

ARLINGTON EATS, INC.

(A Non-Profit Corporation)

ANNUAL FINANCIAL STATEMENTS

(Audit)

JUNE 30, 2023

ARLINGTON EATS, INC.
ARLINGTON, MASSACHUSETTS
(A Non-Profit Corporation)

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Brent Richardson, CPA

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To the Board of Directors of
Arlington EATS, Inc.
Arlington, Massachusetts

INDEPENDENT AUDITOR'S REPORT

Opinion

I have audited the accompanying financial statements of Arlington EATS, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements. The prior year summarized comparative information has been derived from the Organization's 2022 financial statements and, in our report dated February 10, 2023, we expressed an unmodified opinion on those financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Arlington EATS, Inc. as of June 30, 2023 and 2022, 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

I conducted my audits in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Arlington EATS, Inc. and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audits. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 Arlington EATS, Inc.'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

My 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 my 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.

In performing an audit in accordance with generally accepted auditing standards, I:

- 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 Arlington EATS, Inc.'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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Arlington EATS, Inc.'s ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.



Brent Richardson, CPA
Quincy, Massachusetts
May 21, 2024

ARLINGTON EATS, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2023 and 2022

ASSETS		2023	2022
CURRENT ASSETS:			
Cash and Cash Equivalents	\$	687,457	\$ 1,525,886
Grants Receivable (Note 6)		23,132	60,261
Pledges Receivable (Note 2)		7,701	10,774
Investments (Note 2 & 4)		554,107	277,732
Prepaid expenses		8,182	4,722
Total Current Assets		1,280,579	1,879,375
PROPERTY AND EQUIPMENT (Note 2 & 5):			
Equipment		90,930	90,930
Leasehold Improvements		1,503,731	816,420
		1,594,661	907,350
Less - Accumulated Depreciation and Amortization		(126,261)	(10,495)
Net Property and Equipment		1,468,400	896,855
OTHER ASSETS:			
Right-to-Use Operating Lease (Note 8)		659,896	251,594
TOTAL ASSETS	\$	3,408,875	\$ 3,027,824
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES:			
Accounts Payable - Trade	\$	7,144	\$ 16,603
Accounts Payable - Construction		90,322	99,951
Accrued Expenses		33,254	20,630
Deferred Revenue		15,305	25,836
Operating Lease Payable - Current Portion		18,271	41,214
Total Current Liabilities		164,296	204,234
OTHER LIABILITIES:			
Operating Lease Payable (Note 8)		659,281	210,380
Total Other Liabilities		659,281	210,380
Total Liabilities		823,577	414,614
NET ASSETS (Note 2, 9 & 11):			
Without Donor Restrictions			
Undesignated		2,431,467	1,915,127
Designated by Board for Capital Campaign		144,456	597,144
Total Without Donor Restrictions		2,575,923	2,512,271
With Donor Restrictions		9,375	100,939
Total Net Assets		2,585,298	2,613,210
TOTAL LIABILITIES AND NET ASSETS	\$	3,408,875	\$ 3,027,824

The accompanying Notes are an integral part of the financial statements.

ARLINGTON EATS, INC.
STATEMENT OF ACTIVITIES
For the year ended June 30, 2023
(with comparative totals for the year ended June 30, 2022)

	Without Donor Restrictions	With Donor Restrictions	2023 Total	2022 Total
REVENUES AND GAINS (Note 2 & 4):				
Contributions	\$ 713,210	\$ 57,093	\$ 770,303	\$ 753,698
Contribution - Marketable Securities	2,600	-	2,600	1,054
Grants	155,661	12,101	167,762	19,729
Fundraising Events - (Net of \$43,024 Direct Costs)	70,016	-	70,016	35,869
Fundraising - Capital Campaign (Note 5 & 9)	-	47,741	47,741	74,440
Investment Income - (Note 4)	12,365	-	12,365	9,288
Gain (Loss) on Investments - Realized	(1,806)	-	(1,806)	12,396
Gain (Loss) on Investments - Unrealized	16,355	-	16,355	(58,551)
In-Kind Contributions - Food - (Note 2)	740,035	-	740,035	602,254
	1,708,436	116,935	1,825,371	1,450,177
Net Assets Released from Restriction:				
Restrictions Satisfied by Payments (Note 9)	208,499	(208,499)	-	-
Total Revenue, Gains, and Other Support	1,916,935	(91,564)	1,825,371	1,450,177
EXPENSES:				
Program	771,547	-	771,547	463,643
Program - In-Kind Food Distributed - (Note 2)	740,035	-	740,035	602,254
Total Program	1,511,582	-	1,511,582	1,065,897
General and Administrative	194,348	-	194,348	113,777
Fundraising	147,353	-	147,353	151,608
	1,853,283	-	1,853,283	1,331,282
CHANGE IN NET ASSETS	63,652	(91,564)	(27,912)	118,895
NET ASSETS - BEGINNING OF YEAR	2,512,271	100,939	2,613,210	2,494,315
NET ASSETS - END OF YEAR	\$ 2,575,923	\$ 9,375	\$ 2,585,298	\$ 2,613,210

