

MARIE WILKINSON FOOD PANTRY, INC.

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2022 AND 2021



Wieland Wallace Inc.
Certified Public Accountants

MARIE WILKINSON FOOD PANTRY, INC.

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2022 AND 2021

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Independent Auditor's Report

To the Board of Directors
Marie Wilkinson Food Pantry, Inc.

We have audited the accompanying financial statements of Marie Wilkinson Food Pantry, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Marie Wilkinson Food Pantry, Inc. as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Marie Wilkinson Food Pantry, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Marie Wilkinson Food Pantry, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Marie Wilkinson Food Pantry, Inc.'s internal control. Accordingly, no such opinion is expressed.

To the Board of Directors
Marie Wilkinson Food Pantry, Inc.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Marie Wilkinson Food Pantry, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Wieland Wallace Inc.

October 13, 2023

MARIE WILKINSON FOOD PANTRY, INC.
STATEMENTS OF ACTIVITIES

	Year Ended December 31,	
	2022	2021
<u>SUPPORT AND REVENUES (ALL WITHOUT DONOR RESTRICTIONS)</u>		
Contributions and Grants	\$ 616,716	\$ 581,272
Special Events, Net	29,277	20,095
Interest Income	285	51
Other	3,687	2,125
In Kind Donations		
Food	2,030,034	2,003,952
Facility	13,500	13,500
Other	4,390	2,045
	<u>2,697,889</u>	<u>2,623,040</u>
<u>TOTAL SUPPORT AND REVENUES</u>		
<u>EXPENSES</u>		
Program Services	2,524,153	2,332,639
Supporting Services		
General and Administrative	96,937	114,733
Fundraising	71,622	63,607
	<u>2,692,712</u>	<u>2,510,979</u>
<u>TOTAL EXPENSES</u>		
	5,177	112,061
<u>INCREASE IN NET ASSETS</u>		
<u>NET ASSETS, BEGINNING OF YEAR</u>	<u>1,226,325</u>	<u>1,114,264</u>
<u>NET ASSETS, END OF YEAR</u>	<u>\$ 1,231,502</u>	<u>\$ 1,226,325</u>

MARIE WILKINSON FOOD PANTRY, INC.
STATEMENTS OF FUNCTIONAL EXPENSES

	Year Ended December 31, 2022				Year Ended December 31, 2021			
	Program Services	Support Services		Total 2022 Expenses	Program Services	Support Services		Total 2021 Expenses
		General and Administrative	Fundraising			General and Administrative	Fundraising	
Accounting	\$ -	\$ 1,950	\$ -	\$ 1,950	\$ -	\$ 3,150	\$ -	\$ 3,150
Advertising and Promotion	24,455	-	20,008	44,463	17,478	-	14,300	31,778
Contracted Management	41,739	17,391	10,435	69,565	32,961	13,734	8,240	54,935
Depreciation	39,999	8,000	5,333	53,332	37,422	7,484	4,990	49,896
Facilities								
Rentals	20,358	4,072	2,714	27,144	10,126	2,025	1,349	13,500
Utilities	8,856	1,772	1,181	11,809	8,664	1,733	1,155	11,552
Food Costs	2,173,988	-	-	2,173,988	2,052,313	-	-	2,052,313
Insurance	19,469	3,894	2,596	25,959	12,645	2,529	1,686	16,860
Interest		2,717		2,717	16,745			
Maintenance	3,673	8,814	2,203	14,690	1,304	40,187	10,046	66,978
Miscellaneous	411	987	246	1,644		3,129	782	5,215
Payroll								
Wages	147,883	29,576	19,718	197,177	107,999	21,600	14,400	143,999
Taxes	11,257	2,251	1,501	15,009	8,944	1,789	1,193	11,926
Printing and Postage	1,958	4,699	1,175	7,832	2,444	5,866	1,467	9,777
Professional Development	1,459	292	194	1,945	-	-	-	-
Security	1,803	361	240	2,404	1,302	260	174	1,736
Supplies								
Office and Operating	2,696	6,469	1,617	10,782	3,672	8,814	2,204	14,690
Warehouse	5,692	-	-	5,692	6,459	-	-	6,459
Telephone and Internet	4,178	836	557	5,571	1,863	373	248	2,484
Vehicles	11,208	2,242	1,494	14,944	8,818	1,764	1,176	11,758
Volunteers	3,071	614	410	4,095	1,480	296	197	1,973
	<u>\$ 2,524,153</u>	<u>\$ 96,937</u>	<u>\$ 71,622</u>	<u>\$ 2,692,712</u>	<u>\$ 2,332,639</u>	<u>\$ 114,733</u>	<u>\$ 63,607</u>	<u>\$ 2,510,979</u>

