

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

FINANCIAL STATEMENTS

For the Years Ended December 31, 2020 and 2019

THE FAMILY PANTRY OF CAPE COD CORPORATION

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For the Years Ended December 31, 2020 and 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Family Pantry of Cape Cod Corporation

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, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years 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 these 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 misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation 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, we 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 the financial statements.

We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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, 2020 and 2019, 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.

Sanders, Walsh & Eaton, CPAs, LLC

Osterville, Massachusetts
March 19, 2021

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THE FAMILY PANTRY OF CAPE COD CORPORATION

Statements of Financial Position For the Years Ended December 31, 2020 and 2019

ASSETS		2020	2019
Current Assets:			
Cash and cash equivalents		\$ 3,740,577	\$ 2,019,275
Investments		800,970	215,819
Food inventory, at cost		9,238	13,154
Grants receivable		4,000	4,000
Prepaid expenses		61,469	35,023
Total Current Assets		<u>4,616,253</u>	<u>2,287,270</u>
Fixed Assets:			
Automobiles		104,939	64,464
Furniture and fixtures		38,805	38,805
Machinery and equipment		157,526	140,391
Land and improvements		372,201	372,201
Buildings and improvements		1,682,004	1,605,298
Other		21,801	21,801
		<u>2,377,276</u>	<u>2,242,960</u>
Less accumulated depreciation		<u>(947,201)</u>	<u>(859,320)</u>
Total Fixed Assets		<u>1,430,075</u>	<u>1,383,640</u>
Total Assets		<u><u>\$ 6,046,329</u></u>	<u><u>\$ 3,670,910</u></u>
LIABILITIES AND NET ASSETS			
Current Liabilities:			
Accounts payable		\$ 21,605	\$ 7,773
Accrued expenses		19,282	25,075
Total Current Liabilities		<u>40,887</u>	<u>32,848</u>
Total Long-term Liabilities		<u>-</u>	<u>-</u>
Total Liabilities		<u>40,887</u>	<u>32,848</u>
Net Assets:			
With donor restrictions		40,292	10,705.91
Without donor restrictions			
Undesignated		5,955,150	3,527,357
Board designated		10,000	100,000
Total Net Assets		<u>6,005,442</u>	<u>3,638,062</u>
Total Liabilities and Net Assets		<u><u>\$ 6,046,329</u></u>	<u><u>\$ 3,670,910</u></u>

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

THE FAMILY PANTRY OF CAPE COD CORPORATION

Statement of Activities For the Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains, and Other Support:			
Donations and gifts	\$ 3,783,796	\$ 390,000	\$ 4,173,796
Grants	900,589	53,000	953,589
Bottle redemptions	5,761	-	5,761
Special events gross revenue	176,736	-	176,736
Less direct expenses	(9,037)	-	(9,037)
Net special events revenue	167,699	-	167,699
Thrift shop sales	231,971	-	231,971
Other income	62,565	-	62,565
Investment income	66,448	-	66,448
Net assets released from restrictions	413,414	(413,414)	-
Total Revenues, Gains, and Other Support	<u>5,632,243</u>	<u>29,586</u>	<u>5,661,829</u>
Expenses:			
Program	3,008,811	-	3,008,811
Management and general	149,476	-	149,476
Fund-raising	136,162	-	136,162
Total Expenses	<u>3,294,449</u>	<u>-</u>	<u>3,294,449</u>
Increase (Decrease) 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	<u>\$ 5,965,150</u>	<u>\$ 40,292</u>	<u>\$ 6,005,442</u>

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

THE FAMILY PANTRY OF CAPE COD CORPORATION

Statement of Activities For the Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains, and Other Support:			
Donations and gifts	\$ 3,155,456	\$ -	\$ 3,155,456
Grants	313,169	18,050	331,219
Bottle redemptions	34,060	-	34,060
Special events gross revenue	203,481	-	203,481
Less direct expenses	(68,680)	-	(68,680)
Net special events revenue	134,801	-	134,801
Thrift shop sales	440,239	-	440,239
Other income	1,305	-	1,305
Investment income	40,674	-	40,674
Net assets released from restrictions	7,344	(7,344)	-
Total Revenues, Gains, and Other Support	<u>4,127,048</u>	<u>10,706</u>	<u>4,137,754</u>
Expenses:			
Program	3,085,297	-	3,085,297
Management and general	238,375	-	238,375
Fund-raising	170,375	-	170,375
Total Expenses	<u>3,494,047</u>	<u>-</u>	<u>3,494,047</u>
Increase (Decrease) in Net Assets	633,001	10,706	643,707
Net Assets, Beginning of Year	2,994,355	-	2,994,355
Net Assets, End of Year	<u>\$ 3,627,357</u>	<u>\$ 10,706</u>	<u>\$ 3,638,062</u>

