

**EAST MOUNTAIN FOOD PANTRY, INC.**

**Independent Auditor's Report,  
Consolidated Financial Statements,  
and Supplemental Information**

**For the Year Ended December 31, 2020**

**EAST MOUNTAIN FOOD PANTRY  
TABLE OF CONTENTS**

<b>Introductory Section</b>	
Official Roster.....	1
<b>Independent Auditor's Report .....</b>	<b>2</b>
<b>Consolidated Financial Statements:</b>	
Consolidated Statement of Financial Position .....	4
Consolidated Statement of Activities .....	5
Consolidated Statement of Functional Expenses .....	6
Consolidated Statement of Cash Flows.....	7
<b>Notes to Financial Statements.....</b>	<b>8</b>
<b>Supplementary Information</b>	
Consolidating Statements of Financial Position .....	16
Consolidating Statements of Activities .....	17

**EAST MOUNTAIN FOOD PANTRY  
OFFICIAL ROSTER  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**Board of Directors**

William (Bill) Butler

Dorlaska Cammack

Amy Clements

Cindy Hunt

Sammie Hutchinson

Robert (Bob) McGeorge

Rick Moody

Lewis Pearsall

David Smith

**Corporate Officers**

David Smith, President

Sammie Hutchinson, Secretary

Cheryl Smith, Treasurer

**Pantry Co-Managers**

Sammie Hutchinson

Cindy Hunt

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of,  
East Mountain Food Pantry  
Tijeras, New Mexico

We have audited the accompanying consolidated financial statements of East Mountain Food Pantry, which comprise the consolidated statement of financial position as of December 31, 2020, and the related consolidated statement of activities, functional expenses and cash flows for the years then ended and the related notes to the consolidated financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of East Mountain Food Pantry, as of December 31, 2020, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Report on Supplementary Information***

We were engaged for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statement of financial position and the consolidating statement of activities on pages 16-17 is presented for the purposes of additional analysis of the consolidated financial statements and it is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to then underlying accounting and other records used to prepare the consolidated financial statements. The consolidating statement of financial position and the consolidating statement of activities have been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating statement of financial position and the consolidating statement of activities, which insofar as it relates to East Mountain Food Pantry is fairly stated, in all material respects, in relation to the financial statements as a whole.

*Baldwin Accounting & Consulting, LLC*

Baldwin Accounting & Consulting, LLC

November 8, 2021

Albuquerque, NM

**EAST MOUNTAIN FOOD PANTRY, INC.**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2020**

<u>Assets</u>	
<b>Current Assets:</b>	
Cash & Cash Equivalents	\$ 225,209
Accounts Receivables	6,505
Prepaid Expenses & Deposit	53
Inventory	37,741
<b>Total Current Assets</b>	<b>269,508</b>
 <b>Non Current Assets:</b>	
Property and Equipment	383,966
Less Accumulated Depreciation	(29,477)
<b>Total Non Current Assets</b>	<b>354,489</b>
<b>TOTAL ASSETS</b>	<b>623,997</b>
 <u>Liabilities &amp; Net Assets</u>	
<b>Current Liabilities:</b>	
Payments Due	2,529
Accrued Payroll	-
Unearned Revenue	3,200
Foregiveable Loan	1,000
<b>Total Current Liabilities</b>	<b>6,729</b>
<b>Total Liabilities</b>	<b>6,729</b>
 <b>Net Assets:</b>	
Net Assets With Donor Restrictions	-
Net Assets Without Donor Restrictions	617,268
<b>Total Net Assets</b>	<b>617,268</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 623,997</b>

*See Notes to Consolidated Financial Statements*

**EAST MOUNTAIN FOOD PANTRY  
CONSOLIDATED STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Totals</b>
<b>Support &amp; Revenues:</b>			
General Revenues	\$ 241,027	-	241,027
Grant Revenues	13,700	-	13,700
Third Party Fees	773	-	773
Gift Cards	-	-	-
In-Kind Revenue	393,484	-	393,484
Restricted Revenue	-	20,998	20,998
Rental Income	29,575	-	29,575
Loan Forgiveness	307	-	307
Interest Income	591	-	591
Other income	1,667	-	1,667
<b>Total Support and Revenue</b>	<b>681,124</b>	<b>20,998</b>	<b>702,122</b>
<b>Net Assets Released from Restrictions</b>	23,036	(23,036)	-
<b>Total Support and Revenue &amp; Reclassifications</b>	<b>704,160</b>	<b>(2,038)</b>	<b>702,122</b>
<b>Operating Expenses:</b>			
Program Services	462,774	-	462,774
Management and General	-	-	-
<b>Total Operating Expenses</b>	<b>462,774</b>	<b>-</b>	<b>462,774</b>
Change in Net Assets	241,386	(2,038)	239,348
Net Assets, Beginning of Year	375,882	2,038	377,920
Net Assets, End of Year	\$ 617,268	-	617,268

