THE FAMILY PANTRY OF CAPE COD CORPORATION
(a nonprofit corporation)

FINANCIAL STATEMENTS

For the Years Ended December 31, 2021 and 2020

THE FAMILY PANTRY OF CAPE COD CORPORATION

Table of Contents

For the Years Ended December 31, 2021 and 2020

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS:	
Statements of Financial Position	3
Statements of Activities	4 - 5
Statements of Functional Expenses	6 - 7
Statements of Cash Flows	8
NOTES TO FINANCIAL STATEMENTS	9 - 19

SWE
SANDERS, WALSH & EATON CPAs, LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Family Pantry of Cape Cod Corporation
Harwich, MA

Opinion

We have audited the accompanying financial statements of The Family Pantry of Cape Cod Corporation (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Family Pantry of Cape Cod Corporation as of December 31, 2021 and 2020, 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

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Family Pantry of Cape Cod Corporation 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.

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 The Family Pantry of Cape Cod Corporation'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

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 auditor's 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 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, including omissions, 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.

P.O. Box 1427 • West Chatham, MA 02669 • Tel: 508.945.0031 • 800.287.1040 • Fax: 508.945.5207
8 Finance Park • Hyannis, MA 02601 • Tel: 508.428.0790 • 877.428.1040 • Fax: 508.428.6150
P.O. Box 670 • Sandwich, MA 02563 • Tel: 774.338.5444 • Fax: 774.413.9922

Member - American Institute of Certifed Public Accountants • Massachusetts Society of Certified Public Accountants

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

In performing an audit in accordance with generally accepted auditing standards, 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 The Family Pantry of Cape Cod Corporation'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 The Family Pantry of Cape Cod Corporation'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.

Sanders, Walsh & Eaton, CPAs, LLC

Osterville, Massachusetts
March 23, 2022

THE FAMILY PANTRY OF CAPE COD CORPORATION

Statements of Financial Position

For the Years Ended December 31, 2021 and 2020

ASSETS

	2021	2020
Current Assets:		
Cash and cash equivalents	$ 4,302,221	$ 3,740,577
Investments	2,373,753	800,970
Inventory, net	-	9,238
Grants receivable, net	-	4,000
Prepaid expenses	61,469	61,469
Total Current Assets	6,737,442	4,616,253
Noncurrent Assets:		
Property and equipment, net	1,480,459	1,430,075
Total Noncurrent Assets	1,480,459	1,430,075
Total Assets	$ 8,217,901	$ 6,046,329

LIABILITIES AND NET ASSETS

Current Liabilities:		
Accounts payable	$ 8,719	$ 21,605
Accrued expenses	29,532	19,282
Total Current Liabilities	38,251	40,887
Total Liabilities	38,251	40,887
Net Assets:		
With donor restrictions	48,206	40,292
Without donor restrictions		
Undesignated	8,121,444	5,955,150
Board designated	10,000	10,000
	8,131,444	5,965,150
Total Net Assets	8,179,650	6,005,442
Total Liabilities and Net Assets	$ 8,217,901	$ 6,046,329

The accompanying notes are an integral part of these financial statements.

THE FAMILY PANTRY OF CAPE COD CORPORATION

Statement of Activities

For the Years Ended December 31, 2021

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains, and Other Support:			
Contributions and grants	$ 2,334,700	$ 47,500	$ 2,382,200
In-kind contributions (Note K)	2,125,334	-	2,125,334
Special events, less of $10,100 of direct benefits to donors	252,120	-	252,120
Thrift shop sales	482,069	-	482,069
Other income	1,813	-	1,813
Investment return, net	77,762	-	77,762
Net assets released from restrictions	39,586	(39,586)	-
Total Revenue, Gains, and Other Support	5,313,383	7,914	5,321,297
Expenses:			
Program	2,946,564	-	2,946,564
Management and general	142,745	-	142,745
Fund-raising	57,780	-	57,780
Total Expenses	3,147,089	-	3,147,089
Change in Net Assets	2,166,294	7,914	2,174,208
Net Assets, Beginning of Year	5,965,150	40,292	6,005,442
Net Assets, End of Year	$ 8,131,444	$ 48,206	$ 8,179,650

The accompanying notes are an integral part of these financial statements.