The accompanying Notes are an integral part of the financial statements.

ARLINGTON EATS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended June 30, 2023
(with comparative totals for the year ended June 30, 2022)

	<u>PROGRAM</u>	<u>GENERAL & ADMINISTRATIVE</u>	<u>FUNDRAISING</u>	<u>2023 TOTALS</u>	<u>2022 TOTALS</u>
Salaries & Wages	\$ 136,518	\$ 58,194	\$ 39,345	\$ 234,057	\$ 205,529
Employee Benefits	29,890	8,940	5,050	43,880	28,564
Payroll Taxes	15,257	3,577	3,739	22,573	17,907
Food & Supplies	243,408	-	-	243,408	145,345
Community Partnerships	61,703	-	-	61,703	74,808
Food Transport	6,756	-	-	6,756	6,571
Depreciation	15,766	-	-	15,766	4,645
Amortization (Note 5)	100,000	-	-	100,000	-
Program Expenses - Other	106,885	-	-	106,885	46,470
Repairs & Maintenance	6,868	-	-	6,868	3,630
Operating Lease Expense (Note 8)	33,513	36,863	-	70,376	-
Rent - Facility Other	5,393	5,932	-	11,325	30,200
Consultants	-	29,233	57,366	86,599	84,075
Office Expenses	3,260	9,353	3,456	16,069	11,719
Printing	1,378	-	23,048	24,426	29,497
Insurance	4,952	6,257	-	11,209	2,832
Administrative - Other	-	35,999	-	35,999	16,079
Fundraising General Expenses	-	-	12,897	12,897	9,754
Fundraising Capital Campaign	-	-	2,452	2,452	11,403
	<u>771,547</u>	<u>194,348</u>	<u>147,353</u>	<u>1,113,248</u>	<u>729,028</u>
Food - In-Kind (Note 2)	<u>740,035</u>	<u>-</u>	<u>-</u>	<u>740,035</u>	<u>602,254</u>
Totals	<u>\$ 1,511,582</u>	<u>\$ 194,348</u>	<u>\$ 147,353</u>	<u>\$ 1,853,283</u>	<u>\$ 1,331,282</u>

The accompanying Notes are an integral part of the financial statements.

ARLINGTON EATS, INC.
STATEMENT OF CASH FLOWS
For the years ended June 30, 2023 and 2022

	2023	2022
Increase (Decrease) in Cash & Cash Equivalents		
Change in Net Assets	\$ (27,911)	\$ 118,895
Non-Cash Items Related to Operations Included in Net Assets:		
Depreciation	15,766	4,645
Amortization	100,000	-
Contribution of Marketable Equity Security	(2,600)	(1,054)
Bad Debts	-	3,833
Operating Lease Expense	70,376	-
Realized (Gains) Losses on Investments	1,806	-
Unrealized (Gains) on Investments	(16,355)	58,551
Change in Operating Assets and Liabilities - Net:		
Grant Receivables	37,129	332,473
Pledge Receivables	3,073	12,436
Prepaid Expenses	(3,460)	(714)
Accounts Payable & Accrued Expenses	3,164	18,460
Deferred Revenue	(10,531)	25,836
Lease Liabilities - Operating	(52,720)	-
Net Cash Provided (Used) by Operating Activities	117,737	573,361
Cash Flows from Investing Activities:		
Proceeds from Sale of Investments	41,232	13,412
Purchase of Investments	(300,458)	(33,698)
Purchase of Property & Equipment	(696,940)	(612,406)
Net Cash Provided (Used) by Investing Activities	(956,166)	(632,692)
Net Change in Cash, Cash Equivalents, and Restricted Cash	(838,429)	(59,331)
Cash and Cash Equivalents and Restricted Cash - Beginning of Year	1,525,886	1,585,217
Cash and Cash Equivalents and Restricted Cash - End of Year	\$ 687,457	\$ 1,525,886
Supplemental disclosure of cash flow information:		
Non-Cash Investing and Financing Activities:		
Addition of Right-of-Use Asset - Operating	\$ 441,196	\$ 251,594
Addition of Lease Liability - Operating	\$ 441,196	\$ 251,594

The accompanying Notes are an integral part of the financial statements.

