

CHILD HUNGER OUTREACH PARTNERS

TOWANDA, PENNSYLVANIA

FINANCIAL STATEMENTS

DECEMBER 31, 2022

CHILD HUNGER OUTREACH PARTNERS

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors of
Child Hunger Outreach Partners
Towanda, PA 18848

I have reviewed the accompanying financial statements of the Child Hunger Outreach Partners (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of 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, I 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 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.

Accountant's Responsibility

My 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 me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my conclusion.

Accountant's Conclusion

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Richard M Farley CPA
Towanda, PA
June 8, 2023

CHILD HUNGER OUTREACH PARTNERS
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022

Assets

Current Assets

Cash and cash equivalents	\$32,527
Inventory	5,000
Prepaid Expenses	<u>38,263</u>

Total Current Assets 75,790

Noncurrent Assets

Plant, Property and equipment 201,008

Total noncurrent assets 201,008

Total assets \$276,798

Liabilities and Net Assets

Current Liabilities

Accounts Payable	9,955
Short Term Note payable	<u>0</u>

Total Current Liabilities 9,955

Net Assets

Without donor restrictions	266,843
With donor restrictions	<u>0</u>

Total Net Assets 266,843

Total Liabilities and net assets \$276,798

CHILD HUNGER OUTREACH PARTNERS
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022

Changes in Net Assets Without Donor Restrictions

Revenues		
Contributions		\$639,790
Fundraising		<u>72,063</u>
Total revenue without donor restrictions		711,853
Net assets released from restrictions		
Expiration of time restrictions		<u>0</u>
Total revenue and other support without donor restrictions		711,853
Expenses		
Program expenses		652,078
Management and general		96,671
Fund-raising expenses		<u>20,730</u>
Total expenses		<u>769,479</u>
Increase in net assets without donor restrictions		(57,626)

Changes in Net Assets With Donor Restrictions

Decrease in net assets with donor restrictions		0
Increase in Net Assets		(57,626)
Net Assets at Beginning of Year		324,469
Prior period adjustments		
Net Assets at End of Year		<u>\$266,843</u>

CHILD HUNGER OUTREACH PARTNERS
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2022

Cash Flows from Operating Activities

Increase in net assets	(57,626)	
Adjustments to reconcile change in net assets to		
Net cash by operating activities:		
(Increase)/ Decrease in Prepaid Expenses	(6,896)	
(Increase)/ Decrease in Inventory		
Increase/ (Decrease) in accounts payable	8,126	
Depreciation	<u>64,290</u>	
Net cash provided by operating activities		7,894

Cash Flows from Investing Activities

Purchase of Fixed Assets	<u>(56,573)</u>	
Net cash provided/ used by investing activities		(56,573)

Cash Flows from Financing Activities

Increase in loans payable	0	
Net cash provided by financing activities		0

Net Increase in Cash and Cash Equivalents (48,679)

Cash and Cash Equivalents at Beginning of Year 81,206

Prior period adjustments

Cash and Cash Equivalents at End of Year \$ 32,527

Supplemental data:

Noncash investing and financing activities:
N/A

CHILD HUNGER OUTREACH PARTNERS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2022

	<u>Supporting Services</u>			<u>Total</u>
	<u>Program</u>	<u>Management and General</u>	<u>Fund- Raising</u>	
Salaries	246,352	78,739	0	325,091
Payroll Tax	20,653	6,184	0	26,837
Accounting	0	4,692	0	4,692
Advertising	9,846	0	0	9,846
Office	5,374	0	0	5,374
Software	(3,883)	0	0	(3,883)
Occupancy	97,352	0	0	97,352
Travel/Meetings	23,081	0	0	23,081
Depreciation	64,290	0	0	64,290
Insurance	0	7,056	0	7,056
Printing & Postage	6,189	0	0	6,189
Repairs & Maintenance	6,598	0	0	6,598
Dues	884	0	0	884
Fundraising	0	0	20,730	20,730
Food Purchases	78,928	0	0	78,928
Supplies	14,690	0	0	14,690
Volunteer Gifts	102	0	0	102
Marketing	58,570	0	0	58,570
Uniforms	1,031	0	0	1,031
Vehicle	1,845	0	0	1,845
Subscriptions/ Books	(549)	0	0	(549)
Telephone	8,032	0	0	8,032
Miscellaneous	460	0	0	460
Kids Christmas Gifts	7,543	0	0	7,543
Education	1,229	0	0	1,229
Employee Gifts/Benefits	1,084	0	0	1,084
Summer Fun Program	1,145	0	0	1,145
Bank & Registration Fees	1,232	0	0	1,232
Totals	<u>\$ 652,078</u>	<u>\$ 96,671</u>	<u>\$ 20,730</u>	<u>\$769,479</u>

