

EAST MOUNTAIN FOOD PANTRY, INC.

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

For the Year Ended December 31, 2023

**EAST MOUNTAIN FOOD PANTRY
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**EAST MOUNTAIN FOOD PANTRY
OFFICIAL ROSTER
FOR THE YEAR ENDED DECEMBER 31, 2023**

Board of Directors

William (Bill) Butler

Amy Clements

Cindy Hunt

T. Kyle Campbell, III

David Smith

Corporate Officers

T. Kyle Campbell, III, President

Amy Clements, Secretary

Cheryl Smith, Treasurer

Pantry Manager

Sammie Hutchinson

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of East Mountain Food Pantry, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities and cash flows for the year 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 East Mountain Food Pantry, Inc. as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 East Mountain 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 East Mountain Food Pantry'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 East Mountain Food Pantry's internal control. Accordingly, no such opinion is expressed.
- 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 East Mountain Food Pantry'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.

Baldwin Accounting & Consulting, LLC

Baldwin Accounting & Consulting, LLC

May 15, 2024

Albuquerque, NM

EAST MOUNTAIN FOOD PANTRY, INC.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023

<u>Assets</u>	
Current Assets:	
Cash & Cash Equivalents	\$ 620,202
Accounts Receivables	41,355
Prepaid Expenses & Deposit	17,744
Inventory	31,620
Total Current Assets	710,921
Non Current Assets:	
Property and Equipment	910,626
Less Accumulated Depreciation	(123,846)
Total Non Current Assets	786,780
TOTAL ASSETS	1,497,701
<u>Liabilities & Net Assets</u>	
Current Liabilities:	
Payments Due	1,540
Accrued Payroll	2,108
Unearned Revenue	4,450
Foregiveable Loan	-
Total Current Liabilities	8,098
Total Liabilities	8,098
Net Assets:	
Net Assets With Donor Restrictions	43,000
Net Assets Without Donor Restrictions	1,446,603
Total Net Assets	1,489,603
TOTAL LIABILITIES AND NET ASSETS	\$ 1,497,701

See Notes to Consolidated Financial Statements

**EAST MOUNTAIN FOOD PANTRY
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Without Donor Restrictions	With Donor Restrictions	Totals
Support & Revenues:			
General Revenues	\$ 267,504	-	267,504
Grant Revenues	145,128	-	145,128
Third Party Fees	192	-	192
Gift Cards	-	-	-
In-Kind Revenue	632,443	-	632,443
Restricted Revenue	-	141,071	141,071
Rental Income	55,398	-	55,398
Loan Forgiveness	-	-	-
Interest Income	21,756	-	21,756
Other income	5,264	-	5,264
Total Support and Revenue	<u>1,127,685</u>	<u>141,071</u>	<u>1,268,756</u>
Net Assets Released from Restrictions	106,071	(106,071)	-
Total Support and Revenue & Reclassifications	1,233,756	35,000	1,268,756
Operating Expenses:			
Program Services	901,680	-	901,680
Management and General	-	-	-
Total Operating Expenses	<u>901,680</u>	<u>-</u>	<u>901,680</u>
Change in Net Assets	332,076	35,000	367,076
Net Assets, Beginning of Year	1,114,527	8,000	1,122,527
Net Assets, End of Year	<u>\$ 1,446,603</u>	<u>43,000</u>	<u>1,489,603</u>

See Notes to Consolidated Financial Statements

**EAST MOUNTAIN FOOD PANTRY
CONSOLIDATED STATEMENT FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Salaries & Wages	\$ 74,694	-	74,694
Allocated	-		-
Advertising	2,171	-	2,171
Audit	7,812	-	7,812
Breakroom Refreshments & Meetings	-	-	-
Client Items	691,978	-	691,978
Education Materials	-	-	-
Filing Fees	1,691	-	1,691
Financial Fees	73	-	73
Insurance	11,686	-	11,686
Maintain	26,298	-	26,298
Mileage	8,805	-	8,805
Office Supply	9,922	-	9,922
Utilities	13,577	-	13,577
Property Taxes	2,565	-	2,565
Depreciation Expense	50,408	-	50,408
Total Expenses	\$ <u>901,680</u>	<u>-</u>	<u>901,680</u>

**EAST MOUNTAIN FOOD PANTRY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Cash Flows From Operating Activities:

Change in Net Assets	\$ 367,076
Adjustment to Reconcile Change in Net Assets to Net Cash Provided by (Used In)	
Operating Activities:	
Depreciation Expense	50,408
<i>Increase (Decrease) in Assets:</i>	
Accounts Receivable	(11,725)
Other Receivables	-
Prepaid Expenses & Deposits	(4,316)
Inventory	11,296
<i>(Increase) Decrease in Liabilities:</i>	
Accounts Payable	-
Accrued Payroll	1,541
Payments Due	(2,270)
Unearned Revenue	350
Net Cash Provided by (Used In) Operating Activities	<u>412,360</u>

Cash Flows From Investing Activities:

Purchase Property and Equipment	<u>(189,460)</u>
Net Cash Provided by (Used In) Investing Activities	<u>(189,460)</u>

Cash Flows From Financing Activities:

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

Net Increase (Decrease) in Cash & Cash Equivalents	222,900
Cash & Cash Equivalents, Beginning of Year	<u>397,302</u>
Cash & Cash Equivalents, End of Year	<u>\$ 620,202</u>

See Notes to Consolidated Financial Statements

**EAST MOUNTAIN FOOD PANTRY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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, 2023

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, 2023**

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, 2023.

