



Financial Statements

June 30, 2020 and 2019

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Nonprofit Accounting & Consulting Specialists

Independent Auditors' Report

Board of Directors
Gather
Portsmouth, New Hampshire

We have audited the accompanying financial statements of Gather (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements referred to above present fairly, in all material respects, the financial position of Gather as of June 30, 2020 and 2019, 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.

PGM, LLC
Biddeford, Maine
October 21, 2020

Statements of Financial Position

June 30,

	<u>2020</u>	<u>2019</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 405,623	\$ 237,084
Accounts and grants receivable	1,434	
Prepaid expenses	1,575	18,958
Inventories	156,730	128,006
Total Current Assets	<u>565,362</u>	<u>384,048</u>
Property and Equipment		
Furniture, equipment and software	63,715	63,715
Vehicles	142,303	119,303
Construction in progress	17,000	
Accumulated depreciation	(125,036)	(91,904)
	<u>97,982</u>	<u>91,114</u>
Other Assets		
Beneficial interest in Family Service Association Fund	70,416	73,944
Investments	943,259	284,579
Security deposit	1,625	1,625
Total Other Assets	<u>1,015,300</u>	<u>360,148</u>
Total Assets	<u>\$ 1,678,644</u>	<u>\$ 835,310</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued expenses	\$ 20,507	\$ 35,798
Accrued payroll and payroll taxes	13,343	13,874
Forgiveable PPP Loan	82,000	
Funds held as agency funds	30,377	
Deferred revenue	80,000	17,000
Total Current Liabilities	<u>226,227</u>	<u>49,672</u>
Total Liabilities	<u>226,227</u>	<u>66,672</u>
Net Assets		
Without donor restrictions	1,153,594	587,759
With donor restrictions	298,823	180,879
	<u>1,452,417</u>	<u>768,638</u>
Total Liabilities and Net Assets	<u>\$ 1,678,644</u>	<u>\$ 835,310</u>

The accompanying notes are an integral part of these financial statements

Statement of Activities

Year Ended June 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Totals</u>
Revenue and support			
Contributions	\$ 854,172	\$ 172,943	\$ 1,027,115
Less amounts received from agency	(22,000)		(22,000)
In-kind contributions	1,984,423	23,000	2,007,423
Grants	198,855	281,000	479,855
Fundraising events	261,162		261,162
	<u>3,276,612</u>	<u>476,943</u>	<u>3,753,555</u>
Net assets released from restrictions			
Satisfaction of time and purpose restrictions	358,870	(358,870)	
Total revenue and support	<u>3,635,482</u>	<u>118,073</u>	<u>3,753,555</u>
Expenses			
Program services	2,862,282		2,862,282
Management and general	68,681		68,681
Fundraising	151,729		151,729
Total expenses	<u>3,082,692</u>		<u>3,082,692</u>
Change in Net Assets from Operations	552,790	118,073	670,863
Non-Operating Activity			
Investment income	13,045	(129)	12,916
Change in Net Assets	565,835	117,944	683,779
Net Assets, Beginning of Year	<u>587,759</u>	<u>180,879</u>	<u>768,638</u>
Net Assets, End of Year	<u>\$ 1,153,594</u>	<u>\$ 298,823</u>	<u>\$ 1,452,417</u>

Statement of Activities

Year Ended June 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Totals
Revenue and support			
Contributions	\$ 235,100	\$ 69,590	\$ 304,690
In-kind contributions	1,490,448		1,490,448
Grants	141,510	138,000	279,510
Fundraising events	165,211		165,211
Other income	5,003		5,003
	<u>2,037,272</u>	<u>207,590</u>	<u>2,244,862</u>
Net assets released from restrictions			
Satisfaction of time and purpose restrictions	171,958	(171,958)	
Total revenue and support	<u>2,209,230</u>	<u>35,632</u>	<u>2,244,862</u>
Expenses			
Program services	1,976,399		1,976,399
Management and general	84,953		84,953
Fundraising	94,997		94,997
Total expenses	<u>2,156,349</u>		<u>2,156,349</u>
Change in Net Assets from Operations	52,881	35,632	88,513
Non-Operating Activity			
Investment income	<u>17,445</u>	<u>2,109</u>	<u>19,554</u>
Change in Net Assets	70,326	37,741	108,067
Net Assets, Beginning of Year	<u>517,433</u>	<u>143,138</u>	<u>660,571</u>
Net Assets, End of Year	<u>\$ 587,759</u>	<u>\$ 180,879</u>	<u>\$ 768,638</u>

