

GLEN ELLYN FOOD PANTRY

FINANCIAL STATEMENTS

DECEMBER 31, 2020

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors
Glen Ellyn Food Pantry
Glen Ellyn, Illinois

We have reviewed the accompanying financial statements of GLEN ELLYN FOOD PANTRY (an Illinois nonprofit organization), which comprise the statements of assets, liabilities and net assets as of December 31, 2020 and 2019, and the related statements of revenues, expenses and other changes in net assets, functional expenses, and cash flows for the years then ended, all on the modified cash basis of accounting, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible 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.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the modified cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the modified cash basis accounting.

Emphasis of Matter

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

Warady & Davis LLP

July 28, 2021

GLEN ELLYN FOOD PANTRY

STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS

Modified Cash Basis

As of December 31

2020

2019

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 1,117,631	\$ 280,955
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PROPERTY AND EQUIPMENT

Property and Equipment, net	42,944	52,509
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TOTAL ASSETS

	\$ 1,160,575	\$ 333,464
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LIABILITIES AND NET ASSETS

LIABILITIES

Payroll Protection Program Loan	\$ 44,600	\$ —
Accrued Payroll Taxes	10,631	—
Total Current Liabilities	<u>55,231</u>	<u>—</u>

NET ASSETS

Without Donor Restrictions	670,398	224,036
With Donor Restrictions	434,946	109,428
Total Net Assets	<u>1,105,344</u>	<u>333,464</u>

	\$ 1,160,575	\$ 333,464
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STATEMENTS OF REVENUES, EXPENSES AND OTHER CHANGES IN NET ASSETS

Modified Cash Basis

For the Years Ended December 31

	2020			2019		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
SUPPORT AND REVENUE						
Campaign Contributions	\$ 87,016	\$ 412,177	\$ 499,193	\$ 166,813	\$ 108,731	\$ 275,544
Other Contributions	745,079		745,079	255,874		255,874
In-Kind Donations	2,695,039		2,695,039	2,448,909		2,448,909
Special Event Revenue	20,521		20,521	20,024		20,024
	<u>3,547,655</u>	<u>412,177</u>	<u>3,959,832</u>	<u>2,891,620</u>	<u>108,731</u>	<u>3,000,351</u>
Other Revenue						
Investment Income	102		102	526		526
	<u>102</u>		<u>102</u>	<u>526</u>		<u>526</u>
Net Assets Released from Restriction	86,659	(86,659)	—	28,493	(28,493)	—
	<u>86,659</u>	<u>(86,659)</u>	<u>—</u>	<u>28,493</u>	<u>(28,493)</u>	<u>—</u>
Total Support and Revenue	<u>3,634,416</u>	<u>325,518</u>	<u>3,959,934</u>	<u>2,920,639</u>	<u>80,238</u>	<u>3,000,877</u>
EXPENSES						
Program Expenses						
In-Kind	2,677,039		2,677,039	2,436,159		2,436,159
Other	364,869		364,869	305,280		305,280
Total Program Expenses	<u>3,041,908</u>		<u>3,041,908</u>	<u>2,741,439</u>		<u>2,741,439</u>
Management and General	74,815		74,815	75,390		75,390
Fundraising	63,799		63,799	71,447		71,447
Direct Expenses for Special Fundraising Event	7,532		7,532	8,676		8,676
Total Expenses	<u>3,188,054</u>		<u>3,188,054</u>	<u>2,896,952</u>		<u>2,896,952</u>
CHANGE IN NET ASSETS	446,362	325,518	771,880	23,687	80,238	103,925
Net Assets, Beginning of Year	224,036	109,428	333,464	200,349	29,190	229,539
NET ASSETS, END OF YEAR	\$ 670,398	\$ 434,946	\$ 1,105,344	\$ 224,036	\$ 109,428	\$ 333,464

See accompanying notes and accountants' report.