EAST MOUNTAIN FOOD PANTRY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023

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 \$632,443 for the year ended December 31, 2023.

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, 2023

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, 2023 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, 2023, advertising expenses for the Organization were \$2,163.

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, 2023**

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 adopted.

NOTE D - LIQUIDITY

At December 31, 2023, the Organization has \$620,200 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, 2023**

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, 2023:

	<u>Pantry</u>	<u>Property</u>	<u>Total</u>
Checking	56,639	12,348	68,987
Investments	443,494	96,685	540,179
Petty Cash	19	-	19
Savings	9,045	1,972	11,017
Total	<u>509,197</u>	<u>111,005</u>	<u>620,202</u>

At December 31, 2023, 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, 2023, summarized as follows:

	<u>12/31/2023</u>
Land	\$ 163,000
Buildings	154,965
Improvements	425,661
Furniture & Fixtures	<u>167,000</u>
Total Fixed Assets:	910,626
Less: Accumulated Depreciation	<u>(123,845)</u>
Fixed Assets, Net	<u>\$ 786,781</u>

Depreciation/amortization expense at December 31, 2023 was \$50,408.

**EAST MOUNTAIN FOOD PANTRY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE G - SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through May 15, 2024 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, 2023**

	<u>Pantry</u>	<u>Property</u>	<u>Eliminations</u>	<u>Total</u>
ASSETS:				
Current Assets:				
Cash & Cash Equivalents	509,197	111,005	-	620,202
Accounts Receivable	41,125	231	-	41,355
Inventory	31,620	-	-	31,620
Other Receivables	17,691	53	-	17,744
Total Current Assets	<u>599,633</u>	<u>111,289</u>	<u>-</u>	<u>710,922</u>
Non Current Assets:				
Property and Equipment	169,378	741,248	-	910,626
Less Accumulated Depreciation	(37,244)	(86,601)	-	(123,846)
Total Non Current Assets	<u>132,134</u>	<u>654,646</u>	<u>-</u>	<u>786,780</u>
TOTAL ASSETS	<u>731,767</u>	<u>765,935</u>	<u>-</u>	<u>1,497,702</u>
LIABILITIES AND NET ASSETS:				
Current Liabilities:				
Payments Due	785	755	-	1,541
Accrued Payroll	-	2,108	-	2,108
Foregiveable Loan	-	-	-	-
Unearned Revenue	-	4,450	-	4,450
Total Current Liabilities	<u>785</u>	<u>7,313</u>	<u>-</u>	<u>8,099</u>
Total Liabilities	<u>785</u>	<u>7,313</u>	<u>-</u>	<u>8,099</u>
Net Assets:				
Net Assets With Donor Restrictions	43,000	-	-	43,000
Net Assets Without Donor Restrictions	555,848	103,976	-	659,823
Investment in Fixed Assets, Net of Depreciation and Related Debt	<u>132,134</u>	<u>654,646</u>	<u>-</u>	<u>786,780</u>
Total Net Assets	<u>730,982</u>	<u>758,622</u>	<u>-</u>	<u>1,489,603</u>
TOTAL LIABILITIES AND NET ASSETS	<u>731,767</u>	<u>765,935</u>	<u>-</u>	<u>1,497,702</u>

See Notes to Consolidated Financial Statements

**EAST MOUNTAIN FOOD PANTRY
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Pantry</u>	<u>Property</u>	<u>Elimination</u>	<u>Total</u>
Support & Revenues:				
	\$			
General Revenues	262,505	5,000	-	267,505
Grant Revenues	145,128	-	-	145,128
Third Party Fees	192	-	-	192
Gift Cards	-	-	-	-
In-Kind Revenue	632,443	-	-	632,443
Restricted Revenue	141,071	-	-	141,071
Rental Income	-	55,398	-	55,398
Loan Forgiveness	-	-	-	-
Interest Income	15,939	5,817	-	21,756
Other income	5,264	-	-	5,264
Total Support and Revenues	<u>1,202,542</u>	<u>66,215</u>	<u>-</u>	<u>1,268,757</u>
Expenses:				
Program Services	842,831	58,849	-	901,680
Management and General	-	-	-	-
Total Expenses:	<u>842,831</u>	<u>58,849</u>	<u>-</u>	<u>901,680</u>
Change in Net Assets	359,711	7,366	-	367,077
Net Assets, beginning of year	371,271	751,256	-	1,122,527
Net Assets, End of Year	<u>730,982</u>	<u>758,622</u>	<u>-</u>	<u>1,489,604</u>

See Notes to Consolidated Financial Statements