Statement of Functional Expenses

Year Ended June 30, 2020

	Program Services	Management and General	Fundraising	Total Expenses
Salaries & wages	\$ 340,265	\$ 12,884	\$ 58,550	\$ 411,699
Payroll taxes	44,115	1,671	7,592	53,378
Payroll fees	1,678	64	289	2,031
Marketing	378		378	756
Bank service fees		1,796		1,796
Dues & memberships	6,298	1,574		7,872
Postage	807		807	1,614
Telephone	807	42		849
Rent & utilities	56,709	10,729		67,438
Office supplies	3,528	921		4,449
Fundraising expense			77,229	77,229
Networking events	3,554	534	1,069	5,157
Staff development	1,012	112		1,124
Repairs & maintenance	13,263			13,263
Strategic planning & audit	16,800	13,600	5,600	36,000
Subcontracting	56,980	18,993		75,973
Auto insurance	4,731			4,731
Worker's compensation	1,744	92		1,836
Insurance	2,648	2,309		4,957
Travel reimbursement	111			111
Vehicle repair & registration	19,509			19,509
Staff & volunteer recognition	1,252	47	215	1,514
Program supplies/food	201,533			201,533
General pantry supplies/food	69,992			69,992
Other distribution expenses	29,049			29,049
In-kind expenses	1,955,700			1,955,700
Depreciation	29,819	3,313		33,132
Total expenses	\$ 2,862,282	\$ 68,681	\$ 151,729	\$ 3,082,692

Statement of Functional Expenses

Year Ended June 30, 2019

	Program Services	Management and General	Fundraising	Total Expenses
Salaries & wages	\$ 236,216	\$ 11,062	\$ 25,388	\$ 272,666
Payroll taxes	28,904	1,353	3,106	33,363
Payroll fees	1,423	67	153	1,643
Marketing	933	233	1,165	2,331
Bank service fees		913		913
Dues & memberships	2,799	933		3,732
Postage	289	289		578
Telephone	826	92		918
Rent & utilities	51,144	10,762		61,906
Office supplies	2,393	598		2,991
Other supplies	205	51		256
Fundraising expense			64,681	64,681
Networking events	1,259	379	190	1,828
Staff development	143	16		159
Repairs & maintenance	7,426			7,426
Strategic planning & audit		26,500		26,500
Subcontracting	8,783	26,351		35,134
Auto insurance	4,463			4,463
Worker's compensation	2,813	148		2,961
Insurance	1,909	1,780		3,689
Travel reimbursement	30			30
Vehicle repair & registration	4,911			4,911
Staff & volunteer recognition	2,917	137	314	3,368
Program supplies/food	106,481			106,481
General pantry supplies/food	38,322			38,322
Other distribution expenses	19,493			19,493
In-kind expenses	1,422,720			1,422,720
Depreciation	29,597	3,289		32,886
Total expenses	\$ 1,976,399	\$ 84,953	\$ 94,997	\$ 2,156,349

Statements of Cash Flows

Years Ended June 30,

	<u>2020</u>	<u>2019</u>
Cash flows used in operating activities:		
Change in net assets	<u>\$ 683,779</u>	<u>\$ 108,067</u>
Adjustments to reconcile change in net assets to net cash flows used in operating activities:		
Depreciation	33,132	32,886
Donated equipment	(23,000)	
Net realized and unrealized (gain) on investments	(11,689)	(17,186)
Change in value of beneficial interest	634	(1,562)
(Increase) decrease in operating assets:		
Accounts and grants receivable	(1,434)	21,261
Prepaid expenses	17,383	9,024
Inventories	(28,724)	(67,003)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(15,291)	17,459
Accrued payroll and payroll taxes	(531)	1,958
Forgiveable PPP Loan	82,000	
Funds held as Agency Funds	30,337	
Deferred revenue	63,040	2,250
Total adjustments	<u>145,857</u>	<u>(913)</u>
Net cash flows used in operating activities	<u>829,636</u>	<u>107,154</u>
Cash flows used in investing activities:		
Purchase of equipment	(17,000)	
Purchases of investment	(646,991)	
Proceeds from investments	2,894	2,850
Net cash used in investing activities	<u>(661,097)</u>	<u>2,850</u>
Net increase in cash and cash equivalents	168,539	110,004
Cash and cash equivalents, beginning of year	<u>237,084</u>	<u>127,080</u>
Cash and cash equivalents, end of year	<u><u>\$ 405,623</u></u>	<u><u>\$ 237,084</u></u>

Notes to Financial Statements

June 30, 2020 and 2019

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Gather (the "Pantry") is a nonprofit corporation organized in New Hampshire. The Pantry is a community service organization established to serve the needs of low income individuals of the New Hampshire seacoast with food, personal care products and education for healthy living.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Pantry and changes therein are classified and reported, as follows:

Net Assets Without Donor Restrictions

Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions and can be used for any purpose designated by the board.