THE FAMILY PANTRY OF CAPE COD CORPORATION

Statement of Activities

For the Years Ended December 31, 2020

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains, and Other Support:			
Contributions and grants	$ 2,511,063	$ 443,000	$ 2,954,063
In-kind contributions (Note K)	2,169,822	-	2,169,822
Special events, less of $12,337 of direct benefits to donors	168,699	-	168,699
Thrift shop sales	231,971	-	231,971
Other income	68,326	-	68,326
Investment return, net	66,448	-	66,448
Net assets released from restrictions	413,414	(413,414)	-
Total Revenue, Gains, and Other Support	5,629,743	29,586	5,659,329
Expenses:			
Program	3,006,535	-	3,006,535
Management and general	149,114	-	149,114
Fund-raising	136,301	-	136,301
Total Expenses	3,291,949	-	3,291,949
Change in Net Assets	2,337,793	29,586	2,367,379
Net Assets, Beginning of Year	3,627,357	10,706	3,638,062
Net Assets, End of Year	$ 5,965,150	$ 40,292	$ 6,005,442

The accompanying notes are an integral part of these financial statements.

THE FAMILY PANTRY OF CAPE COD CORPORATION

Statement of Functional Expenses

For the Year Ended December 31, 2021

	Program	Management and General	Fund Raising	Total
Expenses:				
Food & clothing	$ 2,288,232	$ -	$ -	$ 2,288,232
Salaries and wages	270,639	91,498	26,316	388,454
Payroll taxes	23,595	7,977	2,294	33,866
Employee benefits	17,063	6,273	1,756	25,092
Contract labor	1,120	-	-	1,120
Advertising	2,755	-	3,366	6,121
Transportation	13,757	-	-	13,757
Utilities	33,576	2,238	-	35,815
Office, printing, and postage	19,839	6,707	18,847	45,394
Repairs and maintenance	85,695	5,713	-	91,408
Insurance	24,526	3,700	-	28,226
Professional fees	-	12,051	5,200	17,251
Garden expenses	6,907	-	-	6,907
Second Glance CC fees	21,133	-	-	21,133
Volunteer expense	17,189	-	-	17,189
Other general expenses	2,691	713	-	3,404
Donations	29,726	-	-	29,726
Depreciation	88,121	5,875	-	93,996
Totals	$ 2,946,564	$ 142,745	$ 57,780	$ 3,147,089

The accompanying notes are an integral part of these financial statements.

THE FAMILY PANTRY OF CAPE COD CORPORATION

Statement of Functional Expenses

For the Year Ended December 31, 2020

	Program	Management and General	Fund Raising	Total
Expenses:				
Food & clothing	$ 2,376,688	$ -	$ -	$ 2,376,688
Salaries and wages	227,017	97,775	79,737	404,529
Payroll taxes	20,044	8,633	7,040	35,716
Employee benefits	9,967	9,967	12,218	32,152
Contract labor	8,590	-	-	8,590
Advertising	-	-	5,495	5,495
Transportation	11,557	-	-	11,557
Utilities	36,330	2,422	-	38,752
Office, printing, and postage	17,517	4,688	26,984	49,189
Repairs and maintenance	101,586	6,772	-	108,358
Insurance	21,268	3,208	-	24,476
Professional fees	-	8,703	4,827	13,530
Garden expenses	8,986	-	-	8,986
Second Glance CC fees	4,795	-	-	4,795
Volunteer expense	18,283	-	-	18,283
Other general expenses	459	1,454	-	1,913
Donations	61,060	-	-	61,060
Depreciation	82,388	5,493	-	87,880
Totals	$ 3,006,535	$ 149,114	$ 136,301	$ 3,291,949

The accompanying notes are an integral part of these financial statements.

