



Financial Statements

June 30, 2022 and 2021

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Independent Auditors' Report

Board of Directors
Gather
Portsmouth, New Hampshire

Opinion

We have audited the accompanying financial statements of Gather (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years 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 Gather as of June 30, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits 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 Gather and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Gather's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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, including omissions, 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 of the effectiveness of Gather'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 Gather'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.

As stated in the opinion section of this report, the financial statements of Gather present fairly, in all material respects, the financial position of Gather as of June 30, 2022 and 2021, 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
December 16, 2022

Statements of Financial Position

June 30,

	2022	2021
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 165,014	\$ 216,599
Cash agency funds	101,553	72,518
Accounts and grants receivable	2,500	5,500
Prepaid expenses	1,740	6,908
Inventories	171,237	147,917
Total Current Assets	442,044	449,442
Property and Equipment		
Furniture, equipment and software	188,331	98,405
Vehicles	193,304	173,802
Construction in progress	210,283	11,026
Accumulated depreciation	(203,530)	(168,115)
	388,388	115,118
Other Assets		
Beneficial interest in Family Service Association Fund	80,653	90,906
Board designated endowment	174,337	
Investments	2,284,455	2,281,403
Security deposit	1,625	1,625
Total Other Assets	2,541,070	2,373,934
Total Assets	\$ 3,371,502	\$ 2,938,494
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued expenses	\$ 40,719	\$ 32,890
Accrued payroll and payroll taxes	18,817	14,449
Funds held as agency funds	101,553	72,518
Deferred revenue	454,803	120,300
Total Current Liabilities	615,892	240,157
Total Liabilities	615,892	240,157
Net Assets		
Without donor restrictions	1,588,120	1,791,082
Without donor restrictions - board designated	1,086,837	616,000
Total without donor restrictions	2,674,957	2,407,082
With donor restrictions	80,653	291,255
Total Net Assets	2,755,610	2,698,337
Total Liabilities and Net Assets	\$ 3,371,502	\$ 2,938,494

The accompanying notes are an integral part of these financial statements

Statement of Activities

Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Totals
Revenue and support			
Contributions	\$ 1,203,582	\$ 45,952	\$ 1,249,534
In-kind contributions	2,493,614		2,493,614
Grants	309,702	231,000	540,702
Fundraising events	797,994		797,994
Other income	1,138		1,138
	<u>4,806,030</u>	<u>276,952</u>	<u>5,082,982</u>
Net assets released from restrictions			
Satisfaction of time and purpose restrictions	480,777	(480,777)	
Total revenue and support	<u>5,286,807</u>	<u>(203,825)</u>	<u>5,082,982</u>
Expenses			
Program services	4,224,032		4,224,032
Management and general	181,023		181,023
Fundraising	261,721		261,721
Total expenses	<u>4,666,776</u>		<u>4,666,776</u>
Change in Net Assets from Operations	620,031	(203,825)	416,206
Other Revenue and Expenses			
Investment income/ (loss)	(352,156)	(6,777)	(358,933)
Agency revenue	153,481		153,481
Agency expenses	(153,481)		(153,481)
Total other revenue and expenses	<u>(352,156)</u>	<u>(6,777)</u>	<u>(358,933)</u>
Change in Net Assets	267,875	(210,602)	57,273
Net Assets, Beginning of Year	<u>2,407,082</u>	<u>291,255</u>	<u>2,698,337</u>
Net Assets, End of Year	<u>\$ 2,674,957</u>	<u>\$ 80,653</u>	<u>\$ 2,755,610</u>

Statement of Activities

Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Totals
Revenue and support			
Contributions	\$ 1,435,561	\$ 95,873	1,531,434
In-kind contributions	3,194,469		3,194,469
Grants	424,501	434,237	858,738
Fundraising events	131,300	13,494	144,794
Other Income	1,020		1,020
	<u>5,186,851</u>	<u>543,604</u>	<u>5,730,455</u>
Net assets released from restrictions			
Satisfaction of time and purpose restrictions	575,808	(575,808)	
Total revenue and support	<u>5,762,659</u>	<u>(32,204)</u>	<u>5,730,455</u>
Expenses			
Program services	4,463,417		4,463,417
Management and general	101,769		101,769
Fundraising	128,531		128,531
Total expenses	<u>4,693,717</u>		<u>4,693,717</u>
Change in Net Assets from Operations	1,068,942	(32,204)	1,036,738
Other Revenue and Expenses			
Investment income	184,546	24,636	209,182
Agency revenue	234,543		234,543
Agency expenses	(234,543)		(234,543)
Total other revenue and expenses	<u>184,546</u>	<u>24,636</u>	<u>209,182</u>
Change in Net Assets	1,253,488	(7,568)	1,245,920
Net Assets, Beginning of Year	<u>1,153,594</u>	<u>298,823</u>	<u>1,452,417</u>
Net Assets, End of Year	<u>\$ 2,407,082</u>	<u>\$ 291,255</u>	<u>\$ 2,698,337</u>

