

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

**FINANCIAL STATEMENTS**

For the Years Ended December 31, 2019 and 2018

# THE FAMILY PANTRY OF CAPE COD CORPORATION

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December 31, 2019 and 2018

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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, 2019 and 2018, 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, 2019 and 2018, 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  
February 10, 2020

# THE FAMILY PANTRY OF CAPE COD CORPORATION

## Statements of Financial Position

December 31, 2019 and 2018

<b>ASSETS</b>		
	<u>2019</u>	<u>2018</u>
Current Assets:		
Cash and cash equivalents	\$ 2,019,275	\$ 1,435,120
Investments	215,819	96,074
Food inventory, at cost	13,154	9,328
Grants receivable	4,000	5,125
Prepaid expenses	35,023	37,108
Total Current Assets	<u>2,287,271</u>	<u>1,582,755</u>
Fixed Assets:		
Automobiles	64,464	64,464
Furniture and fixtures	38,805	36,002
Machinery and equipment	140,391	130,819
Land and improvements	372,201	372,201
Buildings and improvements	1,605,298	1,599,457
Other	21,801	21,801
	<u>2,242,960</u>	<u>2,224,744</u>
Less accumulated depreciation	<u>(859,320)</u>	<u>(774,634)</u>
Total Fixed Assets	<u>1,383,640</u>	<u>1,450,110</u>
Total Assets	<u><u>\$ 3,670,911</u></u>	<u><u>\$ 3,032,865</u></u>
 <b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 32,848	\$ 38,509
Total Current Liabilities	<u>32,848</u>	<u>38,509</u>
Total Long-term Liabilities	<u>-</u>	<u>-</u>
Total Liabilities	32,848	38,509
Net Assets:		
With donor restrictions	10,706	-
Without donor restrictions		
Undesignated	3,527,357	2,894,356
Designated by Board for capital expenditures	100,000	100,000
Total Net Assets	<u>3,638,063</u>	<u>2,994,356</u>
Total Liabilities and Net Assets	<u><u>\$ 3,670,911</u></u>	<u><u>\$ 3,032,865</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, 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	2,994,356	-	2,994,356
Net Assets, End of Year	<u>\$ 3,627,357</u>	<u>\$ 10,706</u>	<u>\$ 3,638,063</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, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains, and Other Support:			
Donations and gifts	\$ 2,550,514	\$ -	\$ 2,550,514
Grants	197,112	-	197,112
Bottle redemptions	32,121	-	32,121
Special events gross revenue	179,573	-	179,573
Less direct expenses	58,284	-	58,284
Net special events revenue	121,289	-	121,289
Thrift shop sales	365,062	-	365,062
Other income	1,837	-	1,837
Investment income	1,662	-	1,662
Total Revenues, Gains, and Other Support	<u>3,269,597</u>	<u>-</u>	<u>3,269,597</u>
Expenses:			
Program	2,536,658	-	2,536,658
Management and general	206,065	-	206,065
Fund-raising	154,882	-	154,882
Total Expenses	<u>2,897,605</u>	<u>-</u>	<u>2,897,605</u>
Increase (Decrease) in Net Assets	371,992	-	371,992
Net Assets, Beginning of Year	2,622,364	-	2,622,364
Net Assets, End of Year	<u>\$ 2,994,356</u>	<u>\$ -</u>	<u>\$ 2,994,356</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

## Statement of Functional Expenses For the Year Ended December 31, 2018

	Program	Management and General	Fund Raising	Total
Expenses:				
Food costs	\$ 2,216,659	\$ -	\$ -	\$ 2,216,659
Salaries and wages	89,291	89,291	109,453	288,035
Payroll taxes	7,580	7,579	9,291	24,450
Employee benefits	-	16,823	-	16,823
Contract labor	21,485	-	-	21,485
Advertising	-	49	4,390	4,439
Transportation	5,687	-	-	5,687
Utilities	34,522	3,002	-	37,524
Office and postage	11,051	2,957	1,557	15,565
Repairs and maintenance	31,677	2,755	-	34,432
Insurance	18,453	470	-	18,923
Interest expense	-	570	-	570
Professional fees	-	13,511	2,800	16,311
Fund-raising	-	-	27,391	27,391
Garden expenses	4,130	-	-	4,130
Other general expenses	19,709	62,413	-	82,122
Depreciation	76,414	6,645	-	83,059
Totals	<u>\$ 2,536,658</u>	<u>\$ 206,065</u>	<u>\$ 154,882</u>	<u>\$ 2,897,605</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, 2019 and 2018