MARIE WILKINSON FOOD PANTRY, INC.**STATEMENTS OF CASH FLOWS**

	Year Ended December 31,	
	2022	2021
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Increase in Net Assets	\$ 5,177	\$ 112,061
Adjustments to Reconcile Increase in Net Assets to		
Net Cash Provided By Operating Activities:		
Depreciation	53,332	49,896
Decrease (Increase) in Assets:		
Grants Receivable	–	7,500
Unconditional Promises to Give	(8,000)	125,000
Food Inventory	10,178	22,520
Prepaid Expenses	(8,082)	(2,828)
Beneficial Interest in Assets Held by		
Community Foundation	1,115	(1,115)
Donations of Capitalized Assets	(4,291)	–
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	5,359	(6,191)
	54,788	306,843
<u>NET CASH PROVIDED BY OPERATING ACTIVITIES</u>	54,788	306,843
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Cash Payments for Property and Equipment	(131,959)	(96,215)
	(131,959)	(96,215)
<u>NET CASH USED IN INVESTING ACTIVITIES</u>	(131,959)	(96,215)
	(77,171)	210,628
<u>NET INCREASE (DECREASE) IN CASH</u>	(77,171)	210,628
<u>CASH AT BEGINNING OF YEAR</u>	508,373	297,745
	431,202	508,373
CASH AT END OF YEAR \$	\$ 431,202	\$ 508,373

MARIE WILKINSON FOOD PANTRY, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 1 - NATURE OF ACTIVITIES

The Marie Wilkinson Food Pantry, Inc. (The Organization) is an Illinois not-for-profit corporation. The mission of the Organization is to serve the nutritional needs of children, the elderly, low income residents, and the disabled in the Kane County area. The Organization operates two pantries in Aurora, Illinois.

The Organization is supported primarily by food donations from area grocery stores, the Northern Illinois Food Bank and other businesses and institutions. Cash grants and donations are provided by the City of Aurora, Kane County, area churches and numerous businesses, individuals, foundations and not-for-profit organizations.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The accompanying financial statements report the assets, liabilities, revenues and expenses of the Organization using the accrual basis of accounting. The Organization reports information regarding its financial position, activities, grants and contributions received, if any, according to two classes of net assets: without donor restrictions and with donor restrictions. At December 31, 2022 and 2021, there were no net assets with donor restrictions; all assets are classified as net assets without donor restrictions.

CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. At December 31, 2022 and 2021, there were no cash equivalents.

REVENUE RECOGNITION

Grants, gifts and member contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions in the statement of activities. Restricted contributions are reported as increases in assets without donor restrictions if the restrictions expire in the fiscal year in which the contribution is recognized. Promises to give are recognized as support when any condition on which they depend are substantially met. Management provides for uncollectible promises to give using the allowance method. However, an allowance was not warranted at December 31, 2022 and 2021.

CHANGE IN ACCOUNTING PRINCIPLE

In February 2106, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Codification ("ASC") 842, Leases ("FASB ASC 842") to increase transparency and comparability among organizations by requiring the recognition of lease assets and lease liabilities on the balance sheet date by lessees and the disclosure of key information about leasing arrangements.

FASB ASC 842 was adopted January 1, 2022. No cumulative effect adjustment was necessary as the Organization has no leases meeting the criteria for recognition of lease assets and lease liabilities. Lease disclosures for the year ended December 31, 2021 are made under prior guidance in FASB ASC 840.