Net Assets With Donor Restrictions

Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those will be met by actions of the Pantry or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Cash and Cash Equivalents

For financial statement purposes, the Pantry considers all depository accounts with financial institutions, including certificates of deposit with original maturities of less than 90 days and money market funds, to be cash and cash equivalents.

Accounts and Grants Receivable

Accounts and grants receivable consist of grants awarded but not yet received, and other amounts owed to the Pantry, that are collectible within one year of year end. Management has deemed all accounts and grants receivable to be fully collectible; therefore, no allowance for uncollectible accounts has been recorded.

Donated Assets

Donated food and other noncash donations are recorded as contributions at their estimated fair values at the date of donation. Donated noncash contributions totaled \$2,007,423 for the year ended June 30, 2020 and \$1,490,448 for the year ended June 30, 2019.

Notes to Financial Statements

June 30, 2020 and 2019

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, costs directly related to the program activity are allocated direct. Certain other costs have been allocated among the programs and supporting services based on direct labor incurred.

Income Taxes

The Pantry is exempt from federal and state income taxes under Section 501(c) (3) of the Internal Revenue Code and has been determined not to be a private foundation within the meaning of Section 509(a) of the Code.

Management has evaluated the Pantry's tax position and concluded that the Pantry has not taken any uncertain tax position that required adjustment to the financial statements. The Pantry is subject to audit under the statute of limitations by the Internal Revenue Service and state taxing authorities generally for three years after the filing of a return.

Inventories

Inventories consist primarily of canned dry goods and perishable items that have been donated to the Pantry. Inventory is valued based on the number of pounds on hand using the rate of \$1.62 for 2020 and \$1.73 for 2019 per pound as set by the New Hampshire Food Bank which approximates fair value. The value as of June 30, 2020 was \$158,068 and as of June 30, 2019 was \$128,006.

Investments

The Pantry carries investments in marketable securities with readily determinable fair values and all investments in debt securities at the fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

Concentration of Credit Risk

The Pantry maintains cash balances at a bank and a brokerage house, and deposits are insured by the FDIC and SIPC, respectively. At times, the balances may exceed insured limits. Management has evaluated this risk and considers it to be a normal business risk.

Property and Equipment

Purchased assets are carried at cost. Contributed assets are carried at the fair market value at the time of the gift. Major additions are included in the property accounts, while maintenance and repairs which do not improve or extend the life of the assets are expensed. Depreciation is computed using the straight line method of depreciation over the assets' estimated service life, generally 5-7 years. Depreciation expense totaled \$33,132 for the year ended June 30, 2020 and \$32,886 for the year ended June 30, 2019.

Notes to Financial Statements

June 30, 2020 and 2019

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Forgivable PPP Loan

Pantry received loan proceeds in the amount of approximately \$82,000 under the Paycheck Protection Program (“PPP”). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the selected period. The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first six months. The Pantry intends to use the proceeds for purposes consistent with the PPP. While the Pantry currently believes that its use of the loan proceeds will meet the conditions for forgiveness of the loan, we cannot assure you that we will not take actions that could cause the Pantry to be ineligible for forgiveness of the loan, in whole or in part.

Deferred Revenue

Deferred revenue includes amounts received in advance for future fundraising events and activities.

Funds Held as Agency Funds

Gather serves as a fiscal agent for Plates for Change. Gather reports these assets on the statement of financial position with a corresponding Liability in deferred revenue. In order to report all the Pantry activity on the statements of activities, the Pantry includes agency fund activity in total revenue, grants, and expenses and then reduces revenue, grants, and expenses on a separate line for agency activity.

Recognition of Donor Restricted Contributions

Support that is restricted by the donor is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), donor restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities and changes in net assets as net assets released from restriction.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses in the reporting period. Actual results could differ from these estimates. Management estimates the value of inventory and total donated food based on weight and per pound rate provided by the New Hampshire Food Bank. Management believes this is a reasonable basis for valuation.

Notes to Financial Statements

June 30, 2020 and 2019

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Recently Adopted Pronouncements

Revenue Recognition

The Pantry has adopted Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers* (Topic 606), as amended as management believes the standard improves the usefulness and understandability of the Pantry's financial reporting.

