

WHITEHALL-COPLAY HUNGER INITIATIVE
(A NON-PROFIT ORGANIZATION)
REVIEWED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2022

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors of
Whitehall-Coplay Hunger Initiative
Whitehall, Pennsylvania

We have reviewed the accompanying financial statements of Whitehall-Coplay Hunger Initiative (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets - modified cash basis as of December 31, 2022, and the related statements of support, revenue, 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 the 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 Whitehall-Coplay Hunger Initiative 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 2 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.



Frey & Co. CPAs, LLC
Walnutport, Pennsylvania
November 9, 2023

WHITEHALL-COPLAY HUNGER INITIATIVE
STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS - MODIFIED CASH BASIS
DECEMBER 31, 2022

ASSETS

CURRENT ASSETS:

Cash and Cash Equivalents	\$ 23,090
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Total Current Assets	23,090
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PROPERTY AND EQUIPMENT - NET	134,234
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TOTAL ASSETS	\$ 157,324
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LIABILITIES AND NET ASSETS

NET ASSETS:

Without Donor Restrictions	
Undesignated	\$ 157,324

Total Net Assets Without Donor Restrictions	157,324
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TOTAL LIABILITIES AND NET ASSETS	\$ 157,324
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See accompanying notes

WHITEHALL-COPLAY HUNGER INITIATIVE
STATEMENT OF SUPPORT, REVENUE, EXPENSES,
AND CHANGES IN NET ASSETS - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022

Changes in Net Assets without Donor Restrictions:

Revenues and Gains	
Contributions	\$ 57,727
Grants	38,375
Fundraising Income	<u>4,888</u>
Total Revenues and Gains without Donor Restrictions	<u>100,990</u>
Functional Expenses	
Program Services	123,615
Supporting Activities:	
General & Administrative	11,385
Fundraising Expenses	<u>2,642</u>
Total Functional Expenses	<u>137,642</u>
Change in Net Assets without Donor Restrictions	(36,652)
Net Assets - Beginning	<u>193,976</u>
Net Assets - Ending	<u><u>\$ 157,324</u></u>

See accompanying notes

WHITEHALL-COPLAY HUNGER INITIATIVE
STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Program Services	Supporting Services		Total
		Management & General	Fundraising	
Supplies	\$ 77,220	\$ -	\$ -	\$ 77,220
Depreciation	36,190	1,925	385	38,500
Occupancy Costs	4,863	546	55	5,464
Office Supplies	-	5,236	-	5,236
Insurance	2,881	320	-	3,201
Outside Services	450	1,800	-	2,250
Gaming Expenses	-	-	1,568	1,568
Vehicle Expense	1,444	-	-	1,444
Printing and Postage	-	1,337	-	1,337
Advertising	-	-	634	634
Licenses	567	-	-	567
Information Technology	-	150	-	150
Bank Fees	-	71	-	71
Totals	<u>\$ 123,615</u>	<u>\$ 11,385</u>	<u>\$ 2,642</u>	<u>\$ 137,642</u>

See accompanying notes

WHITEHALL-COPLAY HUNGER INITIATIVE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 - NATURE OF BUSINESS

Whitehall-Coplay Hunger Initiative (The Organization) is organized in Pennsylvania as a non-profit corporation for the purpose of providing programs to the low-income residents of the boroughs of Whitehall and Coplay that allow them to receive food through community meals, summer meals for school children, community garden, and a community food pantry. The Organization is supported primarily through grants, donations, and fundraisers from the public.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Revenue Recognition

The accompanying financial statements of the Organization are prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Accordingly, revenue and the related assets are recognized when received rather than when earned and expenses are recognized when paid rather than when the obligation is incurred. Further, the modified cash basis of accounting differs from generally accepted accounting principles primarily because the Organization has not recognized receivables or deferred revenue and their related effects on the change in net assets. In addition, the Organization has not recognized accounts payable and accrued expenses and their related effects on the change in net assets.

Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash on hand, checking accounts, savings accounts, demand deposits, and money market accounts with original maturities of three months or less.

Property, Plant and Equipment

The Organization capitalizes property and equipment over \$2,500. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at its estimated fair value. Such donations are reported as contributions 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 contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Depreciation of buildings, vehicles, and equipment is provided over the useful lives of the respective assets on a straight-line or double declining basis.

