capital Campaign Consultant	\$ -	\$ 42,765	\$ -	\$ 42,765	\$ -	\$ 42,765
Legal Fee - R Mather	-	851	-	851	-	851
Marketing	-	1,650	-	1,650	-	1,650
Real Estate Taxes	-	660	-	660	-	660
Title Insurance	-	1,387	-	1,387	-	1,387
Office/General Administrative Expenditures	-	364	-	364	-	364
Total Marion Road	-	47,677	-	47,677	-	47,677
General Expenses						
Bank Charges & Fees	-	-	-	-	739	739
Software & Subscriptions	1,130	1,028	1,029	2,057	3,814	7,001
Insurance						
Box Truck Insurance	2,087	-	-	-	-	2,087
Board Insurance	-	-	-	-	807	807
Truck & Building Insurance	649	-	-	-	-	649
Total Insurance	2,736	-	-	-	807	3,543
Total General Expenses	3,866	1,028	1,029	2,057	5,360	11,283
Personnel & Payroll						
Worker's Compensation	406	-	-	-	406	812
Total Personnel & Payroll	406	-	-	-	406	812
Facilities & Equipment						
Depreciation Expense	795	-	-	-	794	1,589
Repairs & Maintenance	4,750	-	-	-	4,749	9,499
Utilities						
Electric	1,512	-	-	-	1,511	3,023
Heat	206	-	-	-	206	412
Telecommunications	1,271	-	-	-	1,272	2,543
Total Utilities	2,989	-	-	-	2,989	5,978
Total Facilities & Equipment	8,534	-	-	-	8,532	17,066
Expenses - Support						
Food Distributed						
Food Donations In Kind distributed	976,961	-	-	-	-	976,961
Food purchases	84,808	-	-	-	-	84,808
Total Food Distributed	1,061,769	-	-	-	-	1,061,769
Non-Food Distribution						
Gift cards distr to clients	69,000	-	-	-	-	69,000
Total Non-Food Distribution	69,000	-	-	-	-	69,000
Total Expenses - Support	\$ 1,130,769	\$ -	\$ -	\$ -	\$ -	\$ 1,130,769

See Independent Auditors' Report and Accompanying Notes

The Family Pantry – Damien’s Place Corp.
Statements of Functional Expenses
For Years Ended December 31, 2022 and 2021

	For the Year Ended December 31, 2022					
	Program Services	Support Services				
	Food Distribution	Fundraising - Capital Campaign	Fundraising - General	Total Fundraising	Administrative	TOTAL
Professional & Contract Services						
Vehicles and Equipment						
Registry	\$ 400	\$ -	\$ -	\$ -	\$ -	\$ 400
Box Truck Repairs	2,615	-	-	-	-	2,615
Equipment Repairs	819	-	-	-	-	819
Gas	3,246	-	-	-	-	3,246
Total Vehicles and Equipment	7,080	-	-	-	-	7,080
Warehouse	2,689	-	-	-	-	2,689
Pest Control	9,438	-	-	-	-	9,438
Temporary Trailer	5,187	-	-	-	-	5,187
Trash Collection	4,594	-	-	-	-	4,594
Warehouse supplies	2,698	-	-	-	-	2,698
Total Warehouse	24,606	-	-	-	-	24,606
Accounting Services	-	-	-	-	2,500	2,500
Info Tech-web-site, software						
Hardware	525	525	525	1,050	525	2,100
Website	1,683	1,683	1,682	3,365	1,682	6,730
Total Info Tech-web-site, software	2,208	2,208	2,207	4,415	2,207	8,830
Management and general						
Accounting Services	-	-	-	-	3,000	3,000
Donated Bookkeeping Services	5,850	5,850	5,850	11,700	5,850	23,400
Consulting	650	-	-	-	-	650
Donations & Special Gifts	-	-	727	727	726	1,453
Fundraising expenses	-	-	2,173	2,173	-	2,173
Miscellaneous	4,495	-	-	-	-	4,495
Office Supplies	1,761	1,917	1,761	3,678	1,761	7,200
On-line processing fees	-	354	354	708	-	708
Payroll Processing	795	-	-	-	794	1,589
Postage	-	236	236	472	-	472
Rent	19,200	-	-	-	-	19,200
Salary Expense						
Salaries	24,030	-	-	-	2,670	26,700
Taxes-Payroll	2,395	-	-	-	266	2,661
Total Salary Expense	26,425	-	-	-	2,936	29,361
Training and Seminars	65	-	-	-	-	65
Total Management and general	59,241	8,357	11,101	19,458	15,067	93,766
Taxes - non payroll						
Tax payments to Commonwealth	-	-	-	-	519	519
Total Taxes - non payroll	-	-	-	-	519	519
Total Professional & Contract Services	93,135	10,565	13,308	23,873	20,293	137,301
Total Expenditures	1,236,710	59,270	14,337	73,607	34,591	1,344,908
Total Expenditures	\$ 1,236,710	\$ 59,270	\$ 14,337	\$ 73,607	\$ 34,591	\$ 1,344,908

