

COMMUNITY INTERFAITH FOOD PANTRY

FINANCIAL STATEMENTS

December 31, 2021 and 2020

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Independent Auditors' Report

To the Board of Directors
Community Interfaith Food Pantry
Belleville, Illinois

Opinion

We have audited the accompanying financial statements of Community Interfaith Food Pantry (a non-profit organization), which comprise the statements of assets, liabilities and net assets (modified cash basis) as of December 31, 2021 and 2020, and the related statements of support, revenues and expenses and changes in net assets (modified cash basis) and functional expenses (modified cash basis) for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the assets, liabilities, and net assets of Community Interfaith Food Pantry as of December 31, 2021 and 2020, and its support, revenues, and expenses for the years then ended in accordance with the modified cash basis of accounting described in Note B.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Community Interfaith Food Pantry 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.

Emphasis of Matter – Basis of Accounting

We draw attention to Note B of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note B and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

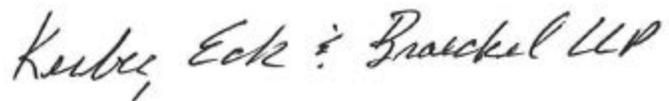
Auditors' Responsibility for the Audit of the Financial Statements

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 GAAS 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 GAAS, 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 Community Interfaith Food Pantry'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 Community Interfaith Food Pantry'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.



O'Fallon, Illinois
March 18, 2022

Community Interfaith Food Pantry
STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS (MODIFIED CASH BASIS)
December 31,

| | <u>2021</u> | <u>2020</u> |
|--|-------------------------|-------------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 668,212 | \$ 466,023 |
| Inventory | 52,839 | 32,670 |
| Investments in certificates of deposit | 131,031 | 191,998 |
| Property and equipment | | |
| Land | 72,783 | 72,783 |
| Buildings and building improvements | 433,229 | 404,533 |
| Vehicles | 40,678 | 42,178 |
| Furniture and fixtures | 74,073 | 60,831 |
| | <u>620,763</u> | <u>580,325</u> |
| Less accumulated depreciation | <u>(165,177)</u> | <u>(124,151)</u> |
| | <u>455,586</u> | <u>456,174</u> |
| Total assets | <u>\$ 1,307,668</u> | <u>\$ 1,146,865</u> |
| NET ASSETS | | |
| Without donor restrictions | 1,297,668 | 1,146,865 |
| With donor restrictions | 10,000 | - |
| | <u>1,307,668</u> | <u>-</u> |
| Total net assets | <u>\$ 1,307,668</u> | <u>\$ 1,146,865</u> |

The accompanying notes are an integral part of these statements.

Community Interfaith Food Pantry
STATEMENTS OF SUPPORT, REVENUES AND EXPENSES AND CHANGES IN NET ASSETS
(MODIFIED CASH BASIS)
Year ended December 31, 2021

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|---|---------------------------------------|------------------------------------|---------------------|
| Support and revenues | | | |
| Contributions | \$ 242,192 | \$ 24,545 | \$ 266,737 |
| Grants | - | 112,037 | 112,037 |
| In-kind contributions | | | |
| Food donations | 824,188 | - | 824,188 |
| Interest income | 2,556 | - | 2,556 |
| Other income | 200 | - | 200 |
| | <u>1,069,136</u> | <u>136,582</u> | <u>1,205,718</u> |
| Net assets released from restrictions | | | |
| Satisfaction of program restrictions | 126,582 | (126,582) | - |
| | <u>1,195,718</u> | <u>10,000</u> | <u>1,205,718</u> |
| Expenses | | | |
| Program services | | | |
| Food distribution | 1,031,979 | - | 1,031,979 |
| Supporting services | | | |
| Management and general | 12,936 | - | 12,936 |
| | <u>1,044,915</u> | <u>-</u> | <u>1,044,915</u> |
| | <u>150,803</u> | <u>10,000</u> | <u>160,803</u> |
| INCREASE IN NET ASSETS | | | |
| | <u>1,146,865</u> | <u>-</u> | <u>1,146,865</u> |
| Net assets as of January 1, 2021 | | | |
| | <u>\$ 1,297,668</u> | <u>\$ 10,000</u> | <u>\$ 1,307,668</u> |
| Net assets as of December 31, 2021 | | | |

The accompanying notes are an integral part of these statements.