CHILD HUNGER OUTREACH PARTNERS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Note 1: Nature of Organization and Significant Accounting Policies

The primary activity of the Child Hunger Outreach Partners (CHOP) is to provide food to those in need. CHOP is located in Towanda Borough and is available to the public. Revenues are derived principally from contributions and fundraising activities.

Support and Expenses. Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Organization reports gifts of cash and other assets as revenue with donor restrictions if they received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activity. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as support without donor restrictions.

The Organization reports gifts of goods and equipment as unrestricted unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash and other assets that must be used to acquire long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Basis of Accounting. Revenues are recognized when earned, and expenditures are recognized when incurred. The accounting records are maintained, and financial statements prepared on the accrual basis of accounting.

Donated Services, Goods, and Facilities. A substantial number of volunteers have donated time to the Organization's program services during the year; however, these donated services are not reflected in the financial statements since the services do not require specialized skills. Donated professional services (which include accounting and legal services) are reflected in the statement of activities at their fair value.

Materials and other assets received as donations are recorded and reflected in the accompanying financial statements at their values at the date of receipt.

CHILD HUNGER OUTREACH PARTNERS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Use of Estimates. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimated and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingents 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.

Cash and Cash Equivalents. Cash and cash equivalents consist of cash held in checking and money market accounts and certificate of deposit with maturities of less than 90 days. Management believes the Organization is not exposed to any significant credit risk on cash and cash equivalents.

Concentrations of Credit and Market Risk. Financial instruments that potentially expose the Organization to concentrations of credit and market risk consist primarily of cash equivalents and investments. Cash equivalents are maintained at high-quality financial institutions and credit exposure is limited to any one institution. The Organization has not experienced any losses on its cash equivalents.

Property, Books, and Equipment. Property, books, and equipment acquisitions are recorded at cost. Depreciation is provided over the estimated useful lives of the assets and computed on the straight-line method.

Income Taxes. The Organization is a nonprofit corporation, under IRS code 501©(3), whose revenue is derived from contributions and other fund-raising activities and is not subject to federal and state income taxes.

Note 2: Property, Plant, and Equipment

Building	\$ 25,822
Equipment	<u>280,775</u>
	306,597
Less Accumulated Depreciation	<u>(105,589)</u>
	<u>\$ 201,008</u>

CHILD HUNGER OUTREACH PARTNERS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Note 4: Fair Value of Financial Instruments

The following methods and assumptions were used by the organization in estimating the fair value of its financial instruments:

Cash and cash equivalents: The carrying amount reported in the statement of financial position for cash and cash equivalents approximates its fair value.

The carrying amounts of fair values of the Organization's financial instruments at December 31, 2022 are as follows:

	<u>Carrying Amount</u>	<u>Fair Value</u>
Cash and cash equivalents	\$ 32,527	\$ 32,527

Note 5: Functional Allocation of Expenses

The costs of providing the various programs, fund-raising and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and fund-raising activities benefited.

Note 6: Advertising Costs

The organization's policy is to expense advertising costs in the period incurred.

Note 7: Legal Compliance

The organization was not involved in any litigation at December 31, 2022.

Note 9: Subsequent Events

The organization has evaluated events from December 31, 2022, through June 8, 2023 the date the financial statements were issued. There were no subsequent events that need disclosure.

Note 10: Inventory

The organization values inventory at cost or estimated cost for donated items.

CHILD HUNGER OUTREACH PARTNERS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Note 11: Accounts Receivable

The organization collects fees for services as they are delivered. Therefore, it does not have an accounts receivable or an allowance for doubtful accounts.

Note 12: Accrued Benefits

The organizations policy does not allow employees to carryover vacation or sick time.

Note 13: Permanently and Temporarily Restricted Net Assets

The organization had no Permanent or Temporarily Restricted assets at 12/31/2022.

Note 14: Liquidity Management

CHOP's financial assets available within one year of the balance sheet date for general expenditures are as follows:

Cash and cash equivalents	32,527
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