Statement of Functional Expenses

Year Ended June 30, 2022

	Program Services	Management and General	Fundraising	Total Expenses
Salaries & wages	\$ 768,620	\$ 78,021	\$ 122,499	\$ 969,140
Payroll taxes	99,823	10,133	15,909	125,865
Payroll fees	6,355	645	1,013	8,013
Marketing	1,762		1,618	3,380
Bank service fees	39	12,168		12,207
Dues & memberships	13,713	3,146		16,859
Rent & utilities	68,820	13,541		82,361
Office supplies	19,587	4,628		24,215
Fundraising expense	19	4	115,200	115,223
Networking events	47,648	548	1,096	49,292
Staff development	1,018	106		1,124
Repairs & maintenance	17,710			17,710
Strategic planning & audit	10,800	12,600	3,600	27,000
Subcontracting	131,000	37,150		168,150
Auto insurance	15,120			15,120
Worker's compensation	4,003	211		4,214
Insurance	6,138	3,502		9,640
Travel reimbursement	44			44
Vehicle repair & registration	12,344			12,344
Staff & volunteer recognition	5,287	501	786	6,574
Program supplies/food	317,336			317,336
General pantry supplies/food	134,391			134,391
Other distribution expenses	35,708			35,708
In-kind expenses	2,470,294			2,470,294
Depreciation	31,297	4,119		35,416
Miscellaneous	5,156			5,156
Total expenses	\$ 4,224,032	\$ 181,023	\$ 261,721	\$ 4,666,776

Statement of Functional Expenses

Year Ended June 30, 2021

	Program Services	Management and General	Fundraising	Total Expenses
Salaries & wages	\$ 473,644	\$ 24,483	\$ 71,234	\$ 569,361
Payroll taxes	60,203	3,111	9,054	72,368
Payroll fees	2,212	114	333	2,659
Marketing	1,050		1,050	2,100
Bank service fees		1,081		1,081
Dues & memberships	11,481	2,870		14,351
Rent & utilities	62,376	11,382	472	74,230
Office supplies	11,201	2,800		14,001
Fundraising expense			40,546	40,546
Networking events	1,516	1,017	2,034	4,567
Staff development	374	42		416
Repairs & maintenance	12,139			12,139
Strategic planning & audit	10,800	11,600	3,600	26,000
Subcontracting	109,253	36,418		145,671
Auto insurance	9,369			9,369
Worker's compensation	2,568	135		2,703
Insurance	3,830	2,336		6,166
Travel reimbursement	17			17
Vehicle repair & registration	9,356			9,356
Staff & volunteer recognition	1,390	72	208	1,670
Program supplies/food	309,617			309,617
General pantry supplies/food	81,169			81,169
Other distribution expenses	42,868			42,868
In-kind expenses	3,203,281			3,203,281
Depreciation	38,769	4,308		43,077
Bad Debts	4,934			4,934
Total expenses	\$ 4,463,417	\$ 101,769	\$ 128,531	\$ 4,693,717

Statements of Cash Flows

Years Ended June 30,

	<u>2022</u>	<u>2021</u>
Cash flows provided by operating activities:		
Change in net assets	<u>\$ 57,273</u>	<u>\$ 1,245,920</u>
Adjustments to reconcile change in net assets to net cash flows used in operating activities:		
Depreciation	35,416	43,078
Net realized and unrealized loss (gain) on investments	358,933	(184,546)
Change in value of beneficial interest	10,253	(24,636)
(Increase) decrease in operating assets:		
Accounts and grants receivable	3,000	(4,066)
Prepaid expenses	5,168	(5,333)
Inventories	(23,320)	8,813
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	7,829	12,383
Accrued payroll and payroll taxes	4,368	1,106
Funds held as Agency Funds	36,985	(23,827)
Deferred revenue	326,553	24,268
Total adjustments	<u>765,185</u>	<u>(152,760)</u>
Net cash flows provided by operating activities	<u>822,458</u>	<u>1,093,160</u>
Cash flows used in investing activities:		
Purchase of equipment	(308,686)	(60,214)
Purchases of investment	(539,798)	(1,153,090)
Proceeds from investments	3,476	3,638
Net cash used in investing activities	<u>(845,008)</u>	<u>(1,209,666)</u>
Net increase in cash and cash equivalents	<u>(22,550)</u>	<u>(116,506)</u>
Cash and cash equivalents, beginning of year	<u>289,117</u>	<u>405,623</u>
Cash and cash equivalents, end of year	<u>\$ 266,567</u>	<u>\$ 289,117</u>
Summary of cash:		
Cash and cash equivalents	\$ 165,014	\$ 216,599
Cash agency funds	101,553	72,518
	<u>\$ 266,567</u>	<u>\$ 289,117</u>

Notes to Financial Statements

June 30, 2022 and 2021

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.