See Independent Auditors' Report and Accompanying Notes

The Family Pantry – Damien’s Place Corp.
Statements of Functional Expenses
For Years Ended December 31, 2022 and 2021

	For the Year Ended December 31, 2021					
	Program Services	Support Services				
	Food Distribution	Fundraising - Capital Campaign	Fundraising - General	Total Fundraising	Administrative	TOTAL
Expenditures						
General Expenses						
Bank Charges & Fees	\$ -	\$ -	\$ -	\$ -	\$ 151	\$ 151
Software & Subscriptions	1,509	-	1,509	1,509	1,508	4,526
Insurance						
Box Truck Insurance	1,633	-	-	-	-	1,633
Board Insurance	-	-	-	-	1,393	1,393
Truck & Building Insurance	393	-	-	-	-	393
Total Insurance	2,026	-	-	-	1,393	3,419
Total General Expenses	3,535	-	1,509	1,509	3,052	8,096
Personnel & Payroll						
Worker's Compensation	494	-	-	-	493	987
Total Personnel & Payroll	494	-	-	-	493	987
Facilities & Equipment						
Depreciation Expense	2,565	-	-	-	2,565	5,130
Repairs & Maintenance	355	-	-	-	355	710
Utilities						
Electric	1,607	-	-	-	1,606	3,213
Heat	135	-	-	-	134	269
Telecommunications	1,041	-	-	-	1,040	2,081
Total Utilities	2,783	-	-	-	2,780	5,563
Total Facilities & Equipment	5,703	-	-	-	5,700	11,403
Expenses - Support						
Food Distributed						
Food Donations In Kind distributed	1,008,910	-	-	-	-	1,008,910
Food purchases	70,483	-	-	-	-	70,483
Total Food Distributed	1,079,393	-	-	-	-	1,079,393
Non-Food Distribution						
Gift cards distr to clients	109,700	-	-	-	-	109,700
Non food to clients	412	-	-	-	-	412
Total Non-Food Distribution	110,112	-	-	-	-	110,112
Total Expenses - Support	\$ 1,189,505	\$ -	\$ -	\$ -	\$ -	\$ 1,189,505

See Independent Auditors' Report and Accompanying Notes

The Family Pantry – Damien’s Place Corp.
Statements of Functional Expenses
For Years Ended December 31, 2022 and 2021