Community Interfaith Food Pantry
STATEMENTS OF SUPPORT, REVENUES AND EXPENSES AND CHANGES IN NET ASSETS
(MODIFIED CASH BASIS)
Year ended December 31, 2020

| | Without Donor Restrictions | With Donor Restrictions | Total |
|--|---------------------------------------|------------------------------------|---------------------|
| Support and revenues | | | |
| Contributions | \$ 374,296 | \$ 9,850 | \$ 384,146 |
| Grants | - | 121,959 | 121,959 |
| In-kind contributions | | | |
| Food donations | 787,618 | - | 787,618 |
| Interest income | 4,995 | - | 4,995 |
| | <u>1,166,909</u> | <u>131,809</u> | <u>1,298,718</u> |
| Net assets released from restrictions | | | |
| Satisfaction of program restrictions | <u>131,809</u> | <u>(131,809)</u> | <u>-</u> |
| Total support and revenues | 1,298,718 | - | 1,298,718 |
| Expenses | | | |
| Program services | | | |
| Food distribution | 1,045,024 | - | 1,045,024 |
| Supporting services | | | |
| Management and general | <u>14,729</u> | <u>-</u> | <u>14,729</u> |
| Total expenses | 1,059,753 | - | 1,059,753 |
| Loss on disposal of property and equipment | <u>1,797</u> | <u>-</u> | <u>1,797</u> |
| Total expenses and losses | <u>1,061,550</u> | <u>-</u> | <u>1,061,550</u> |
| INCREASE IN NET ASSETS | 237,168 | - | 237,168 |
| Net assets as of January 1, 2020 | <u>909,697</u> | <u>-</u> | <u>909,697</u> |
| Net assets as of December 31, 2020 | <u>\$ 1,146,865</u> | <u>\$ -</u> | <u>\$ 1,146,865</u> |

The accompanying notes are an integral part of these statements.

Community Interfaith Food Pantry
STATEMENTS OF FUNCTIONAL EXPENSES (MODIFIED CASH BASIS)
Year ended December 31, 2021

| | <u>Program services</u> | <u>Supporting services</u> | |
|------------------------------|-----------------------------|--------------------------------|---------------------|
| | Food distribution | Management and general | Total |
| Depreciation | \$ 42,526 | \$ - | \$ 42,526 |
| Food purchases | 136,214 | - | 136,214 |
| Food donation | 803,404 | - | 803,404 |
| Insurance | 4,644 | - | 4,644 |
| Miscellaneous | 3,512 | 770 | 4,282 |
| Office supplies and expenses | 5,003 | 5,003 | 10,006 |
| Postage | - | 562 | 562 |
| Professional fees | - | 6,601 | 6,601 |
| Repairs and maintenance | 8,940 | - | 8,940 |
| Security services | 1,136 | - | 1,136 |
| Shop tools and equipment | 3,937 | - | 3,937 |
| Utilities | 18,976 | - | 18,976 |
| Vehicle expense | 3,687 | - | 3,687 |
| | | | |
| Total expenses | <u>\$ 1,031,979</u> | <u>\$ 12,936</u> | <u>\$ 1,044,915</u> |

The accompanying notes are an integral part of these statements.

Community Interfaith Food Pantry
STATEMENTS OF FUNCTIONAL EXPENSES (MODIFIED CASH BASIS)
Year ended December 31, 2020

| | <u>Program services</u> | <u>Support services</u> | |
|------------------------------|-----------------------------|-----------------------------|---------------------|
| | Food distribution | Management and general | Total |
| Cleaning supplies | \$ - | \$ 34 | \$ 34 |
| Depreciation | 38,124 | - | 38,124 |
| Food purchases | 176,826 | - | 176,826 |
| Food donation | 789,775 | - | 789,775 |
| Insurance | 4,091 | - | 4,091 |
| Meals and entertainment | - | 73 | 73 |
| Miscellaneous | 56 | 63 | 119 |
| Office supplies and expenses | 7,558 | 7,559 | 15,117 |
| Postage | - | 800 | 800 |
| Professional fees | - | 6,200 | 6,200 |
| Repairs and maintenance | 7,528 | - | 7,528 |
| Security services | 741 | - | 741 |
| Shop tools and equipment | 1,124 | - | 1,124 |
| Utilities | 17,174 | - | 17,174 |
| Vehicle expense | 2,027 | - | 2,027 |
| | | | |
| Total expenses | <u>\$ 1,045,024</u> | <u>\$ 14,729</u> | <u>\$ 1,059,753</u> |