THE FAMILY PANTRY OF CAPE COD CORPORATION

Statements of Cash Flows

For the Years Ended December 31, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities:		
Change in net assets	$ 2,174,208	$ 2,367,379
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	93,996	87,880
Realized and unrealized (gains) losses on investments	(63,195)	(41,508)
(Increase) / decrease in operating assets:		
Inventory, net	9,238	3,916
Grants receivable, net	4,000	-
Prepaid expenses	-	(26,446)
Increase / (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(2,636)	8,039
Net Cash Provided by Operating Activities	2,215,611	2,399,261
Cash Flows from Investing Activities:		
Purchases of investments	(8,527)	(292,142)
Proceeds from sales of investments	-	248,499
Purchases of property and equipment	(1,645,440)	(634,316)
Net Cash Used by Investing Activities	(1,653,967)	(677,959)
Net Change in Cash and Cash Equivalents	561,644	1,721,302
Cash and Cash Equivalents, Beginning of Year	3,740,577	2,019,275
Cash and Cash Equivalents, End of Year	$ 4,302,221	$ 3,740,577

The accompanying notes are an integral part of these financial statements.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Organization
The Family Pantry of Cape Cod Corporation (the "Family Pantry") was established in 1990 for the purpose of acquiring and distributing food to the poor and needy. Its principal activity is the collection, storage and re-distribution of food, furniture and clothing. Revenues are derived primarily from public and private donations, grants and thrift shop sales.

Basis of Accounting
The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (US GAAP).

Cash and Cash Equivalents
The Family Pantry considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

Receivables and Credit Policies
Grants receivable consist primarily of noninterest-bearing amounts due for government and foundational grants. The Family Pantry determines the allowance for uncollectable grants receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Grants receivable are written off when deemed uncollectable. At December 31, 2021 and 2020, management has determined that any allowance would be immaterial.

Inventories
Inventory comprises of program-related items and is stated at the lower of cost or market determined by the first-in first-out method. Management has determined that any allowance for inventory obsolescence at December 31, 2021 and 2020 would be immaterial.

Property and Equipment
The Family Pantry records property and equipment additions over $1,000 at cost, or if donated, at fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 30 years. When assets are sold or otherwise disposed of, the cost and related depreciation are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The Family Pantry reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended December 31, 2021 and 2020, respectively.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Investments
The Family Pantry records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

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-) imposed restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an employee emergency fund and capital improvements and acquisitions.

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. The Family Pantry reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the 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 consolidated statements of activities as net assets released from restrictions. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restrictions when the assets are placed in service. 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.

Compensated Absences
Accrued compensated absences for the years ended December 31, 2021 and 2020 were $10,282 and $10,282, respectively.

Revenue and Revenue Recognition
The Family Pantry recognizes contributions and grants when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. The Family Pantry recognizes special events revenue equal to the fair value of direct benefits to donors when the special event takes place. The Family Pantry recognizes the contribution element of special event revenue immediately, unless there is a right of return if the special event does not take place.

Thrift shop sales are recognized at the time of purchase. Payments are required at the time of sale. All goods and services are transferred at a point in time.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Revenue and Revenue Recognition (Continued)
The Family Pantry is supported primarily by food donations, contributions, and grants. Approximately, 40% and 38% of the Family Pantry's total revenue came from food donations for the years ended June 30, 2021 and 2020, respectively. Cash contributions and grants accounted for 45% and 52% of total revenue for the years ended December 31, 2021 and 2020, respectively.

Donated Services and In-Kind Contributions
Volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. The Family Pantry records donated professional services at the respective fair values of the services received (Note K).

Advertising
The Family Pantry follows the policy of charging the costs of advertising to expense as incurred. Advertising costs for the years ended December 31, 2021 and 2020 totaled $6,121 and $5,495, respectively.

Functional Allocation of Expenses
The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited on a reasonable basis that is consistently applied. The expenses that are allocated include utilities, depreciation, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional fees, office expenses, insurance, advertising and other, which are allocated on the basis of estimates of time and effort.