*See Notes to Consolidated Financial Statements*

**EAST MOUNTAIN FOOD PANTRY  
CONSOLIDATED STATEMENT FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<b>Program Services</b>	<b>Management and General</b>	<b>Total</b>
Salaries & Wages	\$ 10,426	-	10,426
Advertising	1,357	-	1,357
Breakroom Refreshments & Meetings	300	-	300
Client Items	404,542	-	404,542
Education Materials	-	-	-
Filing Fees	83	-	83
Financial Fees	799	-	799
Insurance	4,831	-	4,831
Maintain	6,576	-	6,576
Mileage	2,146	-	2,146
Office Supply	1,530	-	1,530
Utilities	13,756	-	13,756
Property Taxes	2,004	-	2,004
Depreciation Expense	14,424	-	14,424
Total Expenses	\$ <u>462,774</u>	<u>-</u>	<u>462,774</u>

*See Notes to Consolidated Financial Statements*



**EAST MOUNTAIN FOOD PANTRY  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**Cash Flows From Operating Activities:**

Change in Net Assets	\$ 239,348
Adjustment to Reconcile Change in Net Assets to Net Cash Provided by (Used In)	
Operating Activities:	
Depreciation Expense	14,374
<i>Increase (Decrease) in Assets:</i>	
Accounts Receivable	(5,655)
Other Receivables	-
Prepaid Expenses & Deposits	-
Inventory	(17,752)
<i>(Increase) Decrease in Liabilities:</i>	
Accounts Payable	-
Accrued Payroll	-
Payments Due	3,181
Unearned Revenue	700
Net Cash Provided by (Used In) Operating Activities	<u>234,196</u>

**Cash Flows From Investing Activities:**

Purchase Property and Equipment	<u>(89,734)</u>
Net Cash Provided by (Used In) Investing Activities	<u>(89,734)</u>

**Cash Flows From Financing Activities:**

Foregiveable Loan	<u>1,000</u>
Net Cash Provided by (Used In) Financing Activities	<u>1,000</u>

Net Increase (Decrease) in Cash & Cash Equivalents	145,462
Cash & Cash Equivalents, Beginning of Year	<u>79,747</u>
Cash & Cash Equivalents, End of Year	<u>\$ 225,209</u>

*See Notes to Consolidated Financial Statements*

**EAST MOUNTAIN FOOD PANTRY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE A - ORGANIZATION**

East Mountain Food Pantry is a non-profit organization originally incorporated on May 25, 2018. The Organization's purpose is to serve as a community resource providing life sustaining food for families in our community who are struggling to feed themselves. Clients self-qualify based on monthly income and number of household members.

Principles of Consolidation

The consolidated financial statements include the accounts of the Pantry and Property of East Mountain Food Pantry. All interorganizational transactions have been eliminated in consolidation.

**NOTE B - SIGNIFICANT ACCOUNTING POLICIES**

A summary of the Organization's significant accounting policies consistently applied in the preparation of the accompanying financial statements are as follows:

Basis of Accounting

The Organization utilized the accrual basis of accounting, whereby income is recognized as earned and expenses are recognized as obligations are incurred.

Net assets, revenues and expenses, and gains and losses are classified 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:

Classification of Net Assets

Net assets of the Organization are classified based on the presence or absence of donor-imposed restrictions. Net assets are comprised of two groups as follows:

Net Assets Without Donor Restrictions - Amounts that are not subject to usage restrictions based on donor-imposed requirements. This class also includes assets previously restricted where restrictions have expired or been met.

**EAST MOUNTAIN FOOD PANTRY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE B - SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

Net Assets With -Donor Restrictions - Assets subject to usage limitations based on donor- imposed or grantor restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met, by the passage of time or by actions of the Organization. Certain restrictions may need to be maintained in perpetuity.

Earnings related to restricted net assets will be included in net assets without donor restrictions unless otherwise specifically required to be included in donor restricted net assets by the donor or by applicable state law.

Cash and Cash Equivalents

The Organization considers all cash accounts and other short-term highly liquid investments to be cash equivalents.

Cash and Other Deposits

The Organization maintains its cash in financial institutions insured by the Federal Deposit Insurance Organization (FDIC). Deposit accounts, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses.