The accompanying notes are an integral part of these statements.

Community Interfaith Food Pantry

NOTES TO FINANCIAL STATEMENTS

NOTE A | ORGANIZATION

Community Interfaith Food Pantry (the “Food Pantry”) is a non-profit charitable organization that was established in 2007. The Food Pantry’s mission is to eliminate hunger within the community and to make a commitment to consider the total spiritual, emotional, and physical needs of individuals and to identify available resources to assist them. The Food Pantry’s revenues are derived principally from food and cash donations from various individuals, organizations and local businesses.

The Food Pantry has established the following program services:

Food Distribution

This program provides food to families throughout the Belleville and Swansea, Illinois communities who are experiencing difficulty in meeting the demands of daily living.

NOTE B | SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Food Pantry are prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Under that basis, certain revenues and the related assets are recognized when received rather than when earned and certain expenses are recognized when paid rather than when the obligation is incurred. That basis differs from generally accepted accounting principles primarily because the Food Pantry has not recognized pledges receivable from donors, accounts payable to vendors, and accrued expenses, and their related effects on changes in net assets in the accompanying financial statements.

Cash, Cash Equivalents and Investments

Cash and cash equivalents consist of petty cash, deposits in interest and non-interest bearing accounts, money market accounts and certificates of deposit with original maturities of three months or less. Investments in certificates of deposit are valued at cost, which approximates fair value.

Property and Equipment

Property and equipment are recorded at cost when purchased, or if donated, at their estimated fair value at date of donation. Depreciation is computed using the straight-line method over the estimated useful life of five to forty years. Expenditures for major renewals and betterments that extend the useful lives of property and equipment in excess of \$2,000 are capitalized. Expenditures for repairs and maintenance are charged to expense as incurred. Depreciation expense was \$42,526 and \$38,124 for the years ended December 31, 2021 and 2020, respectively.

Inventory

The Food Pantry reports inventory at the lower of cost or net realizable value (generally, estimated selling price). The Food Pantry determined the estimated cost of \$1.79 per pound for 2021 and \$1.57 per pound for 2020 approximates net realizable value.

Community Interfaith Food Pantry

NOTES TO FINANCIAL STATEMENTS

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue and Revenue Recognition

Contributions are recognized when cash, securities, or other assets are received. The Food Pantry's grant contract is conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. Accordingly, revenue under this grant is recognized upon receipt of reimbursed expenditures.

In-Kind Contributions

In-kind food contributions received are valued at net realizable value, which is estimated at \$1.79 and \$1.74 per pound for the years ended December 31, 2021 and 2020, respectively. This estimate represents the average cost of the primary items maintained at the Food Pantry. Such donations are recorded as inventory and contributions when received and expensed when distributed to families in the service area.

Donated property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as net assets with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Food Pantry reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Food Pantry reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Functional Expenses

The cost of providing various programs and supporting services have been reported on a functional basis in the statements of support, revenue and expenses and changes in net assets. Accordingly, certain costs have been allocated among the food distribution program and supporting services based on estimates made by management as further disclosed in Note G.

Community Interfaith Food Pantry

NOTES TO FINANCIAL STATEMENTS

Income Taxes

The Food Pantry, a non-profit organization operating under Section 501(c)(3) of the Internal Revenue Code, is exempt from federal, state, and local income taxes and, accordingly, no provision for income taxes is included in the financial statements. In addition, the Food Pantry qualifies as a public charity under section 170(b)(1)(A)(vi) of the Internal Revenue Code.