Analysis of various provisions of this standard resulted in no significant change in the way the Pantry recognizes revenue, and therefore no changes in the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

Recent Accounting Pronouncements

Leasing

In February 2016, FASB issued ASU 2016–02, *Leases*. This new standard will provide users of the financial statements a more accurate picture of the assets and the long-term financial obligations of entities that lease. The proposal is for a dual-model approach; a lessee would account for most existing capital leases as Type A leases, and most existing operating leases as Type B leases. Both would be reported on the balance sheet of the entity for leases with a term exceeding 12 months. Lessors will see some changes too, largely made to align with the revised lease model. For nonpublic companies, the new leasing standard would apply for fiscal years beginning after December 15, 2020. Management is currently evaluating the impact of adoption on its financial statements.

NOTE 2 - LIQUIDITY AND AVAILABILITY

	2020	2019
Cash and cash equivalents	\$ 953,557	\$ 237,084
Accounts and grants receivables	3,434	
Beneficial interest in Family		
Service Association Fund -annual distribution	<u>2,850</u>	<u>2,850</u>
	<u>\$ 959,841</u>	<u>\$ 239,934</u>

Financial assets available for general expenditures: that is without donor or other restrictions limiting their use within one year of the balance sheet date, comprise the following as of June 30:

Family Service Association Fund in accordance with its spending policy makes distributions to Gather. The distributions are approximately 4.2% of the market value of the fund per year. In addition, Gather has board designated investments of \$422,700 which can be released by the Board of Directors if needed. Gather has a Line of Credit available of \$160,000 which can be drawn upon if needed.

Notes to Financial Statements

June 30, 2020 and 2019

NOTE 3 – FAIR VALUE MEASUREMENTS AND DISCLOSURES OF INVESTMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Pantry uses various methods, including market, income and cost approaches. Based on these approaches, the Pantry often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Pantry utilizes valuation techniques that maximize the use of observable inputs and minimizes the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Pantry is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values.

Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

- Level 1 – Quoted prices for identical assets and liabilities traded in active exchange markets that we can access at the measurement date.
- Level 2 – Observable inputs other than Level 1, including quoted prices for similar assets or liabilities, quoted prices in less active markets, or other observable inputs that can be corroborated by observable market data.
- Level 3 – Unobservable inputs supported by little or no market activity for financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar information available in the circumstances.

In determining the appropriate levels, the Pantry performs a detailed analysis of the assets and liabilities. At each reporting period, if applicable, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.

Notes to Financial Statements

June 30, 2020 and 2019

NOTE 3 – FAIR VALUE OF ASSETS – CONTINUED

Fair value of assets measured at June 30, 2020 and 2019 are as follows:

	2020			
	Fair Value	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 635,612	\$ 635,612		
Mutual funds - Fixed income	157,928	157,928		
Mutual funds - Equity	77,265	77,265		
Equities	72,454	72,454		
Beneficial Interest in Family Service Association Fund	70,416			\$ 70,416
Total Assets	\$ 1,013,675	\$ 943,259		\$ 70,416

	2019			
	Fair Value	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 7,522	\$ 7,522		
Mutual funds - Fixed income	139,015	139,015		
Mutual funds - Equity	77,320	77,320		
Equities	60,722	60,722		
Beneficial Interest in Family Service Association Fund	73,944			\$ 73,944
Total Assets	\$ 358,523	\$ 284,579		\$ 73,944

The Pantry considers certificates of deposit with original maturities of greater than 90 days to be long-term investments and is shown as such on the statements of financial position. All others are considered to be cash and cash equivalents and are shown as current assets on the statements of financial position.

The Pantry invests in various investment securities and money market funds. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with investments, it is reasonably possible that changes in the value of investments will occur in the near term and that such changes could materially affect the amount reported in the statement of financial position.

Notes to Financial Statements

June 30, 2020 and 2019

NOTE 4 – BENEFICIAL INTEREST IN POOLED INVESTMENTS HELD BY OTHERS

The Pantry is the beneficiary of an endowment fund held by Family Service Association Fund at the New Hampshire Charitable Foundation (NHCF). NHCF considers this an agency fund even though the assets are owned by NHCF. Pursuant to the terms of the resolution establishing this fund, property contributed to the NHCF is held as a separate fund designated for the benefit of the Pantry. In accordance with its spending policy, the NHCF makes distributions to the Pantry. The distributions are approximately 4.2% of the market value of the fund per year. The estimated value of future distributions from the fund is included in these financial statements as required under Financial Accounting Standards Board Statement, *Transfer of Assets to a Not-for-Profit Organization or Charitable Trust that Raises or Holds Contributions for Others*. However, all property in the fund was contributed to the NHCF to be held and administered for the benefit of the Pantry.

