

Northfield Township Food Pantry
Glenview, Illinois

Annual Financial Report

For the years ended
February 28, 2020 and 2019

NORTHFIELD TOWNSHIP FOOD PANTRY
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Independent Auditor's Report

Board of Directors
Northfield Township Food Pantry
Glenview, Illinois

We have audited the accompanying basic financial statements of the Northfield Township Food Pantry (the Pantry), which comprise the statement of financial position as of February 28, 2020 and 2019, and the related statements of activities, function 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 misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Pantry'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 Pantry'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 have 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 Northfield Township Food Pantry, as of February 28, 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.

Emphasis of Matter

As discussed in Note 1, these basic financial statements present only the Northfield Township Food Pantry and are not intended to present fairly the financial position and changes in financial position of Northfield Township, in accordance with accounting principles generally accepted in the United States of America.

Wipfli LLP

Wipfli LLP
Aurora, Illinois
August 4, 2020

NORTHFIELD TOWNSHIP FOOD PANTRY
Statements of Financial Position
February 28, 2020 and 2019

	2020	2019
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 648,135	\$ 627,299
Inventory - gift cards	48,947	3,539
Prepaid expenses	1,400	-
Due from town	-	385
Total Assets	<u>\$ 698,482</u>	<u>\$ 631,223</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 9,943	\$ 3,108
Due to town	6,000	11,322
Total Liabilities	<u>15,943</u>	<u>14,430</u>
Net Assets		
Without donor restrictions	<u>682,539</u>	<u>616,793</u>
Total Net Assets	<u>682,539</u>	<u>616,793</u>
Total Liabilities and Net Assets	<u><u>\$ 698,482</u></u>	<u><u>\$ 631,223</u></u>

See accompanying notes to financial statements

NORTHFIELD TOWNSHIP FOOD PANTRY
Statements of Activities
For the years ended February 28, 2020 and 2019

	2020	2019
Revenues, Gains, and Other Support		
Contributions		
Donations	\$ 294,586	\$ 334,201
Township funding	103,438	82,750
Fundraising	32,635	32,707
Unrestricted grant	36,175	23,091
Other	1,244	380
Total Revenues, Gains, and Other Support	468,078	473,129
Expenses		
Program services	274,562	245,962
Management and general	115,009	90,451
Fundraising	12,761	15,775
Total Expenses	402,332	352,188
Change in net assets	65,746	120,941
Net assets, beginning of year	616,793	495,852
Net assets, end of year	\$ 682,539	\$ 616,793

See accompanying notes to financial statements

NORTHFIELD TOWNSHIP FOOD PANTRY
Statements of Cash Flows
For the years ended February 28, 2020 and 2019

	2020	2019
Cash flows from operating activities		
Change in net assets	\$ 65,746	\$ 120,941
Changes in operating assets and liabilities		
(Increase) decrease in accounts receivable	385	(385)
(Increase) decrease in prepaid expenses	(1,400)	-
(Increase) decrease in inventory - gift cards	(45,408)	(1,588)
Increase (decrease) in accounts payable	1,513	12,726
Net cash used by operating activities	20,836	131,694
Net increase in cash	20,836	131,694
Cash and cash equivalents, beginning of year	627,299	495,605
Cash and cash equivalents, end of year	\$ 648,135	\$ 627,299

See accompanying notes to financial statements

NORTHFIELD TOWNSHIP FOOD PANTRY
Statements of Functional Expenses
For the years ended February 28, 2020 and 2019

	2020			
	Program Services	Management and General	Fundraising	Total Expenses
Bank and credit card fees	\$ -	\$ 2,116	\$ -	\$ 2,116
Dues	-	1,715	-	1,715
Education and training	-	35	-	35
Equipment	-	11,163	-	11,163
Food purchases	210,856	-	-	210,856
Fundraising	-	-	12,761	12,761
Holiday programs	63,204	-	-	63,204
Birthday bags	502	-	-	502
Insurance	-	240	-	240
Improvements	-	574	-	574
Legal and audit	-	1,348	-	1,348
Miscellaneous	-	199	-	199
Outreach and promotions	-	-	-	-
Postage and mailing	-	235	-	235
Printing and photocopying	-	444	-	444
Rent	-	24,000	-	24,000
Salaries	-	55,000	-	55,000
Software and IT support	-	2,604	-	2,604
Special assistance	-	791	-	791
Supplies	-	10,386	-	10,386
Travel	-	159	-	159
Utilities	-	4,000	-	4,000
Total expenses	\$ 274,562	\$ 115,009	\$ 12,761	\$ 402,332

See accompanying notes to financial statements

2019			
Program Services	Management and General	Fundraising	Total Expenses
\$ -	\$ 2,028	\$ -	\$ 2,028
-	-	-	-
-	85	-	85
-	5,204	-	5,204
175,482	-	-	175,482
-	-	15,775	15,775
70,480	-	-	70,480
-	-	-	-
-	240	-	240
-	-	-	-
-	328	-	328
-	289	-	289
-	1,300	-	1,300
-	225	-	225
-	54	-	54
-	24,000	-	24,000
-	41,250	-	41,250
-	3,905	-	3,905
-	1,368	-	1,368
-	7,116	-	7,116
-	59	-	59
-	3,000	-	3,000
<u>\$ 245,962</u>	<u>\$ 90,451</u>	<u>\$ 15,775</u>	<u>\$ 352,188</u>

See accompanying notes to financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Description of Organization

The Northfield Township Food Pantry (the Pantry) was started close to 50 years ago to assist Township residents who are unable to provide enough food for themselves and their families.