Income Taxes
The Family Pantry is organized as a Massachusetts nonprofit corporation and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as an organization described in IRC Section 501(c)(3), qualify for the charitable contribution deduction under IRC Sections 170(b)(1)(A)(vi) and (viii), and has been determined not to be a private foundation under IRC Sections 509(a)(1) and (3), respectively. The Family Pantry is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Family Pantry is subject to income tax on net income that is derived from business activities that are unrelated to it's exempt purposes. Management has determined that the Family Pantry is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Financial Instruments and Credit Risk

The Family Pantry manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the Family pantry has not experienced losses in any of these accounts. Credit risk associated with grants receivables is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from governmental agencies and foundations supportive of the Family Pantry's mission. Investments are made by diversified investment managers whose performance is monitored by management and the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, management and the Board of Directors believe that the investment policies and guidelines are prudent for the long-term welfare of the Family Pantry.

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 B - LEASES:

Lease and Power Purchase Agreement

In 2011, The Family Pantry entered into a lease and power purchase agreement. It leased the roof of its facility to Unutility Electric MMXI, LLC for a period of twenty (20) years, with an option to extend the initial term for two additional, consecutive periods of five (5) years each. The lessee, also the owner of a photovoltaic electricity generating facility (PV System) was allowed to install its PV System on the roof of the building. The rent for the entirety of the lease was one dollar ($1). The Family Pantry has an option to purchase all of the owner's rights, title and interest in the PV System.

As part of the agreement, the Family Pantry agrees to purchase all electricity generated by the PV System at a price equal to seventy-two percent (72%) of the local distribution company's retail rate. Any excess electricity generated by the PV System is transmitted into the local distribution system on behalf of the Family Pantry and the Family Pantry is entitled to any net metering credits issued by the local distribution company.

Town of Harwich License Agreement

The Town of Harwich and The Family Pantry entered into a license agreement in 2011, whereby, the Town of Harwich licensed a tract of land to the Family Pantry to operate its vegetable garden. The term of the license agreement is for five (5) years with an automatic renewal for an additional five (5) years. There is no user fee charged to the Family Pantry for the duration of the license agreement.

Office Equipment

The Family Pantry has two 5 year noncancelable operating leases for office equipment. The leases expire on May 4, 2025 and December 21, 2025. Lease expense was $4,540 and $1,281, for the years ended December 31, 2021 and 2020, respectively.

NOTE B - LEASES (Continued):

Office Equipment Continued)
Future minimum lease payments are as follows:

December 31,	Amount
2022	4,392
2023	4,392
2024	4,392
2025	2,745
Thereafter	-
	$ 15,921

NOTE C - PROPERTY AND EQUIPMENT:

Property and equipment consists of the following at December 31, 2021 and 2020:

	2021	2020
Automobiles	$ 164,939	$ 104,939
Furniture and fixtures	38,805	38,805
Machinery and equipment	168,716	157,526
Land and improvements	387,201	372,201
Buildings and improvements	1,733,114	1,682,004
Other	28,881	21,801
	2,521,656	2,377,276
Less accumulated depreciation	(1,041,196)	(947,201)
Total	$ 1,480,459	$ 1,430,075

NOTE D - LIQUIDITY AND AVAILABLITY OF FINANCIAL ASSETS:

The following reflects the Family Pantry's financial assets as of the statements of financial position date reduced by amounts not available for general use because of donor-imposed restrictions within one year of the statements of financial position date. Amounts not available include board designated amounts set aside for an employee emergency fund and capital improvements and acquisitions that could be drawn upon if the governing Board approves that action. However, amounts already appropriated from either donor-restricted funds or Board designated funds for general expenditure within one year of the statements of financial position date have not been subtracted as unavailable.