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 costs	\$ 2,379,988	\$ -	\$ -	\$ 2,379,988
Salaries and wages	227,017	97,775	79,737	404,529
Payroll taxes	20,044	8,633	7,040	35,716
Employee benefits	9,743	9,743	11,943	31,429
Contract labor	8,590	-	-	8,590
Advertising	-	-	5,495	5,495
Transportation	11,557	-	-	11,557
Utilities	36,330	2,422	-	38,752
Office and postage	17,517	4,688	2,467	24,672
Repairs and maintenance	101,586	6,772	-	108,358
Insurance	21,268	3,208	-	24,476
Professional fees	-	9,289	2,164	11,453
Fund-raising	-	-	27,317	27,317
Garden expenses	8,986	-	-	8,986
Second Glance CC Fees	4,795	-	-	4,795
Volunteer Expense	17,483	-	-	17,483
Other general expenses	459	1,454	-	1,913
Donations	61,060	-	-	61,060
Depreciation	82,388	5,493	-	87,880
Totals	<u>\$ 3,008,811</u>	<u>\$ 149,476</u>	<u>\$ 136,162</u>	<u>\$ 3,294,449</u>

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, 2019

	Program	Management and General	Fund Raising	Total
Expenses:				
Food costs	\$ 2,743,578	\$ -	\$ -	\$ 2,743,578
Salaries and wages	98,007	98,007	120,137	316,150
Payroll taxes	8,484	8,484	10,400	27,369
Employee benefits	-	22,439	-	22,439
Contract labor	21,058	-	-	21,058
Advertising	-	-	18,237	18,237
Transportation	8,842	-	-	8,842
Utilities	32,552	2,831	-	35,383
Office and postage	7,714	2,064	1,087	10,865
Repairs and maintenance	38,713	3,366	-	42,079
Insurance	17,030	2,569	-	19,599
Professional fees	-	12,021	2,800	14,821
Fund-raising	-	-	17,714	17,714
Garden expenses	6,201	-	-	6,201
Other general expenses	25,206	79,819	-	105,025
Depreciation	77,912	6,775	-	84,687
Totals	<u>\$ 3,085,297</u>	<u>\$ 238,375</u>	<u>\$ 170,375</u>	<u>\$ 3,494,047</u>

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, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash Flows from Operating Activities:		
Increase in net assets	\$ 2,367,379	\$ 643,707
Adjustments to reconcile increase in net assets		
to net cash provided by operating activities		
Depreciation	87,880	84,686
Realized and unrealized (gains) losses on securities	(41,508)	(17,271)
(Increase) decrease in operating assets:		
Inventory	3,916	(3,826)
Accounts receivable	-	1,125
Prepaid expenses	(26,446)	2,085
Increase (decrease) in operating liabilities:		
Accounts payable and other liabilities	8,039	(5,661)
Net Cash Provided by Operating Activities	<u>2,399,261</u>	<u>704,845</u>
Cash Flows from Investing Activities:		
Purchase of securities and reinvested dividends	(292,142)	(167,675)
Sale of securities	248,499	65,201
Cash transfer to investments	(500,000)	-
Purchase of building improvements	(76,706)	(5,841)
Purchase of equipment and other assets	(57,610)	(12,375)
Net Cash Used by Investing Activities	<u>(677,959)</u>	<u>(120,690)</u>
Cash Flows from Financing Activities:		
Principal payments	-	-
Net Cash Provided by (Used by) Financing Activities	<u>-</u>	<u>-</u>
Net Increase in Cash	1,721,302	584,155
Cash and Cash Equivalents, Beginning of Year	<u>2,019,275</u>	<u>1,435,120</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 3,740,577</u></u>	<u><u>\$ 2,019,275</u></u>

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

THE FAMILY PANTRY OF CAPE COD CORPORATION

Notes to Financial Statements

For the Years Ended December 31, 2020 and 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Association and Operations

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).

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 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. We report contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Tax Exempt Status

The Family Pantry is exempt from federal and state income tax under Section 501(c)(3) of the Internal Revenue Code; therefore, no provision for income taxes has been made in these financial statements. The Agency has also been classified as an entity that is not a private foundation within the meaning of 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi).

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires us 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.

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.

THE FAMILY PANTRY OF CAPE COD CORPORATION

Notes to Financial Statements

For the Years Ended December 31, 2020 and 2019

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

Revenue and Revenue Recognition

The Family Pantry recognizes contributions 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.