The Fund is presented on the statement of financial position as Beneficial Interest in Family Service Association Fund. The fair market value of the Fund was \$70,416 at June 30, 2020 and \$73,944 at June 30, 2019. No additional transfers were made to the Fund during the years ended June 30, 2020 and 2019. The distributions from the Fund by the NHCF totaled \$2,894 and \$2,850 for the years ended June 30, 2020 and 2019, respectively, and were included in contributions on the statements of activity and changes in net assets.

The estimated value of the future distributions from the fund is included in these financial statements and amounted to \$70,416 at June 30, 2020.

Changes in the Fund's net assets for the year ended June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Balance June 30, 2019	\$ 73,944	\$ 75,232
Contributions		
Net investment return	(129)	2,109
Foundation fees	(505)	(506)
Distribution	(2,894)	(2,891)
Balance June 30, 2020	<u>\$ 70,416</u>	<u>73,944</u>

NOTE 5 – FUNDS HELD AS AGENCY FUNDS

Gather serves as a fiscal agent for Plates for Change. For the fiscal year ended June 30, 2020 total contributions received were \$32,000 with expenditures of \$1,623. The balance of funds remaining was \$30,337.

Notes to Financial Statements

June 30, 2020 and 2019

NOTE 6- NET ASSETS

Net Assets balances at June 30, are as follows:

	<u>2020</u>	<u>2019</u>
Net Assets without donor restrictions		
Undesignated	\$ 730,894	\$ 303,180
Board designated	422,700	284,579
Total Net Assets without donor restrictions	<u>\$ 1,153,594</u>	<u>\$ 587,759</u>
Net Assets with donor restrictions		
Subject to expenditure for specified purpose:		
Meals for Kids	\$ 228,406	\$ 106,304
CSA		631
	<u>\$ 228,406</u>	<u>\$ 106,935</u>
Subject to the passage of time:		
Beneficial interests in Family Service Association Fund	<u>\$ 70,416</u>	<u>\$ 73,944</u>
Total Net Assets with donor restrictions	<u>298,823</u>	<u>180,879</u>
 Total Net Assets	 <u>\$ 1,452,417</u>	 <u>\$ 768,638</u>
Net Assets released from restrictions		
	<u>2020</u>	<u>2019</u>
Satisfaction of purpose restrictions		
Van purchase	\$ 23,000	
Meals for Kids	324,507	\$ 145,493
Meals for Seniors	5,900	5,825
Other	2,064	17,243
Distributions		
Beneficial interests in charitable trusts held by others	<u>3,399</u>	<u>3,397</u>
	<u>\$ 358,870</u>	<u>\$ 171,958</u>

Notes to Financial Statements

June 30, 2020 and 2019

NOTE 7 – LINE OF CREDIT

Gather has a \$160,000 revolving line of credit secured by investments. Borrowings under the line bear interest at 4.75%. Accrued interest and principal are due at maturity (April 30, 2028). The outstanding balance at June 30, 2020 and 2019 is zero.

NOTE 8 – DONATED SERVICES

Donated services are reflected in the financial statements at the fair value of the services received only if the services (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

A substantial number of volunteers have donated significant amounts of their time in the Pantry's operation, program services, and fund raising campaigns. This value is not recognized in the financial statements because it does not meet the criteria described above for the years ended June 30, 2020 and 2019.

NOTE 9 – LEASES

The Pantry leases office space in Portsmouth, NH from two third parties. There are two current leases. The term of the first lease is for three years beginning on October 1, 2019 and ends on September 30, 2022. The second lease has converted to a month-to-month lease with monthly payments of \$836. Building lease expense for the years ended June 30, 2020 and 2019, respectively is \$49,046 and 45,715.

Estimated future minimum payments under these leases are, as follows:

Year Ending June 30,	
2021	\$ 22,117
2022	22,780
2023	5,737
	<u>\$ 50,634</u>

CAM, taxes, and base utility charge are included in rent expense. Only the base rent is included on this schedule.

NOTE 9 – SUBSEQUENT EVENTS

Around March 2020, the COVID-19 virus was declared a global pandemic. Management is carefully monitoring the situation and evaluating its options during this time. No adjustments have been made to these financial statements as a result of this uncertainty. Management applied for an SBA Payroll Protection Loan and received \$82,000. Management believes it has a strong cash position to meet the challenges presented from the pandemic.

Management has made an evaluation of subsequent events to and including October 21, 2020, which was the date the financial statements were available to be issued, and determined that any subsequent events that would require recognition or disclosure have been considered in the preparation of the financial statements.