NOTE D - LIQUIDITY AND AVAILABLITY OF FINANCIAL ASSETS (Continued):

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following:

	2021	2020
Financial assets at year end:		
Cash and cash equivalents	$ 4,302,221	$ 3,740,577
Grants receivable, net	-	4,000
Investments	2,373,753	800,970
Total financial assets at year end	6,675,973	4,545,547
Less those unavailable for general expenditures within one year, due to:		
Restricted by donor with purpose restrictions	(48,206)	(40,292)
Board Designations:	-	-
Amount set aside for capital improvements and acquisitions	-	(100,000)
Amount set aside for employee emergency fund	(10,000)	(10,000)
Financial assets available to meet cash needs for general expenditure within one year	$ 6,617,767	$ 4,395,255

The Family Pantry is supported by both restricted and unrestricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Family Pantry must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Family Pantry's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

In the event of financial distress or an immediate or unanticipated liquidity need resulting from events outside the typical life cycle of converting financial assets to cash or settling financial liabilities, the Family Pantry could also draw upon $550,000 of available lines of credit or its Board designated funds.

NOTE E - LINES OF CREDIT:

The Family Pantry has a revolving line of credit with TD Bank that has a maximum borrowing limit of $50,000. As part of the conditions precedent to each advance, the Family Pantry is required to provide a security agreement to the lender granting security interest in the collateral. The aggregate principal balance outstanding bears interest at a rate of one (1.00%) above the Wall Street Journal prime rate, adjusted by any minimum or maximum rate limitations. Lender is also entitled to collect an annual fee of two hundred and fifty dollars ($250) to cover costs incurred by the lender to service and administer the credit facility. As of December 31, 2021 and 2020, the outstanding balance was $0 and $0, respectively. Interest expense charged to operations for the years ended December 31, 2021 and 2020 was $0 and $0, respectively.

The Family Pantry has a revolving line of credit with Cape Cod Five, due on demand with a maximum borrowing limit of $500,000. The Family Pantry grants a security interest in all its property (the collateral). The note carries a variable interest rate based on changes in the Wall Street Journal prime rate, adjusted by any minimum or maximum rate limitations. Under no circumstances will the interest rate on the note be less than 3.25%. As of December 31, 2021 and 2020, the outstanding balance was $0 and $0, respectively. Interest expense charged to operations for the years ended December 31, 2021 and 2020 was $0 and $0, respectively.

NOTE F - INVESTMENT RETURN:

Investment income for the years ended December 31, 2021 and 2020, consisted of the following:

	2021	2020
Interest	$ 6,039	$ 21,296
Dividends	20,830	7,206
Realized gains (losses)	4,468	1,638
Unrealized gains (losses)	58,727	39,871
Investment fees	(12,303)	(3,563)
Total Investment Income	$ 77,762	$ 66,448

NOTE G - FAIR VALUE MEASUREMENTS AND DISCLOSURES:

The Family Pantry reports certain assets, at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, inputs are developed using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk, or liquidity profile of the asset or liability.

NOTE G - FAIR VALUE MEASUREMENTS AND DISCLOSURES (Continued):

A significant portion of investment assets are classified within Level 1 because they comprise publicly trade equity securities with daily quoted market prices and open-end mutual funds with quoted market prices and readily determinable fair values based on daily redemption values.

The following table presents assets measured at fair value on a recurring basis, except those measured at cost at December 31, 2021:

	Fair Value Measurements at Report Date Using			
Assets	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments				
Money market funds (at cost)	$ 831,700	$ -	$ -	$ -
Fixed income - mutual funds	857,926	857,926	-	-
Equity securities	684,127	684,127	-	-
Totals	$ 2,373,753	$ 1,542,053	$ -	$ -

The following table presents assets measured at fair value on a recurring basis, except those measured at cost at December 31, 2020:

	Fair Value Measurements at Report Date Using			
Assets	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments				
Money market funds (at cost)	$ 69,533	$ -	$ -	$ -
Fixed income - mutual funds	418,961	418,961	-	-
Equity securities	312,476	312,476	-	-
Totals	$ 800,970	$ 731,437	$ -	$ -

NOTE H - NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions are restricted for the following purposes:

	2021	2020
Subject to expenditure for a specific purpose:		
Fish for Families Program	$ 47,500	$ 10,000
Healthy Meals in Motion Program	-	$ 29,586
Other	706	706
Total Net Assets with Donor Restrictions	$ 48,206	$ 40,292