For the Year Ended December 31, 2021						
	Program Services	Support Services				TOTAL
	Food Distribution	Fundraising - Capital Campaign	Fundraising - General	Total Fundraising	Administrative	
Professional & Contract Services						
Vehicles and Equipment						
Registry	\$ 503	\$ -	\$ -	\$ -	\$ -	\$ 503
Box Truck Repairs	3,827	-	-	-	-	3,827
Equipment Repairs	2,674	-	-	-	-	2,674
Gas	1,870	-	-	-	-	1,870
Total Vehicles and Equipment	8,874	-	-	-	-	8,874
Warehouse	1,101	-	-	-	-	1,101
Pest Control	480	-	-	-	-	480
Special Extraordinary repairs	305	-	-	-	-	305
Temporary Trailer	6,130	-	-	-	-	6,130
Trash Collection	3,723	-	-	-	-	3,723
Warehouse supplies	1,113	-	-	-	-	1,113
Total Warehouse	12,852	-	-	-	-	12,852
Info Tech-web-site, software						
Hardware	680	-	680	680	681	2,041
Website	2,760	-	2,760	2,760	2,760	8,280
Total Info Tech-web-site, software	3,440	-	3,440	3,440	3,441	10,321
Management and general						
Donated Bookkeeping Services	11,700	-	-	-	11,700	23,400
Consulting	500	-	-	-	-	500
Donations & Special Gifts	-	-	710	710	709	1,419
Fundraising expenses	1,370	-	-	-	-	1,370
Miscellaneous	2,972	-	-	-	-	2,972
Office Supplies	1,385	-	1,385	1,385	1,384	4,154
On-line processing fees	294	-	-	-	-	294
Payroll Processing	889	-	-	-	889	1,778
Postage	-	-	171	171	-	171
Rent	19,200	-	-	-	-	19,200
Salary Expense						
Bonus	1,402	-	-	-	156	1,558
Other Benefits Paid	162	-	-	-	18	180
Salaries	40,460	-	-	-	4,495	44,955
Taxes-Payroll	4,513	-	-	-	501	5,014
Total Salary Expense	46,537	-	-	-	5,170	51,707
Training and Seminars	2,325	-	-	-	-	2,325
Total Management and general	87,172	-	2,266	2,266	19,852	109,290
Space Configuration	1,500	-	-	-	-	1,500
Taxes - non payroll						
Tax payments to Commonwealth	-	-	-	-	500	500
Total Taxes - non payroll	-	-	-	-	500	500
Total Professional & Contract Services	113,838	-	5,706	5,706	23,793	143,337
Total Expenditures	1,313,075	-	7,215	7,215	33,038	1,353,328
Total Expenditures	\$ 1,313,075	\$ -	\$ 7,215	\$ 7,215	\$ 33,038	\$ 1,353,328

See Independent Auditors' Report and Accompanying Notes

The Family Pantry – Damien’s Place Corp.
Statements of Cash Flows
For Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<i>Operating activities</i>		
Change in net assets	\$ 955,069	\$ 170,440
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	1,589	5,130
Increase (decrease) in inventory	6,992	(8,940)
Contributions of nonfinancial assets	(365,000)	-
Misc other adjustments	<u>(32,614)</u>	<u>3,226</u>
Total adjustments	(389,033)	(584)
<i>Net cash provided (used) by operating activities</i>	<u>566,036</u>	<u>169,856</u>
<i>Cash flows from investing activities</i>		
Purchase of fixed assets	(33,342)	7,327
Investments	<u>(100,186)</u>	<u>-</u>
<i>Net cash provided (used) by investing activities</i>	<u>(133,528)</u>	<u>7,327</u>
<i>Net increase (decrease) in cash</i>	432,508	177,183
<i>Cash, beginning of the year</i>	<u>542,416</u>	<u>365,233</u>
<i>Cash, end of the year</i>	<u><u>\$ 974,924</u></u>	<u><u>\$542,416</u></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, 2022 and 2021

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 Organization 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 Accounting

The financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP) for financial reporting by not-for-profit organizations.

Basis of Presentation

Financial statement presentation follows the recommendation of Professional Standards. Under Professional Standards, the Organization 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:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed restrictions. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Directors.

Net Assets With Donor Restrictions - Net assets subject to donor imposed restrictions that may be temporary or permanent. Temporary restrictions may be fulfilled by actions of the Organization pursuant to those restrictions or that expire with the passage of time.

The Organization reports donor restricted contributions whose restrictions are met in the same reporting period as net assets without donor restrictions.

Tax-Exempt Status

The Organization 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, 2022. Any changes in tax position will be recorded when the ultimate outcome becomes known. The Organization’s income tax returns are subject to examination by taxing authorities generally for the years ended December 31, 2020, 2021, and 2022.

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 Organization considers all highly liquid investments available for current use with maturity dates of three months or less to be cash equivalents.