ARLINGTON EATS, INC.

Notes to Financial Statements

June 30, 2023

1. Organization and Nature of Activities

Arlington EATS, Inc., a non-profit organization, 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 was formed for the purpose of eliminating food insecurity by providing nutritious food, meals, and snacks to any Arlington resident in need. The principal sources of support are traditional contributions from individuals and local organizations and in-kind food donations from the Greater Boston Food Bank, other organizations, and individuals.

2. Summary of Significant Accounting Policies

A. Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

B. Cash, Cash Equivalents and Concentration of Risk

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. The Organization maintains some of its cash in bank deposit accounts, which at times may exceed federally insured limits; however, these deposits continue to be covered by The Massachusetts Depositors Insurance Fund. The Organization has not experienced any losses in such accounts, and management believes that it is not exposed to any significant credit risk on cash or cash equivalents.

C. Contributions and Pledge Receivable

The Organization reports unconditional promises to give as contributions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. Management considers receivables as of June 30, 2023 to be fully collectible.

D. Accounting for Investments

The Organization follows ASC 958-320 for investments in debt and equity securities with readily determinable fair values which are measured at fair value upon acquisition if contributed or at cost if purchased. Gains, losses, dividends, interest, and other related income from these securities are reported as investment income and realized or unrealized gains and losses in the Statement of Activities.

E. 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. Amortization is computed at the lesser of the estimated useful life or the term of a related lease. Expenses for maintenance and repairs are charged to operations as incurred.

F. Income Taxes

The Corporation qualifies as a tax-exempt organization other than a private foundation under section 501 (c) (3) of the Internal Revenue Code. Accordingly, no provision for income taxes is reflected in the financial statements.

June 30, 2023

2. Summary of Significant Accounting Policies – (Continued)

G. Functional Allocation of Expenses

Expenses are charged directly to Program, Administrative, or Fundraising in general categories based on specific identification. Certain employee benefits and payroll taxes have been allocated based on salary expenditures.

H. Financial Statement Presentation

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:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. Net assets the governing board has designated, from net assets without donor restrictions, for an operating or other board-designated purpose.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) 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.

I. Fair Value Measurements

The Organization reports its fair value measures using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are as follows:

- *Level 1.* Quoted prices for identical assets or liabilities in active markets to which the Organization has access at the measurement date.
- *Level 2.* Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- *Level 3.* Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. All measurements of fair value during the fiscal years and as of June 30, 2023 and 2022 used Level 1 inputs.

The primary uses of fair value measures in the Organization's financial statements are the initial measurement of noncash gifts, including gifts of investment assets, and the recurring measurement of short-term investments.

J. Use of Estimates

The preparation of the 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 EATS, INC.

Notes to Financial Statements

June 30, 2023

2. Summary of Significant Accounting Policies – (Continued)

K. Advertising Costs

Advertising costs, if any, are charged to operations as incurred.

L. Donated Goods & Services

The Organization reports the fair value of donated food and related items as unrestricted public support and then, shortly thereafter, as expense when distributed to individuals participating in the Organization's food programs. The Organization distributed approximately 576,733 and 512,721 pounds of donated product, in fiscal years June 2023 and 2022, respectively. The approximate average wholesale value of one pound of donated product at the national level, which was determined to be \$1.92 during 2023 (\$1.79 during 2022), was based on a study performed by Feeding America. The dollar value of \$740,035 and \$602,254, for the fiscal years ended June 30, 2023 and 2022 respectively, is reported in the accompanying financial statements as Food In-Kind.

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.

M. Support from Major Contributor

For the year ended June 30, 2023, the Organization received approximately 44% of total revenues and support from one contributor, The Greater Boston Food Bank. This contribution was in the form of donated food.