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or other events specified by the donors as follows:

	2021	2020
Satisfaction of purpose restrictions:		
Fish for Families Program	$ 10,000	$ -
Healthy Meals in Motion Program	29,586	383,414
College Pantry Program	-	30,000
Other	-	-
Total	$ 39,586	$ 413,414

NOTE I - BOARD DESIGNATED NET ASSETS:

The Family Pantry's governing board has designated net assets, from net assets without donor restrictions of $8,131,444 and $5,965,150, net assets for the following purposes as of December 31, 2021 and 2020:

	2021	2020
Employee emergency fund	$ 10,000	$ 10,000
Total	$ 10,000	$ 10,000

NOTE J - EMPLOYEE BENEFITS

The Family Pantry sponsors a tax-deferred annuity plan (the Plan) qualified under IRC Section 403(b) covering substantially all employees. The plan provides that all employees may voluntarily contribute from 0 percent to 100 percent of their earnings to the Plan, up to the maximum contribution allowed by the IRS. The Family Pantry does not match employee voluntary contributions. The Family Pantry incurred $1,033 and $723 in plan administration fees at December 31, 2021 and 2020, respectively.

NOTE K - DONATED PROFESSIONAL SERVICES AND MATERIALS:

The Family Pantry received donated professional services and materials as follows during the years ended December 31, 2021 and 2020:

	December 31, 2021			
	Program Services	Management and General	Fundraising	Total
Professional Services - accounting	$ -	$ 2,000	$ -	$ 2,000
Supplies	700	-	-	700
Repairs and maintenance	492	33	-	525
Donated Food With a Dollar Value:				
Greater Boston Food Bank - Misc.	1,023,755	-	-	1,023,755
Greater Boston Food Bank - USDA	298,064	-	-	298,064
Greater Boston Food Bank - MEFA	427,222	-	-	427,222
Individuals and organizations	356,178	-	-	356,178
	$ 2,106,412	$ 2,033	$ -	$ 2,108,444

During 2021, the Family Pantry received donations of property and equipment, valued at $16,890, which were capitalized.

	December 31, 2020			
	Program Services	Management and General	Fundraising	Total
Garden Expenses	1,213	-	-	1,213
Clothing	854	-	-	854
Volunteers expense	2,500	-	-	2,500
Supplies	-	-	4,300	4,300
Donated Food With a Dollar Value:				
Greater Boston Food Bank - Misc.	1,029,575	-	-	1,029,575
Greater Boston Food Bank - USDA	343,376	-	-	343,376
Greater Boston Food Bank - MEFA	331,326	-	-	331,326
Individuals and organizations	456,512	-	-	456,512
	$ 2,165,357	$ -	$ 4,300	$ 2,169,657

During 2020, the Family Pantry received donations of property and equipment, valued at $4,465, which were capitalized.

The Family Pantry receives food donations from the general public. It also receives food from the USDA and the Massachusetts Emergency Food Assistance Program through the Greater Boston Food Bank (GBFB). Based on the Product Valuation Survey Methodology prepared by international CPA firm for Feeding America, individual and organizational food donations were valued at $1.74 and $1.62 per pound for the years ended December 31, 2021 and 2020, respectively. GBFB also provides salvage food to the Family Pantry valued at cost of nineteen cents a pound, which covers the GBFB's handling fees and transportation costs. Total food donations were $2,105,219 and $2,160,790 for the years ended December 31, 2021 and 2020, respectively.

NOTE L - RELATED PARTIES:

Rick Roy Construction, LLC. owned by a member of the Board of Directors provided construction services totaling $35,856 and $38,569 to the Family Pantry for the years ended December 31, 2021 and 2020, respectively.

NOTE M - SUBSEQUENT EVENTS:

The Family Pantry has evaluated subsequent events through March 23, 2022, the date which the financial statements were available to be issued. Management is currently evaluating the impact of the COVID-19 pandemic and has concluded that while it is reasonably possible that the virus could have a negative effect on the Family Pantry's financial position and results of its operations, the specific impact is not readily determinable as of the date of these financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.