

PARKLAND C.A.R.E.S. FOOD PANTRY

FINANCIAL REPORT

(Reviewed)

December 31, 2021



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A Professional Corporation

Certified Public Accountants | Business Consultants

PARKLAND C.A.R.E.S. FOOD PANTRY

Table of Contents

December 31, 2021

	<u>Page</u>
Independent Accountants' Review Report	1-2
Financial Statements	
Statements of assets, liabilities and net assets - modified cash basis	3
Statements of revenues, expenses and changes in net assets - modified cash basis	4
Statements of functional expenses - modified cash basis	5-6
Notes to financial statements	7-9



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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Trustees of
Parkland C.A.R.E.S. Food Pantry

We have reviewed the accompanying financial statements of Parkland C.A.R.E.S. Food Pantry (a nonprofit organization) which comprise the statements of assets, liabilities and net assets – modified cash basis as of December 31, 2021, and the related statements of revenues, expenses and changes in net assets – modified cash basis and functional expenses – modified cash basis for the year then ended and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility 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; this includes determining that the modified cash basis of accounting is an acceptable basis for preparation of 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.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the modified cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Parkland C.A.R.E.S. Food Pantry and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the modified cash basis of accounting.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with 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 conclusion is not modified with respect to this matter.

Report on 2020 Financial Statements

The financial statements of Parkland C.A.R.E.S. Food Pantry as of December 31, 2020, were reviewed by other accountants whose report dated November 1, 2021, stated that based on their procedures, they are not aware of any material modifications that should be made to the financial statements in order for them to be in accordance with the modified cash basis of accounting.

Buckno Lisicky + Company

Allentown, Pennsylvania
February 23, 2022

PARKLAND C.A.R.E.S. FOOD PANTRY**Statements of Assets, Liabilities and Net Assets - Modified Cash Basis****December 31, 2021 and 2020****See Independent Accountants' Review Report**

	<u>2021</u>	<u>2020</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 256,890	\$ 135,881
Certificate of deposit	<u>70,173</u>	<u>55,139</u>
TOTAL CURRENT ASSETS	<u>327,063</u>	<u>191,020</u>
TOTAL ASSETS	<u>\$ 327,063</u>	<u>\$ 191,020</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Payroll taxes payable	<u>\$ 347</u>	<u>\$ 597</u>
TOTAL CURRENT LIABILITIES	<u>347</u>	<u>597</u>
NET ASSETS		
Without donor restrictions	<u>326,716</u>	<u>190,423</u>
TOTAL NET ASSETS	<u>326,716</u>	<u>190,423</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 327,063</u>	<u>\$ 191,020</u>

PARKLAND C.A.R.E.S. FOOD PANTRY**Statements of Revenues, Expenses and Changes in Net Assets - Modified Cash Basis****Years Ended December 31, 2021 and 2020****See Independent Accountants' Review Report**

	December 31, 2021			December 31, 2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT						
Grants and contributions	\$ 224,318	\$ -	\$ 224,318	\$ 193,410	\$ -	\$ 193,410
In kind food donations	138,550	-	138,550	117,258	-	117,258
Interest income	71	-	71	139	-	139
TOTAL REVENUE AND SUPPORT	<u>362,939</u>	<u>-</u>	<u>362,939</u>	<u>310,807</u>	<u>-</u>	<u>310,807</u>
EXPENSES						
Program	192,899	-	192,899	151,408	-	151,408
Management and general	18,386	-	18,386	17,158	-	17,158
Fundraising	15,361	-	15,361	10,581	-	10,581
TOTAL EXPENSES	<u>226,646</u>	<u>-</u>	<u>226,646</u>	<u>179,147</u>	<u>-</u>	<u>179,147</u>
INCREASE IN NET ASSETS	136,293	-	136,293	131,660	-	131,660
BEGINNING NET ASSETS	<u>190,423</u>	<u>-</u>	<u>190,423</u>	<u>58,763</u>	<u>-</u>	<u>58,763</u>
ENDING NET ASSETS	\$ 326,716	\$ -	\$ 326,716	\$ 190,423	\$ -	\$ 190,423

PARKLAND C.A.R.E.S. FOOD PANTRY**Statement of Functional Expenses - Modified Cash Basis****Year Ended December 31, 2021****See Independent Accountants' Review Report**

	Program Expenses	Management and General	Fund Raising	Total
Wages	\$ 15,000	\$ 5,000	\$ 5,000	\$ 25,000
Payroll taxes	1,429	477	477	2,383
Workers compensation insurance	339	113	113	565
Legal and professional	-	3,160	-	3,160
Insurance	-	1,179	-	1,179
Office and computer supplies	-	6,896	-	6,896
Advertising and marketing	-	-	9,771	9,771
Bank charges and fees	-	178	-	178
Meals and entertainment	-	161	-	161
Repairs and maintenance	-	1,072	-	1,072
Taxes and licenses	-	150	-	150
Rent expense	16,100	-	-	16,100
Utilities	1,362	-	-	1,362
Food purchases	156,803	-	-	156,803
Volunteer expense	1,866	-	-	1,866
	<u>\$ 192,899</u>	<u>\$ 18,386</u>	<u>\$ 15,361</u>	<u>\$ 226,646</u>