In April 2003, the Pantry became a 501c3 organization and an agency of the Greater Chicago Food Depository and has since received recognition awards from the Depository three times. Today many hundreds of Township families are eligible to visit the Pantry to receive perishable and non-perishable food items and grocery store cards monthly, and to participate in special holiday distributions of food items and grocery store cards three times annually. There are other special programs throughout the year.

No tax dollars are used to supply the Pantry. The Pantry is sustained by residents, civic organizations, schools, businesses and the faith community who generously donate food items, grocery store cards and cash. Volunteer labor does the clear majority of Pantry work.

The Pantry's mission is simple: ***Hunger is Unacceptable in Our Community.***

The Pantry is an Illinois not-for-profit corporation and is governed by a six-member board appointed by the Township Board. The facility that houses the Pantry is owned by the Township.

The significant accounting policies of the Pantry are presented below to assist the reader in evaluating the financial statements.

b. Basis of Accounting and Financial Statement Presentation

The accompanying financial statements have been prepared using the accrual method of accounting in accordance with generally accepted accounting principles and accordingly reflects receivables, payables, and other liabilities.

The Pantry is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions.

Net assets with donor restrictions – Net assets subject to donor or grant-imposed restrictions that may or will be met either by actions of the Pantry and/or the passage of time. Other donor or grantor restrictions may require the Pantry to permanently maintain net assets and may permit the Pantry to use all or part of the income earned on related investments for general or specific purposes.

Contributions received are recorded as support with or without donor restrictions depending on the existence or nature of any donor or grantor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

The Pantry did not receive or expend any net assets with donor restrictions during the years ended February 28, 2020 and 2019.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Pantry considers all interest earning savings accounts and checking accounts to be cash equivalents.

d. Advertising

The Pantry records advertising expenses when incurred. For the years ended February 28, 2020 and 2019, the Pantry had total advertising costs of \$0 and \$1,300, respectively.

e. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

2. AVAILABILITY AND LIQUIDITY

The following represents the Pantry's financial assets at February 28, 2020 and 2019:

	2020	2019
Financial Assets at Year End:		
Cash and Cash Equivalents	\$ 648,135	\$ 627,299
Total Financial Assets	648,135	627,299
Less amounts not available to be used within one year:		
Net Assets with Donor Restrictions	-	-
Financial Assets Available to Meet General Expenditures over the Next Twelve Months	\$ 648,135	\$ 627,299

The Pantry maintains financial assets to meet 90 days of operating expenses.

3. OPERATING LEASE

The Pantry's facility is owned by the Township and the Township is responsible for all building operating expenditures. The lease calls for the Pantry to make payments to the Township in the amount of \$6,000 per quarter. Total rent paid the Township for the years ended February 28, 2020 and 2019 was \$24,000.

4. TAX-EXEMPT STATUS

The Pantry is a not-for-profit corporation as described in Section 501(c) (3) of the Internal Revenue Code (the Code) and is exempt from Federal income taxes on related income pursuant to Section 501(a) of the Code. No provision for income taxes is necessary since there are no significant unrelated business incomes for the years ended February 28, 2020 and 2019.

The Pantry has evaluated its tax positions for all open years. Currently, the tax years open and subject to examination by the Internal Revenue Service are 2018, 2019, and 2020 tax years. However, the Pantry is not currently under audit nor has it been contacted by any jurisdiction. Based on the evaluation of the Pantry's tax positions, management believes all tax positions taken would be upheld under examination. Therefore, no provision for the effects of uncertain tax positions has been recorded for the years ended February 28, 2020 and 2019.

5. RELATED PARTY TRANSACTIONS

The Pantry enters into various transactions with the Township, as described in Note 1 and Note 3.

6. CONCENTRATION OF CREDIT RISK

The Pantry maintains a bank account at Northview Bank & Trust, which is part of the MaxSafe program. Accounts at the institution are insured up to \$3,750,000 by the Federal Deposit Insurance Corporation (FDIC). As of February 28, 2020 and 2019, the Pantry's bank balances were fully insured.

7. DONATIONS

The Township Pantry Fund receives several tons of donated food from the community each year to help stock its Food Pantry. The Township does not have the resources available to determine the value of these donations, and no amount has been reported on the financial statements for them.

8. SUBSEQUENT EVENTS

Beginning in March 2020, the United States economy began suffering adverse effects from the Covid 19 virus crisis ("CV19 Crisis"). The Pantry's regular operations have been disrupted and the Pantry is distributing more items than usual. The future impact of the CV19 Crisis on the Pantry cannot be reasonably estimated at this time.