The Food Pantry's information returns filed with the Internal Revenue Service are subject to examination, generally for three years after the filing date. The Food Pantry does not have any tax returns under examination.

Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that can affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Subsequent Events

In preparing these financial statements, the Food Pantry evaluated events and transactions for potential recognition or disclosure through March 18, 2022, the date the financial statements were available to be issued.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

NOTE C | LIQUIDITY

As part of its liquidity management plan, the Food Pantry invests cash in excess of daily requirements in certificates of deposit and money market funds. Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following at December 31,:

| | <u>2021</u> | <u>2020</u> |
|--|-------------|-------------|
| Cash and cash equivalents | \$ 668,212 | \$ 466,023 |
| Investments in certificates of deposit | 131,031 | 191,998 |
| | <hr/> | <hr/> |
| Total financial assets | 799,243 | 658,021 |
| Contractual or donor-imposed restriction | (10,000) | - |
| | <hr/> | <hr/> |
| | \$ 789,243 | \$ 658,021 |
| | <hr/> | <hr/> |

Community Interfaith Food Pantry
NOTES TO FINANCIAL STATEMENTS

NOTE D | NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor-imposed restrictions were restricted for the following purpose at December 31,:

| | <u>2021</u> | <u>2020</u> |
|-----------------|-------------|-------------|
| Walk-in freezer | \$ 10,000 | \$ - |

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes specified by the donors as follows for the years ended December 31,:

| | <u>2021</u> | <u>2020</u> |
|-----------------------------|-------------------|-------------------|
| Food distribution | \$ 112,037 | \$ 121,959 |
| Utilities | 14,545 | 6,550 |
| Infrastructure Improvements | - | 3,300 |
| | <u>\$ 126,582</u> | <u>\$ 131,809</u> |

NOTE E | IN-KIND CONTRIBUTIONS

The Food Pantry received contributed goods and supplies as follows for the years ended December 31,:

| | <u>Program services</u> | |
|----------------|-------------------------|-------------|
| | <u>2021</u> | <u>2020</u> |
| Food donations | \$ 824,188 | \$ 787,618 |

Ending inventory consisting of purchased and contributed goods received was \$52,839 and \$32,670 at December 31, 2021 and 2020, respectively.

The Food Pantry receives donated services from unpaid volunteers assisting the Food Pantry in its food collection and distribution. The Food Pantry estimates it received approximately 12,500 and 13,500 volunteer hours for the years ended December 31, 2021 and 2020, respectively. No amounts have been recognized in the accompanying financial statements because the criteria for recognition of such volunteer efforts do not meet the criteria for recognition under generally accepted accounting principles.

NOTE F | CONTINGENCIES

Grants require the fulfillment of certain conditions as set forth in the agreement. Failure to fulfill the conditions could result in the return of funds to the grantors. Although that is a possibility, the Food Pantry deems the contingency remote, since by accepting the grants and their terms, it has accommodated the objectives of the Food Pantry to the provision of the grants.

Community Interfaith Food Pantry
NOTES TO FINANCIAL STATEMENTS

NOTE G | FUNCTIONAL EXPENSES

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses allocated include office supplies and expenses, which are allocated on the basis of estimated time or effort. All fundraising activities are provided by volunteers as the Food Pantry has no employees. Any fundraising expenses incurred during the years ended December 31, 2021, and 2020 were minimal and are included with management and general expenses.

NOTE H | CONCENTRATION OF CREDIT RISK

The Food Pantry's cash balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. From time to time, cash balances may exceed Federal insurance limits. The Food Pantry has not experienced any losses in its cash accounts and believes it is not exposed to any significant credit risks on cash deposits.

NOTE I | RISKS AND UNCERTAINTIES

The World Health Organization (WHO) declared Coronavirus Disease 2019 (COVID-19) a global health pandemic on March 11, 2020. On March 13, 2020, the President of the United States of America issued an emergency declaration under the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1988 in response to the ongoing COVID-19 pandemic. These emergency declarations triggered economic uncertainty. The long term effect of COVID-19 on the economy, the Food Pantry's customers and vendors is not reasonably determinable; therefore, no adjustments or provisions have been made related to COVID-19.