

**CHILD HUNGER OUTREACH PARTNERS**

**TOWANDA, PENNSYLVANIA**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2021**

## 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, 2021, 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**

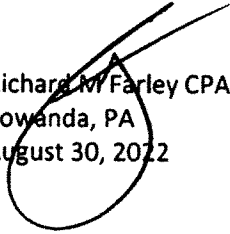
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and 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  
August 30, 2022

**CHILD HUNGER OUTREACH PARTNERS**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2021**

**Assets**

Current Assets

Cash and cash equivalents	\$81,206
Inventory	5,000
Prepaid Expenses	<u>31,367</u>

Total Current Assets 117,573

Noncurrent Assets

Plant, Property and equipment 208,725

Total noncurrent assets 208,725

Total assets \$326,298

**Liabilities and Net Assets**

Current Liabilities

Accounts Payable	1,829
Short Term Note payable	<u>0</u>

Total Current Liabilities 1,829

Net Assets

Without donor restrictions	324,469
With donor restrictions	<u>0</u>

Total Net Assets 324,469

Total Liabilities and net assets \$326,298

**CHILD HUNGER OUTREACH PARTNERS**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2021**

**Changes in Net Assets Without Donor Restrictions**

Revenues		
Contributions	\$663,713	
Fundraising	<u>66,085</u>	
Total revenue without donor restrictions		729,798
Net assets released from restrictions		
Expiration of time restrictions		<u>0</u>
Total revenue and other support without donor restrictions		729,798
Expenses		
Program expenses	430,878	
Management and general	93,341	
Fund-raising expenses	<u>30,263</u>	
Total expenses		<u>554,482</u>
Increase in net assets without donor restrictions		175,316

**Changes in Net Assets With Donor Restrictions**

Decrease in net assets with donor restrictions		0
<b>Increase in Net Assets</b>		175,316
<b>Net Assets at Beginning of Year</b>		136,897
<b>Prior period adjustments</b>		1
<b>Loan Forgiveness of PPP</b>		12,255
<b>Net Assets at End of Year</b>		<u>\$324,469</u>

**CHILD HUNGER OUTREACH PARTNERS**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2021**

**Cash Flows from Operating Activities**

Increase in net assets	175,316	
Adjustments to reconcile change in net assets to		
Net cash by operating activities:		
(Increase)/ Decrease in Prepaid Expenses	(19,215)	
(Increase)/ Decrease in Inventory		
Increase/ (Decrease) in accounts payable	(2,820)	
Depreciation	<u>36,221</u>	
Net cash provided by operating activities		189,502

**Cash Flows from Investing Activities**

Purchase of Fixed Assets	<u>(207,553)</u>	
Net cash provided/ used by investing activities		(207,553)

**Cash Flows from Financing Activities**

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

**Net Increase in Cash and Cash Equivalents** (18,051)

**Cash and Cash Equivalents at Beginning of Year** 99,256

**Prior period adjustments** 1

**Cash and Cash Equivalents at End of Year** \$ 81,206

Supplemental data:

    Noncash investing and financing activities:

        N/A

**CHILD HUNGER OUTREACH PARTNERS**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2021**

	<u>Supporting Services</u>			<u>Total</u>
	<u>Program</u>	<u>Management and General</u>	<u>Fund- Raising</u>	
Salaries	120,546	80,440	0	200,986
Payroll Tax	11,489	6,891	0	18,380
Accounting	0	2,710	0	2,710
Advertising	11,386	0	0	11,386
Office	5,497	0	0	5,497
Software	10,413	0	0	10,413
Occupancy	89,120	0	0	89,120
Travel/Meetings	14,204	0	0	14,204
Depreciation	36,221	0	0	36,221
Insurance	0	3,300	0	3,300
Printing & Postage	5,536	0	0	5,536
Repairs & Maintenance	10,944	0	0	10,944
Dues	1,068	0	0	1,068
Fundraising	0	0	30,263	30,263
Food Purchases	45,061	0	0	45,061
Supplies	26,340	0	0	26,340
Subcontractor	1,664	0	0	1,664
Equipment Rental	10,774	0	0	10,774
Uniforms	664	0	0	664
Vehicle	2,409	0	0	2,409
Subscriptions/ Books	19,170	0	0	19,170
Telephone	5,877	0	0	5,877
Miscellaneous	151	0	0	151
Kids Christmas Gifts	1,160	0	0	1,160
Education	40	0	0	40
Licenses	125	0	0	125
Summer Fun Program	651	0	0	651
Bank & Registration Fees	368	0	0	368
Totals	<u>\$ 430,878</u>	<u>\$ 93,341</u>	<u>\$ 30,263</u>	<u>\$554,482</u>

**CHILD HUNGER OUTREACH PARTNERS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**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, 2021**

*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>224,202</u>
	250,024
Less Accumulated Depreciation	<u>(41,299)</u>
	<u>\$ 208,725</u>

**CHILD HUNGER OUTREACH PARTNERS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**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, 2021 are as follows:

	<u>Carrying Amount</u>	<u>Fair Value</u>
Cash and cash equivalents	\$ 81,206	\$ 81,206

**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, 2021.

**Note 9: Subsequent Events**

The organization has evaluated events from December 31, 2021, through August 30, 2022, 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, 2021**

**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 12/31/2021.

**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	81,206
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