	2019	2018
Cash Flows from Operating Activities:		
Increase in net assets	\$ 643,707	\$ 371,992
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation	84,686	83,059
Realized and unrealized (gains) losses on securities	(17,271)	5,255
(Increase) decrease in operating assets:		
Inventory	(3,826)	8,862
Accounts receivable	1,125	(1,250)
Prepaid expenses	2,085	13
Increase (decrease) in operating liabilities:		
Accounts payable and other liabilities	(5,661)	(7,631)
Net Cash Provided by Operating Activities	<u>704,845</u>	<u>460,300</u>
Cash Flows from Investing Activities:		
Purchase of securities and reinvested dividends	(167,675)	(103,129)
Sale of securities	65,201	26,919
Purchase of building improvements	(5,841)	(31,794)
Purchase of equipment and other assets	(12,375)	(20,943)
Net Cash Used by Investing Activities	<u>(120,690)</u>	<u>(128,947)</u>
Cash Flows from Financing Activities:		
Principal payments	-	(119,824)
Net Cash Provided by (Used by) Financing Activities	<u>-</u>	<u>(119,824)</u>
Net Increase in Cash	584,155	211,529
Cash and Cash Equivalents, Beginning of Year	<u>1,435,120</u>	<u>1,223,591</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 2,019,275</u></u>	<u><u>\$ 1,435,120</u></u>
Supplemental information:		
Cash expended for interest	<u><u>\$ -</u></u>	<u><u>\$ 570</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, 2019 and 2018

### NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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. The net assets of the Family Pantry Corporation are reported in each of the following classes: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

#### 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 grantor 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 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 Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire, that is, when a stipulated time elapses or a stipulated 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 income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. Section 501(c)(3) of the Code provides for the exemption of organizations that are organized and operated exclusively for religious, charitable, scientific, literary or educational purposes and whose net earnings do not inure to the benefit of any private shareholder or individual. The Organization is not a private foundation as defined by Section 509(a).

#### 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 and disclosure of contingent 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.

#### Revenue Recognition

Revenue is recognized as goods and services are rendered. All contributions are considered available for the Organization's general programs unless specifically restricted by the donor. Contributions received with donor restrictions that are met in the same reporting period are reported as unrestricted support and an increase in net assets without donor restrictions. The Family Pantry reports gifts of cash and other assets as 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 a purpose restriction is

# THE FAMILY PANTRY OF CAPE COD CORPORATION

## Notes to Financial Statements

For the Years Ended December 31, 2019 and 2018

### NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

accomplished, 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.

#### Cash and Cash Equivalents

The Organization considers cash on hand, checking and money market accounts as cash and cash equivalents for financial statement purposes.

#### Equipment

Fixed assets are stated at cost except for donated assets which are recorded at fair market value at the date of donation. Assets valued at less than \$1,000 are generally expensed to operations by the Organization.

#### Depreciation

Depreciation is computed using the straight line method over the estimated useful lives of the assets as follows:

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

Depreciation expense for the years ended December 31, 2019 and 2018 was \$84,687 and \$83,059, 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 Organization 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.

#### Functional Allocation of Expenses

The costs of program and supporting services have been summarized on a functional basis in the statement of activities. The statements of functional expenses present the natural classification detail of expenses by function. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, depreciation, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses and other, which are allocated on the basis of estimates of time and effort.