Gift 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.

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 and amortization is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization 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 Organization computes depreciation using the straight-line method over the following estimated lives:

Equipment, furniture and fixtures	3 - 7 Years
Land Improvements	15 Years
Buildings and improvements	30 Years

Depreciation expense for the years ended December 31, 2020 and 2019 was \$87,880 and 84,687, respectively.

Carrying values of property and equipment are reviewed for impairment whenever events or circumstances indicate that 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, 2020 and 2019, respectively.

Inventories

Inventories are stated at the lower of cost or market. Estimated food donations in the ending inventory are excluded from the inventory valuation. The Family Pantry also receives a variety of non-cash donations for its thrift shop and warehouse operations for which the value cannot be reasonably estimated. No inventory valuation is assigned to these non-cash donations. Food inventories based on cost, were \$9,238 and \$13,154 for the years ended December 31, 2020 and 2019, respectively.

THE FAMILY PANTRY OF CAPE COD CORPORATION

Notes to Financial Statements For the Years Ended December 31, 2020 and 2019

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

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.

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, 2020 and 2019 totaled \$5,495 and \$18,237, respectively.

Compensated Absences

Accrued compensated absences for the years ended December 31, 2020 and 2019 were \$10,282 and \$11,575, respectively.

Reclassification

Certain prior year amounts have been reclassified to conform with the current year presentation.

New Accounting Pronouncement

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Association has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to our 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. The Family Pantry records donated professional services at the respective fair values of the services received. Donated professional services totaled \$1,000 and \$1,000 for the years ended December 31, 2020 and 2019, respectively.

Contributed goods are recorded at fair value at the date of donation. The Family Pantry receives food donations from the general public. It also receives food from the USDA and the Massachusetts Emergency Food Assistance Program. Food donations were valued at \$1.62 and \$1.68 per pound for revenue and expense purposes for the years ended December 31, 2020 and 2019, respectively. The Boston Food Bank also provides salvage food to the Family Pantry at a cost of nineteen cents a pound, which covers the Food Bank's handling fees and transportation costs. Total food donations were \$2,174,122 and \$2,481,237 for the years ended December 31, 2020 and 2019, respectively.

THE FAMILY PANTRY OF CAPE COD CORPORATION

Notes to Financial Statements

For the Years Ended December 31, 2020 and 2019

NOTE C - LICENSES:

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.

NOTE D - 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, 2020 and 2019, the outstanding balance was \$0 and \$0, respectively. Interest expense charged to operations for the years ended December 31, 2020 and 2019 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, 2020 and 2019, the outstanding balance was \$0 and \$0, respectively. Interest expense charged to operations for the years ended December 31, 2020 and 2019 was \$0 and \$0, respectively.

THE FAMILY PANTRY OF CAPE COD CORPORATION

Notes to Financial Statements

For the Years Ended December 31, 2020 and 2019

NOTE E - INVESTMENT INCOME:

Investment income for the years ended December 31, 2020 and 2019, consisted of the following:

	2020	2019
Interest	\$ 21,296	\$ 20,929
Dividends	7,206	4,076
Realized gains (losses)	1,638	2,433
Unrealized gains (losses)	39,871	14,838
Investment fees	(3,563)	(1,602)
Total Investment Income	<u>\$ 66,448</u>	<u>\$ 40,674</u>

NOTE F - FAIR VALUE MEASUREMENT:

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 assumption 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 we can 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, we develop inputs 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.

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 readily determinable fair values based on daily redemption values.

THE FAMILY PANTRY OF CAPE COD CORPORATION

Notes to Financial Statements

For the Years Ended December 31, 2020 and 2019

NOTE F - FAIR VALUE MEASUREMENT Continued):

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			
	Total	Quoted Prices in Active Mkts for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets Category				
Investments				
MMkt funds-at cost	\$ 69,533	\$ -	\$ -	\$ -
Fixed income - mutual funds	418,961	418,961	-	-
Equities	312,476	312,476	-	-
Totals	\$ 800,970	\$ 731,437	\$ -	\$ -

The following table presents assets measured at fair value on a recurring basis, except those measured at cost at December 31, 2019:

	Fair Value Measurements at Report Date Using			
	Total	Quoted Prices in Active Mkts for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets Category				
Investments				
MMkt funds-at cost	\$ 5,235	\$ -	\$ -	\$ -
Fixed income - mutual funds	210,584	210,584	-	-
Totals	\$ 215,819	\$ 210,584	\$ -	\$ -

THE FAMILY PANTRY OF CAPE COD CORPORATION

Notes to Financial Statements

For the Years Ended December 31, 2020 and 2019

NOTE G - CONCENTRATION OF CREDIT RISK:

The Family Pantry is supported primarily by food donations, donor contributions, and grants. Approximately, 38% and 61% of the Family Pantry's support came from food donations for the years ended June 30, 2020 and 2019, respectively. Support from donor contributions and grants for the years ended December 31, 2020 and 2019 were 56% and 27%, respectively.