Grant and Contract Revenue Recognition

Revenues are recognized as earned or attributable to the period in which specific terms of the funding agreement are satisfied and to the extent that expenses have been incurred for the purposes specified by the funding source.

Notes to Financial Statements

June 30, 2022 and 2021

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

Contributions

Contributions are recognized when cash, securities or other assets, an unconditional pledge receivable, or notification of a beneficial interest is received. Conditional pledges receivable are not recognized until the conditions on which they depend have been substantially met.

In-kind Contributions

Contributed nonfinancial assets include donated food, professional services, donated equipment, and other in-kind contributions which are recorded at the respective fair values of the good or services received. In addition to non-financial assets, volunteers contribute significant amounts of time to program services, administration and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by general accepted accounting principles. Contributed goods are recorded at fair value at the date of donation.

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 \$2,493,614 for the year ended June 30, 2022 and \$3,194,469 for the year ended June 30, 2021.

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.

Change in Net Assets from Operations

Change in net assets from operations excludes investment income and agency revenue and expenses.

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 \$1.79 for 2022 and \$1.79 for 2021 per pound as set by the New Hampshire Food Bank which approximates fair value. The value as of June 30, 2022 was \$171,237 and as of June 30, 2021 was \$147,917.

Notes to Financial Statements

June 30, 2022 and 2021

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

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.

The Board during the year established a Board Designated Endowment with an initial funding of \$200,000. The value of the fund as of June 30, 2022 is \$174,337.

The board established a board designated investment fund called the Board Operating Reserve. This calculation is driven by the Board policy to maintain 6-months of operating expenses in reserve to be available to fund operations if needed. The value of this reserve \$912,500 at June 30, 2022 and \$616,000 at June 30, 2021.

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 \$35,416 for the year ended June 30, 2022 and \$43,077 for the year ended June 30, 2021.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

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, Community Gardens Program and Take Out Hunger. Gather reports these assets on the statement of financial position with a corresponding liability in deferred revenue. In order to report all the fiscal agent activity on the statements of activities, the Pantry records agency revenue and expenses below the change in net assets from operations in other revenue and expenses.

Notes to Financial Statements

June 30, 2022 and 2021

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

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.

Recently Adopted Accounting Pronouncements

Contributed Nonfinancial Assets

In September 2020, FASB issued ASU update 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This new standard will increase the transparency of contributed nonfinancial for not-for-profit (NFP) entities through enhancements to presentation and disclosure to include disaggregation of contributed nonfinancial assets and qualitative information about the use of these asset as well as descriptions regarding restrictions, valuation techniques and fair value measurement. The new standard applies for years beginning after June 30, 2021. Management has adopted this standard early with no significant impact on its financial statements.

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, 2021. Management is currently evaluating the impact of adoption on its financial statements.

Notes to Financial Statements

June 30, 2022 and 2021

NOTE 2 - LIQUIDITY AND AVAILABILITY

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:

	2022	2021
Cash and cash equivalents	\$ 165,014	\$ 216,599
Cash agency funds	101,553	72,518
Accounts and grants receivable	2,500	5,500
Beneficial interest in Family Service Association Fund	80,653	90,906
Endowment	174,337	
Investments	2,284,455	2,281,403
Beneficial interest in Family Service Association Fund -annual distribution	<u>2,850</u>	<u>2,850</u>
	\$ 2,808,512	\$ 2,666,926
Less:		
Cash agency funds	(101,553)	(72,518)
Endowment	(174,337)	
Investments - board designated	<u>(912,500)</u>	<u>(616,000)</u>
	\$ (1,188,390)	\$ (616,000)
Total	<u>\$ 1,620,122</u>	<u>\$ 2,050,926</u>

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 \$912,500 at June 30, 2022 and \$616,000 at June 30, 2021 which is included in Investments and can be released by the Board of Directors if needed. Gather has a Line of Credit available of \$1,250,000 which can be drawn upon if needed.

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.

Notes to Financial Statements

June 30, 2022 and 2021

NOTE 3 – FAIR VALUE MEASUREMENTS AND DISCLOSURES OF INVESTMENTS - CONTINUED

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.