PARKLAND C.A.R.E.S. FOOD PANTRY**Statement of Functional Expenses - Modified Cash Basis****Year Ended December 31, 2020****See Independent Accountants' Review Report**

	<u>Program Expenses</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total</u>
Wages	\$ 10,400	\$ 3,466	\$ 3,467	\$ 17,333
Payroll taxes	1,084	360	362	1,806
Workers compensation insurance	813	813	407	2,033
Legal and professional	-	2,790	-	2,790
Insurance	-	800	-	800
Office and computer supplies	-	7,570	-	7,570
Advertising and marketing	-	-	6,276	6,276
Bank charges and fees	-	216	-	216
Meals and entertainment	-	392	-	392
Repairs and maintenance	-	601	-	601
Taxes and licenses	-	150	-	150
Rent expense	14,250	-	-	14,250
Utilities	1,356	-	-	1,356
Food purchases	122,505	-	-	122,505
Volunteer expense	1,000	-	-	1,000
Other fundraising expense	-	-	69	69
	<u>\$ 151,408</u>	<u>\$ 17,158</u>	<u>\$ 10,581</u>	<u>\$ 179,147</u>

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and nature of activities

Parkland Cares Food Pantry was organized to aid children and their families in the Parkland community by serving and feeding every member of the Parkland community suffering from hunger. The Organization's primary source of revenue is in-kind contributions of food from local businesses. The Organization also receives cash contributions and grants. Revenues can vary from year to year.

Basis of accounting

The financial statements of the Organization have been prepared on the modified cash basis of accounting; consequently, certain revenues and the related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when a liability is incurred, with the exception of payroll liabilities.

Basis of presentation

Financial statement presentation follows the requirements of the Financial Accounting Standards Board (FASB) in its Accounting Standards Update (ASU) No. 2016-14, which provides guidance for classification of net assets. The amounts for each of the two classes of net assets are based on the existence or absence of donor-imposed restrictions described as follows:

Net assets without donor restrictions – net assets of the Organization whose use has not been restricted by an outside donor or law. They are available for any use carrying out the operations of the Organization. This class also includes assets previously restricted where restrictions have expired or been met.

Net assets with donor restrictions – net assets of the Organization whose use has been limited by donor-imposed stipulations that either expire with the passage of time or can be fulfilled and removed by actions of the Organization. When such stipulations end or are fulfilled, the net assets with donor restrictions are released to net assets without donor restrictions. Certain restrictions may need to be maintained in perpetuity. The Organization had no net assets with donor restrictions at December 31, 2021 and 2020.

Functional allocation of expenses

The costs of providing various programs have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the various programs and support services. Supporting services consist of management and general expenses. Certain expenses require allocation on a reasonable basis that is consistently applied. Those expenses include payroll, payroll taxes and workers compensation, which are allocated on the basis of an estimate of time and effort.

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 affect certain

Notes to the Financial Statements

December 31, 2021 and 2020

reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Contributions

The Organization reports gifts of cash and other assets as contributions with donor restrictions if they are received with donor stipulations that limit the use of donated assets. When a donor 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 revenues, expenses and changes in net assets as net assets released from restrictions. Contributions received with donor-imposed restrictions that are met in the same year as received are reported as an increase in net assets without donor restrictions.

In-kind Food Donations

In-kind food donations are reported at estimated fair market value. For the year ended December 31, 2021, an estimate of \$1.70 per pound was used to value food donations. The total value of food donations is reported separate from other contributions and grants in the statement of revenues, expenses and changes in net assets. Total food donations for the year ended December 31, 2021 and 2020 was \$138,550 and \$117,258, respectively.

Advertising

The Organization expenses all advertising costs as paid. The amount of advertising expensed during the years ended December 31, 2021 and 2020 is \$9,771 and \$6,276, respectively.

Income taxes

The Organization is exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code.

The Organization files a Return of Organization Exempt From Income Tax annually. The Organization's returns for 2019, 2020, and 2021 are subject to examination by the IRS, generally for three years after they were filed.

Reclassifications

Certain information in the 2020 financial statements and related footnotes contain reclassifications necessary to make that information comparable to information presented in the 2021 financial statements.

Date of management's review

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through February 23, 2022, the date the financial statements were available to be issued.

Notes to the Financial Statements

December 31, 2021 and 2020

NOTE 2. NET ASSETS WITH DONOR RESTRICTIONS

At December 31, 2021 and 2020, all net assets were without donor restrictions. All contributions recognized during the years ended December 31, 2021 and 2020 were without donor restrictions.

NOTE 3. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditures, that is without donor restrictions limiting their use within one year of the balance sheet date are \$326,716 and \$190,423 as of December 31, 2021 and 2020, respectively.

NOTE 4. CONCENTRATIONS

The Organization maintains its cash and cash equivalent in a commercial bank, which at times may exceed federally insured limits of \$250,000. The Organization has not experienced any losses in such accounts.

NOTE 5. COVID-19

The Organization's operations have been affected by the ongoing outbreak of the coronavirus disease 2019 (COVID-19) which was declared a pandemic by the World Health Organization in March 2020. The ultimate disruption caused by the outbreak is uncertain; however, it may result in a material adverse impact on the Organization's future financial position, operations and cash flows. Possible effects may include, but are not limited to, disruptions to the Organization's patrons and revenue, and absenteeism in the Organization's staff.