MARIE WILKINSON FOOD PANTRY, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

IN-KIND CONTRIBUTIONS OF GOODS AND SERVICES

Contributions of food and other noncash assets are recorded at their estimated fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

In the year 2022, the Organization adopted Accounting Standards Update (ASU) 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. The new guidance requires nonprofit entities to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. The standard also increases the disclosure requirements around contributed nonfinancial assets, including disaggregating by category the types of contributed nonfinancial assets a nonprofit entity has received. Adoption of this standard did not have a significant impact on the financial statements, with the exception of increased disclosure.

FOOD INVENTORY

Food inventory on hand is valued at cost or its estimated fair value at the time of donation.

CAPITALIZATION AND DEPRECIATION

The land, buildings and other purchased improvements and equipment are recorded at cost and capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation.

Depreciation is provided for using the straight-line method in amounts sufficient to relate the cost or capitalized values of depreciable assets to operations over their estimated service lives. The estimated service life of the assets for depreciation purposes may be different than their actual economic useful lives.

	<u>Estimated Life</u>
Land Improvements	5 – 15 years
Building and Improvements	39 years
Warehouse Equipment	7 years
Office Equipment	5 – 7 years
Vehicles	7 years

Depreciation expense totaled \$53,332 and \$49,896 during the years ended December 31, 2022 and 2021, respectively.

INCOME TAXES

The Organization is tax exempt under Internal Revenue Code Section 501(c)(3). Income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. There were no taxes incurred for unrelated business activities during the year ended December 31, 2022 and 2021.

The financial statement effects of a tax position taken or expected to be taken are recognized when it is more likely than not, based on technical merits, that the position will be sustained upon examination. As of December 31, 2022, and 2021, the Organization had no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

MARIE WILKINSON FOOD PANTRY, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

FUNCTIONAL ALLOCATION OF EXPENSES

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include personnel, which is allocated on the basis of estimates of time and effort, as well as depreciation and occupancy, which are allocated on square footage basis. Other costs are allocated based on their identification with a specific functional category.

SPECIAL EVENTS

Special events revenue is stated net of the direct costs of providing donor benefits of \$47,275 and \$10,392 during the years ended December 31, 2022 and 2021, respectively.

ESTIMATES

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

MANAGEMENT'S REVIEW

Management evaluates subsequent events through the date the financial statements are available for issue, which is the date of the Independent Auditors' Report.

NOTE 3 – IN KIND CONTRIBUTIONS

FOOD

During the years ended December 31, 2022 and 2021, respectively, the Organization distributed over 1,398,000 and 1,540,000 pounds of food to individuals and families it serves. During the years ended December 31, 2022 and 2021, respectively, approximately 1,075,000 and 1,142,000 pounds were donated to the Organization by area businesses and institutions. During the first half of 2022, food donations were valued at an estimated fair value of \$1.74 per pound and at \$1.92 per pound during the second half of 2022.

FACILITIES

The Organization operates its east side pantry from donated facilities located in the East Aurora High School. The space consists of approximately 1,400 square feet. The facilities are valued at \$9 per square foot or \$13,500 annually. This amount is recorded as an in-kind contribution and corresponding rent expense.

EQUIPMENT

The Organization received donated equipment totaling \$4,291 and the equipment was added to their capitalized assets during the year ended December 31, 2022.

VOLUNTEERS

The Organization is able to operate through the countless hours provided by numerous unpaid volunteers. No amounts have been recognized in the financial statements for the value of such volunteer efforts because the criteria for recognition under accounting principles generally accepted in the United States of America have not been met.

MARIE WILKINSON FOOD PANTRY, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 4 – LIQUIDITY OF ASSETS

Financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, were as follows at December 31, 2022 and 2021:

		<u>2022</u>		<u>2021</u>
Cash	\$	431,202	\$	508,373
Unconditional Promises to Give		<u>8,000</u>		<u>-</u>
FINANCIAL ASSETS AND LIQUIDITY RESOURCES AVAILABLE WITHIN ONE YEAR	\$	<u>439,202</u>	\$	<u>508,373</u>

The Organization receives 100% of its funding from grants, public support and donations, which all represent additional financial resources not reflected in the above calculation. The Organization manages its liquidity and reserves following three guiding principles: 1) operating within a prudent range of financial soundness and stability; 2) maintaining adequate liquid assets to fund near-term operating needs; and 3) maintaining sufficient reserves to provide reasonable assurance that programming is continued, and obligations will be adequately discharged in the future.