The Family Pantry's cash balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor. Cash balances in excess of the FDIC limit at Cape Cod Five Cents Savings Bank are insured in full by the Depositors Insurance Fund (DIF). The DIF is a private, industry-sponsored insurance fund that insures all deposits above FDIC limits at Massachusetts-chartered savings banks. All DIF member banks are also members of the FDIC. The cash balances in excess of FDIC limits for the years ended December 31, 2020 and 2019, were \$3,349,146 and \$1,893,668, respectively. The Family Pantry's uninsured cash balances at December 31, 2020 and 2019 totaled \$0 and \$0, respectively.

NOTE H - NET ASSETS WITH DONOR RESTRICTIONS:

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

	2020	2019
Subject to expenditure for a specific purpose:		
Fish for Families Program	\$ 10,000	\$ 10,000
Healthy Meals in Motion	29,586	-
Other	706	706
Total Net Assets with Donor Restrictions	<u>\$ 40,292</u>	<u>\$ 10,706</u>

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

	2020	2019
Satisfaction of purpose restrictions:		
Fish for Families Program	\$ -	\$ 7,000
Food Program	-	25,000
Preventative Health Plans	-	15,000
Healthy Eating Program	-	15,000
Healthy Meals in Motion	383,414	35,000
College Pantry	30,000	16,000
Other	-	18,844
Total	<u>\$ 413,414</u>	<u>\$ 131,844</u>

THE FAMILY PANTRY OF CAPE COD CORPORATION

Notes to Financial Statements

For the Years Ended December 31, 2020 and 2019

NOTE I - BOARD DESIGNATED NET ASSETS:

Total Board designated net assets for the years ended December 31, 2020 and 2019 totaled \$10,000 and \$100,000, respectively. Board designated net assets of \$10,000 were designated for the employee emergency fund at December 31, 2020. Board designated net assets of \$100,000 were designated for capital improvements and the acquisition of capital assets at December 31, 2019.

NOTE J - LEASES:

The Family Pantry has two 5 year leases for office equipment. The leases expire on May 4, 2025 and December 21, 2025. Lease expense was \$1,281 and \$0, for the years ended December 31, 2020 and 2019, respectively.

Annual minimum lease payments are as follows:

<u>December 31,</u>	<u>Amount</u>
2021	\$ 4,392
2022	4,392
2023	4,392
2024	4,392
2025	2,745
Thereafter	-
	<u>\$ 20,313</u>

NOTE K - RELATED PARTIES:

Rick Roy Construction, owned by a member of the Board of Directors provided construction services totaling \$38,569 and \$0 to the Family Pantry for the years ended December 31, 2020 and 2019, respectively. Management represents that the related party transaction was consummated on terms equivalent to those that prevail in arm's-length transactions.

NOTE L - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS:

The following reflects the Family Pantry of Cape Cod, Corporation's financial assets as of the balance sheet date reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date. Amounts not available include Board designated amounts set aside for 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 balance sheet date have not been subtracted as unavailable.

THE FAMILY PANTRY OF CAPE COD CORPORATION

Notes to Financial Statements

For the Years Ended December 31, 2020 and 2019

NOTE L - LIQUIDITY AND AVAILABILITY 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 balance sheet date, comprise the following:

	2020	2019
Financial assets at year end:		
Cash and cash equivalents	\$ 3,740,577	\$ 2,019,275
Accounts receivables	4,000	4,000
Investments	800,970	215,819
Total financial assets at year end	4,545,547	2,239,094
Less those unavailable for general expenditures within one year, due to:		
contractual or donor imposed restrictions:		
Restricted by donor with time or purpose restrictions		
Subject to appropriation and satisfaction of donor restrictions	(40,292)	(10,706)
Board Designations:		
Amount set aside for capital improvements and acquisitions	-	(100,000)
Amount set aside for employee emergency fund	(10,000)	-
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 4,495,255</u>	<u>\$ 2,128,388</u>

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 addition, the Family Pantry invests cash in excess of daily requirements in short-term investments. 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 M - SUBSEQUENT EVENTS:

The Family Pantry has evaluated subsequent events through March 19, 2021, 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.