

Arlington Food Pantry, Inc.

Audited Financial Statements

Year Ended June 30, 2018

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Arlington Food Pantry, Inc.
Audited Financial Statements
Year Ended June 30, 2018

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Independent Auditor's Report

To the Board of Directors
Arlington Food Pantry, Inc.
Arlington, MA 02474

Report on the Financial Statements

I have audited the accompanying financial statements of Arlington Food Pantry, Inc. (a Massachusetts nonprofit organization), which comprise the statement of financial position as of June 30, 2018, the related statement of activities and changes in net assets and the statement of cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility 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; this includes 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.

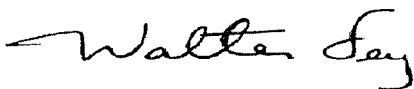
Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparations and fair presentation of the financial statements 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 entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of financial statements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material aspects, the financial position of the Arlington Food Pantry, Inc. as of June 30, 2018, and the changes in net assets and the cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.



Arlington, Massachusetts
January 30, 2019

Arlington Food Pantry, Inc.
Statement of Financial Position
June 30, 2018

Assets

Current Assets

Cash and cash equivalents	\$231,300
Investments	212,100
Prepaid expenses	<u>9,100</u>
Total current assets	452,500

Property and Equipment - net

<u>1,100</u>
<u><u>453,600</u></u>

Liabilities and Net Assets

Current Liabilities

Accounts payable	3,600
Accrued expenses	<u>---</u>
Total current liabilities	<u>3,600</u>

Net Assets

<u>450,000</u>
<u><u>\$453,600</u></u>

See accountant's report and notes to the financial statements

Arlington Food Pantry, Inc.
Statement of Activities and Changes in Net Assets
For The Year Ended June 30, 2018

Revenues and support

Contributions & grants	\$574,100
Fundraising events	58,300
Investment income (loss)	(400)
In-kind contributions	240,900
Total revenues and support	<u>872,900</u>

Expenses

Communications	2,100
Community support/grants	9,000
Equipment	700
Food & Meals-delivered/distributed	293,000
Fundraising, direct	23,000
Insurance	5,300
Office and software	4,800
Outside services	4,700
Payroll	76,300
Payroll taxes	7,200
Postage	1,300
Printing	1,800
Rent	3,500
Repairs and maintenance	600
Staff development and training	1,800
Travel	300
Utilities	13,800
Volunteer appreciation	900
Total expenses	<u>450,100</u>

Change in Net Assets 422,800

Net Assets, beginning of year 27,200

Net Assets, end of year \$450,000

See accountant's report and notes to the financial statements

Arlington Food Pantry, Inc.
Statement of Cash Flows
For The Year Ended June 30, 2018

Cash Flows From Operating Activities	
Change in net assets	\$422,800
Adjustments to reconcile change in net assets to net cash provided by operating activities:	---
Changes in certain operating assets and liabilities:	
Prepaid expenses	(9,100)
Accounts payable	<u>3,600</u>
Net Cash Provided by Operating Activities	<u>417,300</u>
Cash Flows Used For Investing Activities	
Purchase of investments	(212,500)
Purchase of property and equipment	<u>(1,100)</u>
	(213,600)
Increase in Cash	203,700
Cash, beginning of year	<u>27,600</u>
Cash, end of year	<u><u>\$231,300</u></u>

See accountant's report and notes to the financial statements

Arlington Food Pantry, Inc.
Notes to Financial Statements
June 30, 2018

Note 1-Summary of Significant Accounting Policies

This summary of significant accounting policies consistently applied of Arlington Food Pantry, Inc. (the Organization) is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management who is responsible for their integrity and objectivity.

Organization

Arlington Food Pantry, Inc., a non-profit organization, is exempt from federal income taxes under Sec. 501(c)(3) of the Internal Revenue Code. It was incorporated on September 9, 2015 under the laws of the Commonwealth of Massachusetts and annually files Form 990 with the IRS and Form PC with the Commonwealth of Massachusetts. The Organization's mission is to eliminate food insecurity by providing nutritious food, meals, and snacks to any Arlington resident in need.

Basis of Presentation

The financial statements are presented on the basis of unrestricted, temporarily restricted and permanently restricted net assets. The financial statements have been prepared using the accrual method of accounting. As of June 30, 2018 there are no temporarily or permanently restricted net assets.

Cash and cash equivalents

For purposes of the statement of cash flows, the Organization considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents unless held for investment.

Accounts receivable

As of June 30, 2018 there are no accounts receivable.

Property and Equipment

The Organization records the acquisition of property and equipment at cost (if purchased) or fair market value (if contributed). Depreciation is computed based upon the estimated useful lives of the assets using the straight-line method. Expenses for maintenance and repairs are charged to operations as incurred.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could vary from those estimates.

Arlington Food Pantry, Inc.
Notes to Financial Statements
June 30, 2018

Note 1-Summary of Significant Accounting Policies (Cont'd.)

Advertising Costs

Advertising costs are charged to operations as incurred.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending upon the nature of the restrictions. When a restriction expires temporarily restricted net assets are reclassified to unrestricted net assets.

Donated Goods & Services

The Organization reports the fair value of donated food and related items as unrestricted public support, and then as expense when distributed to individuals participating in the Organization's food programs. During the year ended June 30, 2018, the Organization distributed approximately 139,250 pounds of donated product. The approximate average wholesale value of one pound of donated product at the national level was determined to be \$1.73, based on a study performed by Feeding America. The dollar value of \$240,900, appears as Food Delivered/Distributed in the accompanying financial statements.

In-kind inventory for the Organization's food programs is not recorded in the statement of financial position, because a method of consistently recording its value has been determined as arbitrary and immaterial to the financial statements. In addition, a number of individuals and other organizations have made in-kind donations or volunteered their services to the Organization. For those services that do not require special expertise, no estimated value appears in the financial statements.

Support from Major Contributor and Grantor

The Organization received approximately 28% of total revenues and support from one contributor, The Greater Boston Food Bank. This contribution was in the form of donated food. The Organization also received approximately 29% of total revenues and support from one grantor, The Town of Arlington.

Arlington Food Pantry, Inc.
Notes to Financial Statements
June 30, 2018

Note 2- Investments

Investments, all publicly traded, are composed of the following at June 30, 2018:

	<u>Cost</u>	<u>Market</u>
Mutual funds-equity funds	\$127,400	\$126,600
Mutual funds-bond funds	83,700	83,300
Money market fund	2,200	2,200
Total	<u>213,300</u>	<u>212,100</u>

Investment return for the year ended June 30, 2018 was as follows:

Dividends, net of fees	\$800
Unrealized loss	(1,200)
Total	<u>(\$400)</u>

Note 3- Commitments

The Organization currently leases its facilities, including its distribution center (at will) and administrative offices (leased). Future minimum lease obligations are as follows:

Year ended June 30, 2019	\$12,100
Year ended June 30, 2020	12,100
Total	<u>\$24,200</u>

Note 4- Functional Allocation of Expenses

For the year ended June 30, 2018 expenses reported by their functional classification are as follows:

Program expenses	\$385,100
Management and general	34,200
Fund raising	30,800
Total	<u>\$450,100</u>

Note 5- Subsequent Events

The Organization did not have any subsequent events through January 30, 2019 which is the date the financial statements were available to be issued for events requiring recording or disclosure in the financial statements for the year ended June 30, 2018.