**EAST MOUNTAIN FOOD PANTRY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE B - SIGNIFICANT ACCOUNTING POLICIES (continued)**

Property and Equipment

Property and equipment are stated at cost. The Organization capitalizes all acquisitions at cost in excess of \$500 with a useful life of more than one year. Depreciation, is computed principally using the straight-line method over the estimated useful lives of individual assets.

The major classifications of property and equipment and the related depreciable lived are as follows:

Description	Estimated Useful Life
Furniture	7 Years
Capital Equipment	5 Years
Computer Equipment	3 Years
Buildings	25 Years
Improvements	15 Years
Land	

Impairment of Long-Lived Assets

The Organization accounts for long-lived assets in accordance with the provisions of FASB ASC 360-10 and subsections. ASC 360-10 requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or the fair value less costs to sell. Management does not believe impairment indicators are present as of December 31, 2020.

**EAST MOUNTAIN FOOD PANTRY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE B - SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

Income Taxes

The Organization is exempt from income taxes described in 501(c)(3) of the Internal Revenue Code. As a result, there is no provision for federal income taxes in these financial statements and no federal income taxes were paid. Management believes that the Organization has adequately addressed all relevant tax positions, and there are no unrecorded tax liabilities. Generally, the Organization's tax returns remain open for three years for federal income tax examination.

In-Kind Contributions

In-kind contributions are reflected as contributions at fair value at the date of donation and are reported as unrestricted support unless specific donor stipulations specify how donated assets must be used. All donated services recognized created a non-financial asset or required specialized skills that would have been purchased if not donated. The Organization received donated food from the public for individuals in need of food. The value of donated items totaled \$393,484 for the year ended December 31, 2020.

Donated Property and Equipment

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specified purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, The Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies restricted net assets to unrestricted net assets at that time.

**EAST MOUNTAIN FOOD PANTRY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE B - SIGNIFICANT ACCOUNTING POLICIES** *{continued}*

Allowance for Doubtful Accounts

The Organization uses the allowance, method to account for uncollectible account receivables. The Organization provides an allowance for uncollectible accounts equal to the estimated uncollectible portion of patient receivable. Management's estimate is based on historical experience and its evaluation of the current status of accounts receivable. All receivables outstanding as of December 31, 2020 were deemed collectible, therefore no allowance was necessary.

Functional Allocation of Expenses

Expenditures incurred in connection with Organization operations have been summarized on a functional basis in the Statements of Functional Expenses.

Entities Inter-organizational Expenses and Revenues

There were no interorganizational accounts and transactions that need to be eliminated in consolidation.

Advertising Costs

Advertising and promotion costs are expensed as incurred. Advertising costs are incurred at the Organization primarily for the request of donated items. For the year ended December 31, 2020, advertising expenses for the Organization were \$1,357.

Revenue Recognition

In accordance with accounting principles generally accepted in the United States of America, revenue is recorded when earned rather than received.

The following summarizes the revenue recognition policies for major classifications of revenue:

- Contributions are reported when an unconditional promise to give or other asset is received (in accordance with ASC 958-605). Gifts of securities are recorded at their fair market value when received. Donor-imposed restrictions spent in the same year as contributed are included as unrestricted revenue.

**EAST MOUNTAIN FOOD PANTRY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE C - ADOPTION OF ACCOUNTING PRONOUNCEMENT**

FASB has issued ASU No. 2016-02, Leases (Topic 842). The amendments in this update were issued to increase the transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. The main difference between previous GAAP and Topic 842 is the recognition of lease assets and lease liabilities for those leases classified as operating leases under previous GAAP. The amendments in this update are effective for fiscal years beginning after December 15, 2021. Early adoption is permitted; however, the Organization has not yet adopted.

**NOTE D - LIQUIDITY**

At December 31, 2020, the Organization has \$225,209 cash and equivalents available to meet needs for general expenditures. None of the financial assets are subject to donor or other contractual restrictions. Accordingly, all such funds are available to meet the cash needs of the Organization in the next 12 months.

The Organization manages its liquidity by receiving program revenues prior to incurring the expenditures. Cash needs of the Organization are expected to be met on a monthly basis from the program income which is derived from grant revenues, and financial contributions, and rental income. In general, the Organization maintains sufficient financial assets on hand to meet 30 days' worth of normal operating expenses.

**EAST MOUNTAIN FOOD PANTRY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE E - CASH, RESTRICTED CASH, AND CASH EQUIVALENTS**

The Organization's cash balances and reserves on the Consolidated Statement of Financial Position consists of the following at December 31, 2020:

	<b>Pantry</b>	<b>Property</b>
Checking	171,563	18,492
Savings	6,753	28,401
Total	178,316	46,893

At December 31, 2020, the FDIC insures bank balances up to **\$250,000**, per institution.