STATEMENTS OF FUNCTIONAL EXPENSES

Modified Cash Basis

For the Year Ended December 31, 2020

	Program	Management and General	Fundraising	Direct Expenses for Special Event	Total Expenses
Salaries and Wages	\$ 159,620	\$ 37,156	\$ 15,205	\$ —	\$ 211,981
Payroll Taxes	12,211	2,843	1,163	—	16,217
Bank Charges	—	30	—	—	30
Advertising	181	181	181	—	543
Depreciation and Amortization	26,031	796	326	—	27,153
Dues and Subscriptions	—	6,292	—	—	6,292
Education	—	50	—	—	50
Special Fundraising Event	—	—	—	7,532	7,532
Insurance	2,467	574	235	—	3,276
Repairs, Equipment and Maintenance	23,708	55	1,917	—	25,680
Office Expense	11,339	2,639	1,080	—	15,058
Office Supplies	3,923	913	374	—	5,210
Payroll Service Fees	—	236	—	—	236
Postage and Delivery	—	—	10,705	—	10,705
Printing and Reproduction	2,621	—	6,116	—	8,737
Professional Fees	23,509	21,039	17,712	—	62,260
Promotional Expense	—	—	4,105	—	4,105
Rent	30,240	1,080	4,680	—	36,000
Pantry Food and Supplies	2,739,700	—	—	—	2,739,700
Telephone and Utilities	4,960	551	—	—	5,511
Volunteer Appreciation	1,398	380	—	—	1,778
TOTAL EXPENSES	\$ 3,041,908	\$ 74,815	\$ 63,799	\$ 7,532	\$ 3,188,054

STATEMENTS OF FUNCTIONAL EXPENSES (Continued)

Modified Cash Basis

For the Year Ended December 31, 2019

	Program	Management and General	Fundraising	Direct Expenses for Special Event	Total Expenses
Salaries and Wages	\$ 145,607	\$ 41,532	\$ 27,118	\$ —	\$ 214,257
Payroll Taxes	11,143	3,179	2,075	—	16,397
Bank Charges	—	62	—	—	62
Advertising	494	493	494	—	1,481
Depreciation and Amortization	25,452	880	575	—	26,907
Dues and Subscriptions	—	5,387	—	—	5,387
Education	—	30	—	—	30
Special Fundraising Event	—	—	—	8,676	8,676
Insurance	2,258	644	421	—	3,323
Repairs, Equipment and Maintenance	13,926	—	—	—	13,926
Office Expense	5,083	1,450	946	—	7,479
Office Supplies	2,767	790	515	—	4,072
Payroll Service Fees	—	214	—	—	214
Postage and Delivery	30	—	11,786	—	11,816
Printing and Reproduction	3,891	—	9,079	—	12,970
Professional Fees	19,650	13,855	13,671	—	47,176
Promotional Expense	—	—	770	—	770
Rent	25,830	923	3,997	—	30,750
Pantry Food and Supplies	2,480,368	—	—	—	2,480,368
Telephone and Utilities	4,940	549	—	—	5,489
Volunteer Appreciation	—	5,402	—	—	5,402
TOTAL EXPENSES	\$ 2,741,439	\$ 75,390	\$ 71,447	\$ 8,676	\$ 2,896,952

STATEMENTS OF CASH FLOWS

Modified Cash Basis

For the Years Ended December 31

2020**2019**CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets

\$ 771,880\$ 103,925

Adjustments to Reconcile Change in Net Assets to

Net Cash Provided by Operating Activities

Depreciation and Amortization - Property and Equipment

27,153

26,907

Accrued Payroll Taxes

10,631

—

Donated Stock

(9,543)

(39,229)

Proceeds from Sale of Donated Stock

9,543

48,904

Total Adjustments

37,78436,582

Net Cash Provided by Operating Activities

809,664

140,507

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of Property and Equipment

(17,588)

(12,621)

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from Payroll Protection Program Loan

44,600—

NET INCREASE IN CASH

836,676

127,886

Cash and Cash Equivalents, Beginning

280,955

153,069

CASH AND CASH EQUIVALENTS, ENDING**\$ 1,117,631**\$ 280,955SUPPLEMENTAL DISCLOSURE OF
CASH FLOW INFORMATION

Noncash Operating Activities

Donated Goods

\$ 2,677,039\$ 2,436,159

NOTES TO FINANCIAL STATEMENTS

NOTE 1—ORGANIZATION ACTIVITIES

The Glen Ellyn Food Pantry (the Organization) is an Illinois not-for-profit corporation which provides groceries to families in need. The Organization is sponsored by 14 churches located in Glen Ellyn and receives monetary contributions from members of these various churches, as well as donations of food and pantry supplies from local businesses. One business contributed in-kind donations which represents 11% of total support and revenue in 2019. There were no such concentrations in 2020.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of management who is responsible for their integrity and objectivity.