#### Advertising

The Family Pantry Corporation follows the policy of charging the costs of advertising to expense as incurred. Advertising costs for the years ended December 31, 2019 and 2018 totaled 18,237 and \$4,439, respectively.

#### Compensated Absences

Accrued compensated absences for the years ended December 31, 2019 and 2018 were \$11,575 and \$6,821, respectively.

#### Reclassification

The 2018 financial statements have been restated to conform to the 2019 financial statement presentation.

## THE FAMILY PANTRY OF CAPE COD CORPORATION

### Notes to Financial Statements

For the Years Ended December 31, 2019 and 2018

#### NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

##### 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. Family Pantry of Cape Cod Corporation has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods.

#### NOTE B – DONATED FOOD:

In addition to receiving food donations from the general public, the Organization also receives food from the USDA and the Massachusetts Emergency Food Assistance Program. Food donations were valued at \$1.68 and \$1.73 per pound for revenue and expense purposes for the years ended December 31, 2019 and 2018, respectively. The Boston Food Bank also provides salvage food to the Organization at a cost of nineteen cents a pound, which covers the Food Bank's handling fees and transportation costs. Total food donations were \$2,481,237 and \$1,921,653 for the years ended December 31, 2019 and 2018, respectively.

#### NOTE C – DONATED SERVICES, MATERIALS AND FACILITIES:

No amounts have been reflected in the financial statements for donated services in as much as there is no objective basis to measure the value of such donations. However, a number of volunteers have donated substantial amounts of their time to the Family Pantry's program services. In-kind donations reflected in the financial statements (excluding food donations) totaled \$1,000 and \$4,000 for the years ended December 31, 2019 and 2018, respectively.

#### NOTE D – LICENSES:

##### Lease and Power Purchase Agreement

In 2011, The Family Pantry of Cape Cod Corporation entered into a lease and power purchase agreement. The Organization 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 of Cape Cod Corporation has an option to purchase all of the owner's rights, title and interest in the PV System.

As part of the agreement, the Organization 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 Organization and the Organization 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 of Cape Cod Corporation entered into a license agreement in 2011, whereby, the Town of Harwich licensed a tract of land to the Organization 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 Organization for the duration of the license agreement.

# THE FAMILY PANTRY OF CAPE COD CORPORATION

## Notes to Financial Statements

For the Years Ended December 31, 2019 and 2018

### NOTE E – DEBT NOTES:

The Organization 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 Organization 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, 2019 and 2018, the outstanding balance was \$0 and \$0, respectively. Interest expense charged to operations for the years ended December 31, 2019 and 2018 was \$0 and \$0, respectively.

In November 2014, the Organization obtained a \$250,000, thirty-year mortgage from Cape Cod Five Cents Savings Bank. The note is secured by the real property located at 265 Route 28, West Harwich, MA and bears a variable interest rate of 2.50% above the Wall Street Journal prime rate. As of December 31, 2019 and 2018, the outstanding balance was \$0 and \$0, respectively. Interest expense charged to operations for the years ended December 31, 2019 and 2018 totaled \$0 and \$570, respectively.

### NOTE F – INVESTMENTS:

Investments for the years ended December 31, 2019 and 2018, consisted of the following:

	2019	2018
Cash and cash equivalents	\$ 5,235	\$ 2,870
Mutual funds	210,584	93,203
Total investments	<u>\$ 215,819</u>	<u>\$ 96,073</u>

Investment income for the years ended December 31, 2019 and 2018, consisted of the following:

	2019	2018
Interest	\$ 20,929	\$ 4,869
Dividends	4,076	2,047
Realized gains (losses)	2,433	111
Unrealized gains (losses)	14,838	(4,528)
Investment fees	(1,602)	(837)
Total investment income	<u>\$ 40,674</u>	<u>\$ 1,662</u>

### NOTE G – FAIR VALUE MEASUREMENT:

Fair values have been determined at a specific point in time based on relevant market information and information about the financial instruments. Estimates of fair value are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