N. Leases – Right of Use Assets & Lease Liabilities

The Organization recognizes ROU assets and lease liabilities for leases with terms greater than 12 months or leases that contain a purchase option that is reasonably certain to be exercised. Leases are classified as either finance or operating leases. This classification dictates whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease.

Long-term leases (leases with terms greater than 12 months) are recorded as liabilities at the present value of the minimum lease payments not yet paid. If a lease contains a renewal option at the commencement date and it is considered reasonably certain that the renewal option will be exercised by management to renew the lease, the renewal option payments are included in the Organization's net minimum lease payments used to determine the right-of-use lease liabilities and related lease assets. All other renewal options are included in right-of-use lease liabilities and related lease assets when they are reasonably certain to be exercised. The Organization uses its incremental borrowing rate to determine the present value of the lease when the rate implicit in the lease is not readily determinable. The Organization's incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments using similar terms.

Short-term leases (leases with an initial term of 12 months or less or leases that are cancelable by the lessee and lessor without significant penalties) are not capitalized but are expensed on a straight-line basis over the lease term or when incurred if a month-to-month lease.

ARLINGTON EATS, INC.

Notes to Financial Statements

June 30, 2023

3. Liquidity and Availability

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:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 524,843	\$ 838,577
Investments	554,107	277,732
Grant receivable	<u>12,101</u>	<u>0</u>
Total	\$1,091,051	\$1,116,309

4. Investments

Investments, all publicly traded, are composed of the following at June 30, 2023 and 2022:

	<u>2023</u>			<u>2022</u>		
	<u>Market</u>	<u>Unrealized Appreciation</u>	<u>Cost</u>	<u>Market</u>	<u>Unrealized Appreciation</u>	<u>Cost</u>
Mutual funds - equity funds	\$ 188,160	\$ 29,527	\$ 158,633	\$ 160,838	\$ 12,208	\$ 148,630
Mutual funds - bond funds	111,960	(13,428)	125,388	113,863	(12,618)	126,481
Money market funds	<u>253,987</u>	<u>(154)</u>	<u>254,141</u>	<u>3,031</u>	<u>-</u>	<u>3,031</u>
Total	\$ 554,107	\$ 15,945	\$ 538,162	\$ 277,732	\$ (410)	\$ 278,142

Investment return for the years ended June 30, 2023 and 2022 was as follows:

	<u>2023</u>	<u>2022</u>
Interest	\$ 3,738	\$ 4,590
Dividends	5,786	4,698
Capital gain distributions	<u>2,841</u>	<u>5,692</u>
Subtotal	12,365	14,980
Realized gain on sales	(1,806)	6,704
Unrealized gain (loss)	<u>16,355</u>	(58,551)
Total	\$26,914	(\$36,867)

5. Property and Equipment

Property owned by the Organization is equipment including computers and appliances for food storage and distribution. As of June 30, 2023, the Organization had incurred \$1,503,731 of design and construction costs for leasehold improvements within its new food pantry facility. The leasehold improvements will be amortized over the expected 15-year term of the facility lease.

ARLINGTON EATS, INC.

Notes to Financial Statements

June 30, 2023

6. Grants Receivable

In March, 2021, the Organization received a Food Security Infrastructure Grant through the Massachusetts Executive Office of Energy and Environmental Affairs of \$49,230 for the purchase of a refrigerated van for its food distribution and delivery program. The van was purchased for \$66,725 in May, 2022. The \$49,230 was received in August, 2022. \$11,031 is receivable from the Arlington Housing Corporation for certain furnishings and moving costs incurred in June, 2020. \$12,101 is receivable from the Commonwealth of Massachusetts for construction related expenses reimbursable through a Department of Agricultural Resources contract.

7. Pledges Receivable

During the year ended June 30, 2021, twelve individuals made pledge donations which would be paid in future years. Two pledges were for more than three years. The amounts are deemed 100% collectible so no reserve is provided. Any discount on the \$10,000 scheduled for collection after one year is deemed immaterial to the pledges and Capital Campaign contributions as a whole and thus not recorded. The collection schedule is \$1,701 in one year, \$4,000 within two to five years, and \$2,000 after five years.