BASIS OF ACCOUNTING

The accompanying financial statements have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than U. S. generally accepted accounting principles. Under that basis, certain revenues and the related assets are recognized when received rather than when earned and certain expenses are recognized when paid rather than when the obligations are incurred. Contributions collected on behalf of the Organization by third party fundraising platforms are not recognized as revenue until the collections have been remitted to the Organization. In addition, property and equipment and intangibles have been capitalized and depreciated/amortized. Payroll tax deferrals authorized by a COVID-19 presidential memorandum in 2020 were expensed as incurred and the liability was accrued as of December 31, 2020.

FINANCIAL STATEMENT PRESENTATION

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in the Accounting Standards Codification (ASC) topic related to *Financial Statements of Not-for-Profit Organizations*. Under the Codification, the Organization is required to report information regarding its financial position and activities, based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Without donor restriction - Net assets that are not subject to donor-imposed stipulations plus those resources for which temporarily donor-imposed stipulations have been satisfied. Net assets without donor restriction may be designated by action of the Board of Directors.

With donor restriction - Net assets are subject to donor-imposed stipulations that may or will be met either by actions of the Organization (purpose restrictions) and/or the passage of time (time restrictions). As the restrictions are satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the accompanying financial statements as net assets released from restrictions.

Revenues are reported as increases in net assets without donor restriction unless use of the related asset is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restriction.

NOTES TO FINANCIAL STATEMENTS

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**CASH AND CASH EQUIVALENTS**

The Organization considers all highly-liquid investments purchased with original maturities of three months or less to be cash equivalents. Cash equivalents consist of money market funds.

INVESTMENTS

The Organization follows the provisions of the FASB codification for accounting for investments held by not-for-profit organizations. Accordingly, the Organization 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. Fair value is based on quoted market prices. Realized gains and losses are the differences between the proceeds received and the cost of investments sold. Unrealized gains and losses are the differences between the fair value and the cost of investments and are included in earnings. There were no investments at December 31, 2020 and 2019.

PROPERTY AND EQUIPMENT

Property and equipment purchases of \$500 or more are stated at cost when purchased or fair value as of the date of the gift, if donated. Depreciation/amortization is calculated on the straight-line method over the estimated useful lives of the assets or the life of the lease for leasehold improvements as follows:

<u>Asset</u>	<u>Years</u>
Furniture and Equipment.....	3 – 7
Leasehold Improvements	5
Office Equipment.....	5

INTANGIBLE ASSETS

The IT infrastructure is stated at the cost of design and is amortized using the straight-line method over five years. These intangibles are fully amortized.

RECOGNITION OF SUPPORT AND REVENUES

The Organization accounts for contributions received and unconditional promises to give under the provisions of the FASB Codification topic related to contributions made and received. In accordance with the Codification and the Organization's modified cash basis of accounting, unconditional contributions are recognized as support revenue when received. Contributions received are recorded as support with or without donor restriction, depending on the existence and/or nature of any donor restrictions. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with time or purpose restriction are reclassified to net assets without donor restriction and reported in the statements of revenues, expenses and other changes in net assets as net assets released from restrictions.

CONCENTRATION OF CREDIT RISK

The Organization's cash balances, at times, may exceed federally-insured limits. The Organization has not experienced any losses in these accounts and its management believes it is not exposed to any significant credit risk on cash.

NOTES TO FINANCIAL STATEMENTS

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**DONATED GOODS AND FACILITIES**

The Organization reports the fair value of gifts of donated food and other supplies as public support without restriction and, shortly thereafter, as expense when distributed to families in need. During the year ended December 31, 2020, the Organization received and distributed approximately 886,437 pounds of donated goods valued at \$2,677,039. During the year ended December 31, 2019, the donated goods accounted for approximately 851,804 pounds valued at \$2,436,159. The amounts are included in in-kind donations on the statements of revenues, expenses and other changes in net assets, and in pantry food and supplies on the statements of functional expenses. The approximate average value of one pound of donated goods for 2020 and 2019 was determined to be \$3.02 per pound.

Donated facilities are recorded annually at their fair value for the year the facilities were used. Donated facilities were \$18,000 for 2020 and \$12,750 for 2019, which are included as in-kind donations on the statements of revenues, expenses and other changes in net assets and in rent expense on the statements of functional expenses.