**NOTE F - PROPERTY, EQUIPMENT, AND DEPRECIATION**

Property and equipment for the Organization at December 31, 2020, summarized as follows:

	<b><u>12/31/2020</u></b>
Land	\$ 102,000
Buildings	163,000
Improvements	94,721
Furniture & Fixtures	24,245
Total Fixed Assets:	383,966
Less: Accumulated Depreciation	(29,477)
Fixed Assets, Net	\$ 354,489

Depreciation/amortization expense at December 31, 2020 was \$14,424.



**EAST MOUNTAIN FOOD PANTRY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE G – CONTINGENT LIABILITIES**

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S. have declared a state of emergency. It is anticipated that these impacts will continue for some time. There has been no immediate impact to the Organization's operations. Future potential impacts may include disruptions or restrictions on employees' ability to work or the tenants ability to pay the required monthly rent. Changes to the operating environment may increase operating costs. Additional impacts may include the ability of tenants to continue making rental payments as a result of job loss or other pandemic related issues. The future effects of these issues are unknown.

**NOTE H - SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through November 8, 2021 which is the date the financial statements were available to be issued.

## **Supplementary Information**

**EAST MOUNTAIN FOOD PANTRY  
CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2020**

	<u>Pantry</u>	<u>Property</u>	<u>Eliminations</u>	<u>Total</u>
<b>ASSETS:</b>				
<b>Current Assets:</b>				
Cash & Cash Equivalents	178,316	46,893	-	225,209
Accounts Receivable	6,500	5	-	6,505
Inventory	37,741	-	-	37,741
Other Receivables	-	53	-	53
<b>Total Current Assets</b>	<u>222,557</u>	<u>46,951</u>	<u>-</u>	<u>269,508</u>
<b>Non Current Assets:</b>				
Property and Equipment	29,276	354,690	-	383,966
Less Accumulated Depreciation	(11,184)	(18,293)	-	(29,477)
<b>Total Non Current Assets</b>	<u>18,092</u>	<u>336,397</u>	<u>-</u>	<u>354,489</u>
<b>TOTAL ASSETS</b>	<u>240,649</u>	<u>383,348</u>	<u>-</u>	<u>623,997</u>
<b>LIABILITIES AND NET ASSETS:</b>				
<b>Current Liabilities:</b>				
Payments Due	1,710	817	-	2,527
Accrued Payroll	-	-	-	-
Foregiveable Loan	-	1,000	-	1,000
Unearned Revenue	-	3,200	-	3,200
<b>Total Current Liabilities</b>	<u>1,710</u>	<u>5,017</u>	<u>-</u>	<u>6,727</u>
<b>Total Liabilities</b>	<u>1,710</u>	<u>5,017</u>	<u>-</u>	<u>6,727</u>
<b>Net Assets:</b>				
Net Assets With Donor Restrictions	-	-	-	-
Net Assets Without Donor Restrictions	220,847	41,934	-	262,781
Investment in Fixed Assets, Net of Depreciation and Related Debt	18,092	336,397	-	354,489
<b>Total Net Assets</b>	<u>238,939</u>	<u>378,331</u>	<u>-</u>	<u>617,270</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>240,649</u>	<u>383,348</u>	<u>-</u>	<u>623,997</u>

*See Notes to Consolidated Financial Statements*

**EAST MOUNTAIN FOOD PANTRY  
CONSOLIDATING STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Pantry</u>	<u>Property</u>	<u>Elimination</u>	<u>Total</u>
Support & Revenues:				
\$				
General Revenues	186,527	54,500	-	241,027
Grant Revenues	13,700	-	-	13,700
Third Party Fees	773	-	-	773
Gift Cards	-	-	-	-
In-Kind Revenue	393,484	-	-	393,484
Restricted Revenue	20,998	-	-	20,998
Rental Income	-	29,575	-	29,575
Loan Forgiveness	-	307	-	307
Interest Income	-	591	-	591
Other income	1,667	-	-	1,667
Total Support and Revenues	<u>617,149</u>	<u>84,973</u>	<u>-</u>	<u>702,122</u>
Expenses:				
Program Services	442,151	20,622	-	462,773
Management and General	-	-	-	-
Total Expenses:	<u>442,151</u>	<u>20,622</u>	<u>-</u>	<u>462,773</u>
Change in Net Assets	174,998	64,351	-	239,349
Net Assets, beginning of year	<u>63,941</u>	<u>313,980</u>	<u>-</u>	<u>377,921</u>
Net Assets, End of Year	<u>238,939</u>	<u>378,331</u>	<u>-</u>	<u>617,270</u>

*See Notes to Consolidated Financial Statements*