8. Right-to-Use Asset & Operating Lease Payable

In March, 2022, the Organization executed an operating lease for 2,636 square feet of 117 Broadway in Arlington, MA to start when certain construction work was completed or upon receipt of a certificate of occupancy. The lease became effective July, 2022. The base term of the lease is five years with an option to extend the terms of the lease for two five-year periods. The cost for the first year will be \$4,393 monthly and shall increase every year by 4% over the rent of the prior year. The Organization will be responsible for routine maintenance, trash removal, and utilities – except water and sewer. There are no material restrictions or performance covenants other than compliance with laws, codes, and ordinances, insurance coverage, and other common operating maintenance and repairs. The discount rate of 5% has been used in calculating the present value of the sum of the lease payments.

Lease expense consisted of the following for the year ended June 30, 2023:

Operating Lease Expense	\$ <u>70,376</u>
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The Organization's ROU assets and lease liabilities consist of the following at June 30, 2023:

ROU assets – operating	\$ 692,790
Accumulated amortization	(<u>32,894</u>)
Net ROU assets – operating	\$ <u>659,896</u>
Operating lease liabilities – current	\$ 18,271
Operating lease liabilities – less current portion	<u>659,281</u>
Total lease liabilities – operating	\$ <u>677,552</u>

ARLINGTON EATS, INC.

Notes to Financial Statements

June 30, 2023

8. Right-to-Use Asset & Operating Lease Payable - (Continued)

Future minimum lease payments under operating leases for the years ending June 30:

2024	\$ 54,829
2025	57,022
2026	59,302
2027	61,675
2028	64,142
Thereafter	<u>705,951</u>
Total future undiscounted lease payments	1,002,921
Less: interest/present value discount	(<u>325,369</u>)
Present value of lease liabilities	<u>\$ 677,552</u>

Supplemental information related to the Organization's leases:

Cash paid for amounts included in the measurement of lease liabilities:

Operating cash flows from operation leases	\$ 52,720
ROU assets obtained in exchange for new operating lease liabilities	\$692,790
Weighted-average remaining lease term (years) – operating	14
Weighted-average discounted rate – operating leases	5.5%

9. Net Assets with Donor Restrictions

Net assets were released from donor restrictions by incurring costs satisfying the purpose or time restriction specified by donors as follows:

	<u>2023</u>	<u>2022</u>
Capital Campaign	\$148,499	\$668,810
Summer Lunch	5,153	0
Farmer's Market	14,749	48,823
Fresh Bucks	19,371	0
Market – General	8,626	0
Capital Improvements – Facility	<u>12,101</u>	<u>0</u>
Net Assets released from Restrictions	\$208,499	\$717,633

Net assets with donor restrictions of \$9,375 are available for the following purposes:

	<u>2023</u>	<u>2022</u>
Capital Improvements - Facility	\$ 0	\$ 88,656
Summer Lunch Program	0	3,500
Farmer's Market	<u>9,375</u>	<u>8,783</u>
Donor Restricted Net Assets Available	\$ 9,375	\$100,939

ARLINGTON EATS, INC.

Notes to Financial Statements

June 30, 2023

10. Retirement Plan

The Organization has adopted a Simple IRA voluntary salary reduction retirement plan. All employees are eligible to participate. For the years ended June 30, 2023 and 2022, the Organization made matching employer contributions in the amounts of \$11,735 and \$3,622 respectively.

11. Commitments and Contingencies

The Organization initiated a Capital Campaign, including securing a Community Development Block Grant of \$332,437, to raise over \$1,000,000 to renovate and furnish their facility at 117 Broadway. Construction and other costs near \$90,000 remain to be paid for the leasehold improvements and to finalize the project. All donor restricted funds received for the Capital Campaign have been disbursed.

In April, 2020, the Board designated \$300,000 to help fund the Capital Campaign. In July, 2021, the Board designated an additional \$300,000 for the Capital Campaign. As of June 30, 2023 \$455,544 was disbursed from the designated funds. \$144,456 remains board designated at June 30, 2023.

12. Concentrations

The Organization maintains cash accounts with banks that are insured by the Federal Deposit Insurance Corporation up to \$250,000. During the year, balances can exceed this amount. At June 30 2023, the Organization cash balances in excess of \$250,000 totaled \$312,637. However, the total amount is insured under the Massachusetts Depositors Insurance Fund. Management has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

The Organization operates one type of program within one general area – greater Arlington, MA.

13. Subsequent Events

The corporate management has reviewed subsequent events through May 21, 2024, the date of the financial statements.