USE OF ESTIMATES

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing various programs and other activities are presented on a functional basis in the statements of revenues, expenses and other changes in net assets. Accordingly, certain expenses have been allocated among the programs and supporting services benefited, based on direct charges or appropriate methods determined by management. These allocation methods include allocation of personnel and any other costs deemed to be related to time and efforts expended by employees on the different functional categories and allocation of occupancy and related costs using space utilization percentages occupied by the various functions.

INCOME TAX STATUS

The Organization is a not-for-profit organization and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is similarly classified by the State of Illinois. Accordingly, the accompanying financial statements do not reflect income tax expense. The Organization files its form 990 in the federal jurisdiction. The Organization is exempt from filing with the office of the Illinois Attorney General due to its religious affiliation status.

NOTES TO FINANCIAL STATEMENTS

NOTE 3—LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, are comprised of the following at December 31,

	<u>2020</u>	<u>2019</u>
Cash and Cash Equivalents.....	\$ 1,117,631	\$ 280,955
Net Assets With Donor Restrictions.....	<u>(439,946)</u>	<u>(109,428)</u>
	<u>\$ 677,685</u>	<u>\$ 171,527</u>

As part of its liquidity management plan, the Organization has a policy of maintaining sufficient cash to meet at least three months of normal operating needs.

NOTE 4—PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	<u>2020</u>	<u>2019</u>
Furniture and Fixtures	\$ 12,151	\$ 12,151
Leasehold Improvements	91,215	91,215
Office Equipment.....	67,724	60,802
Construction in Process.....	<u>17,366</u>	<u>6,700</u>
	188,456	170,868
Less Accumulated Depreciation and Amortization	<u>145,512</u>	<u>118,359</u>
	<u>\$ 42,944</u>	<u>\$ 52,509</u>
Depreciation and Amortization Expense	<u>\$ 27,153</u>	<u>\$ 26,907</u>

NOTE 5—NET ASSETS WITH DONOR RESTRICTIONS

As of December 31, 2020, net assets with donor restrictions of \$409,946 are available to use for the new facility, \$25,000 for making the Organization's facility easily accessible. In 2020, net assets of \$31,365 were released from restriction by incurring expenses that met the donor's restriction for use on the new facility, \$8,050 for new freezers and shopping carts, \$5,000 for direct service to client, and \$42,244 for increased food demand and cleaning costs due to COVID-19.

Net assets with donor restrictions of \$109,428 are available to use for a new facility as of December 31, 2019. In 2019, net assets of \$22,324 and \$6,169 were released from restriction by incurring expenses that met the donor's restriction for the new facility, and for purchases of shelving, tables, carts, and refrigeration units, respectively.

NOTES TO FINANCIAL STATEMENTS

NOTE 6—OPERATING LEASES

The Organization leases space in one of its sponsoring churches on a month-to-month basis. Rent expense for this space was \$18,000 for 2020 and 2019.

The Organization entered into a lease agreement for an additional facility on May 15, 2019 for forty-five years at annual payments of \$55, including five ten-year renewal options. The Organization is responsible for the operating and repair expenses. As noted in Note 2, an in-kind donation of \$18,000 was recorded in 2020 and \$12,750 in 2019 for the fair value of the facilities in excess of the discounted annual payments. The related expense is reflected as rent expense on the statements of functional expenses for 2020.

NOTE 7—PAYROLL PROTECTION PROGRAM LOAN

On April 16, 2020, the Organization applied for and was awarded a Payroll Protection Program (PPP) loan from the U.S. Small Business Administration (SBA) of \$44,600. The loan accrues interest at a fixed rate of 1.00% per annum, but payments are not required to begin for ten months after the end of the loan forgiveness covered period, as defined in the SBA regulations. The Organization is eligible for loan forgiveness up to 100% of the loan, upon meeting certain requirements to the extent of applicable payroll and other covered costs. The Organization applied for and was granted forgiveness of the entire loan amount plus interest in 2021.

As permitted under U.S. Generally Accepted Accounting Principles, the Organization accounted for the PPP loan as debt under FASB ASC 470. Under this standard, the proceeds from the loan remained reported as a liability on the statements of financial position until the SBA legally forgave the loan.

NOTE 8—SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 28, 2021, the date which the financial statements were available for issue. Except for the PPP loan forgiveness noted in Note 7, there were no other subsequent events which require disclosure.