WHITEHALL-COPLAY HUNGER INITIATIVE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. All contributions included for the year ended December 31, 2022 were without donor restrictions.

Contributed Services

The Organization does not recognize any support, revenue, or expense from the services contributed by volunteers. If any support, revenue, or expense were recorded, it would be determined based on the difference of any amount paid to an individual and the comparable compensation that would be paid to an individual if they were to occupy those paid positions.

Use of Estimates

The preparation of the financial statements in conformity with the modified cash basis requires management to make estimates and assumptions that affect the 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 revenues and expenses during the period. Actual results could differ from those estimates.

Advertising

The Organization expenses advertising as it is paid. Total advertising expense was \$634 for the year ended December 31, 2022.

Income Taxes

The Organization is exempt from federal income taxes under Internal Revenue Service Code Section 501(c)(3), and accordingly are not required to pay any income tax on income earned in conjunction with their not-for-profit mission. An information tax return is filed each year (Form 990) to report the income and expenses of the exempt functions to ensure compliance with their intended mission.

WHITEHALL-COPLAY HUNGER INITIATIVE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 3 - RESTRICTIONS ON NET ASSETS

Net Assets Without Donor Restrictions - Not subject to donor-imposed stipulations. Unrestricted assets may be designated for specific purposes by the Organization.

Net Assets with Donor Restrictions - Subject to donor-imposed stipulations that may be fulfilled by the actions of the Organization to meet the stipulations or become unrestricted at the date specified by the donor. At December 31, 2022 there were not any net assets with donor restrictions.

NOTE 4 - PROPERTY AND EQUIPMENT

Components of property and equipment are summarized below at December 31, 2022:

Asset	Depreciable Lives	Cost	Accumulated Depreciation	Net Book Value
Buildings and Improvements	20-39	\$ 46,284	\$ 2,473	\$ 43,811
Vehicles	5	103,624	68,184	35,440
Equipment and Fixtures	5-7	74,063	31,042	43,021
Land Improvements	15	14,955	2,994	11,961
		<u>\$ 238,926</u>	<u>\$ 104,693</u>	<u>\$ 134,233</u>

Depreciation expense for the year ended December 31, 2022 was \$38,500.

NOTE 5 - FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and other activities have been disclosed on a functional basis. Accordingly, certain costs have been allocated among program services and supporting services. Outside services were allocated based on time spent working on a particular function. Insurance and occupancy costs were allocated based on office space at the building. Depreciation expense was allocated based on the use of the asset.

NOTE 6 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of the statement of assets, liabilities, and net assets date. The financial assets available to meet cash needs for general expenditure within one year at year end December 31, 2023 is \$23,090.

WHITEHALL-COPLAY HUNGER INITIATIVE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 7 - REVENUE CONCENTRATIONS

The Organization has a revenue concentration risk related to in-kind donations and donations. During 2022 the Organization received approximately 38% of their revenue from the donation of in-kind material, mainly food for their pantry and summer food programs. In addition, donations received are from the residents and businesses in the communities that the Organization serves, creating a geographical concentration on the amount of donations from the public it receives.

NOTE 8 - GRANT INCOME

During 2021 The Organization was awarded a grant of \$35,000 from the county it operates in to be used for the summer food and food pantry programs. The grant period is May 2021 through September 2022. As of December 31, 2021 the Organization used and received \$14,184. During 2022 the Organization received and used \$5,493. The remaining balance of the grant of \$15,323 was reallocated in 2022 to food and toiletries contributed in kind.

The Organization was awarded a grant of \$31,721 from the county it operates in to be used for kitchen appliances. The grant period is August 2022 through September 2023. During 2022 the Organization used and received \$22,032. The remaining balance of the grant of \$9,689 will be utilized and received in 2023.

The Organization was awarded a grant of \$10,850 from the county it operates in to be used for pantry lighting. The grant period is August 2022 through September 2023. All funds from this grant were fully used in the program as of December 31, 2022.

NOTE 9 - SUBSEQUENT EVENTS

As of November 9, 2023 the date the financials are available, no event has taken place by the Organization that will affect any aspect of the financial statements or notes to the financial statements as of and for the year ended December 31, 2022.