The Family Pantry – Damien’s Place Corp.
Notes to the Financial Statements
For Years Ended December 31, 2022 and 2021

Note B – Significant Accounting Policies (Continued)

Investments

Investments consist of certificates of deposit which are reported at fair value. The certificates of deposit at December 31, 2022 are six-month investments with an interest rate of 4.6% and maturity date of June 26, 2023.

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 Equipment

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 Organization 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

Revenue consists of in-kind donations, donations from individuals and organizations, grants, and contributions. In-kind donations consist of mainly food donations. The Greater Boston Food Bank contributed a majority of food to Damien’s totaling \$983,953 in 2022 and \$1,008,910 in 2021. Donations in 2022 included both general donations and capital contribution donations. The capital contribution donations are donor-restricted for the purpose of constructing a new building for the food pantry.

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire within the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires (that is, when a 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 and Change in Net Assets as net assets released from restrictions.

Functional Allocation of Expenses

The costs of providing program services, fundraising, and support services are summarized on a functional basis in the statement of activities and changes of net assets and reported in the Statement of Functional Expenses. The financial statements report certain categories of expenses that are attributed to more than one program or support service and therefore have been allocated on a reasonable basis that is consistently applied based on the type of expense as well as estimates of time and effort. In 2022, the Organization launched a capital campaign to raise funds for the construction of a new building to be used as a food pantry and therefore expenses incurred in 2022 include an allocation to fundraising specifically for the capital campaign.

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. In 2022, Damien’s received a noncash donation of land located in East Wareham with a fair market value of \$365,000 as of the date of the donation with the condition that Damien’s construct a food pantry on the property by August 1, 2024 per Gift Agreement dated July 29, 2022.

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 Organization.

The Family Pantry – Damien’s Place Corp.
Notes to the Financial Statements
For Years Ended December 31, 2022 and 2021

Note C – Cash and Cash Equivalents

The total cash and cash equivalents held by Damien’s in financial institutions at December 31, 2022 was \$991,284 which was insured by Federal Depository Insurance and Depositors Insurance Fund coverage. The book balance was \$974,924.

Note D – Investments

Investments held at Merrill at December 31, 2022 total \$100,186 which consist of a six-month certificate of deposit with a maturity date of June 26, 2023 and a rate of 4.6%.

Note E – Availability and Liquidity

Financial assets available within one year of December 31, 2022 and 2021 consisted of the following:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 974,924	\$ 542,416
Certificates of deposit	100,186	-
<i>Total financial assets</i>	<u>1,075,110</u>	<u>542,416</u>
Less amounts not available within one year:		
Donor restricted contributions	337,366	-
<i>Total financial assets available within one year</i>	<u><u>\$ 737,744</u></u>	<u><u>\$ 542,416</u></u>

Note F – 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 2022. 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, 2022 and 2021 cash balances did not exceed the federally insured limits.

The Organization purchases the majority of its food inventory from a food bank at a price substantially below market value. The Organization 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 Organization was unable to purchase inventory from the food bank, it might not be able to purchase elsewhere at similar cost. As of December 31, 2022 and 2021 management is not aware of any circumstances that exist that might jeopardize the Organization’s ability to purchase inventory from the food bank.

Note F – Property and Equipment

Property and equipment consist of the following at December 31, 2022 and 2021:

<i>Property and equipment</i>	<u>2022</u>	<u>2021</u>
Land	\$ 380,000	\$ -
Construction in progress	33,342	-
Equipment	33,999	33,999
Motor vehicles	74,259	74,259
Subtotals	521,600	108,258
Less: accumulated depreciation	(102,353)	(100,764)
<i>Net property and equipment</i>	<u><u>\$ 419,247</u></u>	<u><u>\$ 7,494</u></u>

The Family Pantry – Damien’s Place Corp.
Notes to the Financial Statements
For Years Ended December 31, 2022 and 2021

Note F – Donor Restricted Contributions

Net assets with donor restrictions consist of the following at December 31, 2022 and 2021:

<i>Net Assets With Donor Restrictions</i>	<u>2022</u>	<u>2021</u>
Donated land	\$ 365,000	\$ -
Capital campaign contributions	<u>337,366</u>	<u>-</u>
<i>Total Net Assets With Donor Restrictions</i>	<u>\$ 702,366</u>	<u>\$ -</u>
 <i>Net Assets Released From Donor Restrictions</i>	 <u>2022</u>	 <u>2021</u>
Capital campaign contributions	\$ 33,342	\$ -
<i>Total Net Assets Released From Donor Restrictions</i>	<u>\$ 33,342</u>	<u>\$ -</u>

Note F – 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, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Food	\$ 983,953	\$ 1,008,910
Bookkeeping Services	<u>23,400</u>	<u>23,400</u>
Total	<u>\$ 1,007,353</u>	<u>\$ 1,032,310</u>
 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 2022 and 2021.

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, 2022 and 2021.

Note G – Contributions of Nonfinancial Assets

In 2022, Damien’s received a contribution of land which is located in East Wareham. The land is recorded at fair market value of \$380,000 which includes fees to transfer the property. The fair market value of the land was appraised as of March 21, 2022 in the amount of \$365,000. Additional fees per the agreement totaled \$15,000. The fair market value of the land is included in *Net Assets With Donor Restrictions* at December 31, 2022 as the requirement to construct a new building on the property has not been met as of that date, however, the additional fees referenced above were paid in 2022.

The Family Pantry – Damien’s Place Corp.
Notes to the Financial Statements
For Years Ended December 31, 2022 and 2021

Note H – Capital Campaign Contributions

The Organization launched a capital campaign during 2022 to raise funds to construct a new building on the donated land located at Marion Road for the purpose of a food pantry. Total capital campaign contributions for 2022 were \$370,708. These funds are included in *Net Assets With Donor Restrictions* at December 31, 2022.

Note I – Advertising Costs

The Organization incurred marketing expenses for the promotion of the capital campaign which was launched during 2022. Advertising costs are expensed as incurred. Marketing expenses for the year ended December 31, 2022 and 2021 were \$1,650 and \$0, respectively.

Note I – Leases

On March 1, 2007, the Organization entered into a lease agreement with an unrelated party to rent space for food pantry operations. The lease shall renew annually unless terminated by either party in writing. The intent to terminate requires a six-month notice. The lease requires monthly payments of \$1,200. The Organization also rents additional space for \$400 per month. This is a month-to-month rental fee. Total rent expense was \$19,200 in 2022 and 2021 (or \$1,600 per month).

Note J - Contingencies

During 2022, the organization acquired land which was donated through a Gift Agreement dated July 29, 2022. The Gift Agreement contains donor-imposed conditions including the requirement to construct a new building for a food pantry on the property by August 1, 2024. In the event the condition is not met, Damien’s agrees to pay the donor the purchase price of \$379,999 for the land. As of June 16, 2023, Damien’s intention is to comply with the condition and meet the required deadline of having the building constructed and obtain a certificate of occupancy by August 1, 2024.

Note K – Subsequent Events

Subsequent events have been evaluated through June 16, 2023, the date the financial statements are available to be issued. No events occurring subsequent to year end requiring disclosure were noted as of June 16, 2023.

Note L – Accounting Updates

In September 2020, the FASB issued Accounting Standards Update No. 2020-07 *Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets* which is intended to increase the transparency in the reporting of contributed nonfinancial assets for not-for-profit (NFP) organizations through enhancements to presentation and disclosure. Contributed nonfinancial assets include fixed assets such as land, buildings, and equipment; the use of fixed assets or utilities, materials and supplies such as food, clothing, or pharmaceuticals, intangible assets, and recognized contributed services. This update is effective for periods beginning after June 16, 2021. Adoption of this standard has been applied in the current year financial statements and related disclosures.

In February 2016, the Financial Accounting Standards Board issued Accounting Standards Update No. 2016-02 *Leases* (Topic 842). This update is intended to increase the transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. This update is effective for periods beginning after December 15, 2021. There is no significant impact to the Organization’s financial statements as a result of this update.

There were no other accounting standards recently issued that had or are expected to have a material impact on the Organization’s financial statements and related disclosures.