# THE FAMILY PANTRY OF CAPE COD CORPORATION

## Notes to Financial Statements For the Years Ended December 31, 2019 and 2018

### NOTE G – FAIR VALUE MEASUREMENT (continued):

Fair Value Measurements establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

**Level 1 Inputs** - Quoted prices for identical assets or liabilities in active markets;

**Level 2 Inputs** - Quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets in inactive markets; or inputs other than quoted prices that are observable, such as models or other valuation methodologies;

**Level 3 Inputs** - Unobservable inputs for where there is little, if any, market activity.

Fair values of noncurrent assets at December 31, 2019 were as follows:

Asset Category	Carrying Value on Statement of Financial Position	FAS 107 Estimated Fair Value	Quoted Mkt Assets and Liabilities Measured at Fair Value	Significant Identical Assets Level 1 Inputs	Other Significant Observable Level 2 Inputs	Significant Unobservable Level 3 Inputs
Investments						
Cash and equivalents	\$ 5,235	\$ 5,235	\$ 5,235	\$ 5,235		
Mutual funds	210,584	210,584	210,584	210,584		

Fair values of noncurrent assets at December 31, 2018 were as follows:

Asset Category	Carrying Value on Statement of Financial Position	FAS 107 Estimated Fair Value	Quoted Mkt Assets and Liabilities Measured at Fair Value	Significant Identical Assets Level 1 Inputs	Other Significant Observable Level 2 Inputs	Significant Unobservable Level 3 Inputs
Investments						
Cash and equivalents	\$ 2,870	\$ 2,870	\$ 2,870	\$ 2,870		
Mutual funds	93,203	93,203	93,203	93,203		

### NOTE H – CONCENTRATIONS OF CREDIT RISK:

The Corporation'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, 2019 and 2018, were \$1,893,668 and \$1,058,204, respectively. The Corporation's uninsured cash balances at December 31, 2019 and 2018 totaled \$0 and \$0, respectively.

# THE FAMILY PANTRY OF CAPE COD CORPORATION

## Notes to Financial Statements For the Years Ended December 31, 2019 and 2018

### NOTE I – NET ASSETS WITH DONOR RESTRICTIONS:

As of December 31, 2019 and 2018, the Corporation reported net assets with donor restrictions of \$10,706 and \$0, respectively. Net assets with donor restrictions consisted of the following:

	2019	2018
Fish for Families program	\$ 10,000	\$ -
Kids crafts	706	-
Total Net Assets with Donor Restrictions	<u>\$ 10,706</u>	<u>\$ -</u>

### NOTE J – BOARD DESIGNATED NET ASSETS:

Total Board designated net assets for the years ended December 31, 2019 and 2018 totaled \$100,000 and \$100,000, respectively. These net assets are designated for capital improvements and the acquisition of capital assets.

### NOTE K – 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.

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:

	2019	2018
Financial Assets, at year-end	\$ 2,239,094	\$ 1,536,319
Less those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions:		
Restricted by donor with time or purpose restrictions	(10,706)	-
Subject to appropriation and satisfaction of donor restrictions	-	-
Board designations:		
Amounts set aside for capital improvements and acquisitions	(100,000)	(100,000)
Amounts set aside for liquidity reserve	-	-
Financial Assets available to meet cash needs for general expenditures within one year	<u>\$ 2,128,388</u>	<u>\$ 1,436,319</u>

**THE FAMILY PANTRY OF CAPE COD CORPORATION**  
**Notes to Financial Statements**  
For the Years Ended December 31, 2019 and 2018

**NOTE K – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (continued):**

The Family Pantry of Cape Cod, Corporation 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 of Cape Cod, Corporation 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 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 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 Pantry could also draw upon \$50,000 of its available line of credit or its Board designated funds.

**NOTE L – EVALUATION OF SUBSEQUENT EVENTS:**

The Organization has evaluated subsequent events through February 10, 2020, the date which the financial statements were available to be issued. As of February 10, 2020, there are no subsequent events to report.