Fair value of assets measured at June 30, 2022 and 2021 are as follows:

	2022			
	Fair Value	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 84,176	\$ 84,176		
Mutual funds - Fixed income	1,452,464	1,452,464		
Mutual funds - Equity	56,199	56,199		
Equities	865,953	865,953		
Beneficial Interest in Family Service Association Fund	80,653			\$ 80,653
Total Assets	\$ 2,539,445	\$ 2,458,792		\$ 80,653
	2021			
	Fair Value	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 27,938	\$ 27,938		
Mutual funds - Fixed income	1,172,164	1,172,164		
Mutual funds - Equity	90,314	90,314		
Equities	990,987	990,987		
Beneficial Interest in Family Service Association Fund	90,906			\$ 90,906
Total Assets	\$ 2,372,309	\$ 2,281,403		\$ 90,906

Notes to Financial Statements

June 30, 2022 and 2021

NOTE 3 – FAIR VALUE OF ASSETS – CONTINUED

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.

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 \$80,653 at June 30, 2022 and \$90,906 at June 30, 2021. No additional transfers were made to the Fund during the years ended June 30, 2022 and 2021. The distributions from the Fund by the NHCF totaled \$3,476 and \$3,638 for the years ended June 30, 2022 and 2021, 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 \$80,653 at June 30, 2022.

Changes in the Fund's net assets for the years ended June 30, 2022 and 2021:

	2022	2021
Balance beginning of year	\$ 90,906	\$ 70,416
Contributions		
Net investment return	(6,378)	24,636
Foundation fees	(399)	(508)
Distribution	(3,476)	(3,638)
Balance end of year	<u>\$ 80,653</u>	<u>90,906</u>

Notes to Financial Statements

June 30, 2022 and 2021

NOTE 5 – FUNDS HELD AS AGENCY FUNDS

Gather serves as a fiscal sponsor for several organizations. Changes in funds held as agency funds for the fiscal year ended June 30, 2022 and 2021 is as follows:

	<u>June 30, 2021</u>	<u>Contributions</u>	<u>Expenditures</u>	<u>June 30, 2022</u>
Community Gardens	\$ 250	\$ 7,900	\$ (8,150)	\$ -
Takeout Hunger	70,222	69,430	(122,145)	17,507
Plates for Change	2,046	113,136	(31,136)	84,046
Total	\$ 72,518	\$ 190,466	\$ (161,431)	\$ 101,553

	<u>June 30, 2020</u>	<u>Contributions</u>	<u>Expenditures</u>	<u>June 30, 2021</u>
Community Gardens	\$ 250			\$ 250
Takeout Hunger		\$ 276,150	\$ (205,928)	70,222
Plates for Change	30,377	284	(28,615)	2,046
Total	\$ 30,627	\$ 276,434	\$ (234,543)	\$ 72,518

NOTE 6 – DEFERRED REVENUE

Deferred revenue consist of contributions with the right of return. Changes in deferred revenue for the fiscal year ended June 30, 2022 and 2021 is as follows:

	<u>June 30, 2021</u>	<u>Contributions</u>	<u>Expenditures</u>	<u>June 30, 2022</u>
Commerical Business Initiative	\$ 75,000			\$ 75,000
Food Provider Network	12,800	\$ 25,000	\$ (30,200)	7,600
Refrigerated Trucks		250,000	(141,680)	108,320
Cooking program	32,500	231,383		263,883
Total	\$ 120,300	\$ 506,383	\$ (171,880)	\$ 454,803

	<u>June 30, 2020</u>	<u>Contributions</u>	<u>Expenditures</u>	<u>June 30, 2021</u>
Commerical Business Initiative	\$ 25,000	\$ 50,000		\$ 75,000
SM4Kids	20,000		\$ (20,000)	
Food Provider Network	10,000	95,000	(92,200)	12,800
Fill the Hall	25,000		(25,000)	
Cooking program		32,500		32,500
Total	\$ 80,000	\$ 177,500	\$ (137,200)	\$ 120,300

Notes to Financial Statements

June 30, 2022 and 2021

NOTE 7- NET ASSETS

Net Assets balances at June 30, are as follows:

	<u>2022</u>	<u>2021</u>
Net Assets without donor restrictions		
Undesignated	\$ 1,588,120	\$ 1,791,082
Board designated	1,086,837	616,000
Total Net Assets without donor restrictions	<u>\$ 2,674,957</u>	<u>\$ 2,407,082</u>
Net Assets with donor restrictions		
Subject to expenditure for specified purpose:		
Meals for Kids		\$ 200,349
		<u>\$ 200,349</u>
Subject to the passage of time:		
Beneficial interests in Family Service Association Fund	<u>\$ 80,653</u>	<u>\$ 90,906</u>
Total Net Assets with donor restrictions	<u>80,653</u>	<u>291,255</u>
Total Net Assets	<u>\$ 2,755,610</u>	<u>\$ 2,698,337</u>
Net Assets released from restrictions		
	<u>2022</u>	<u>2021</u>
Satisfaction of purpose restrictions		
Van purchase		\$ 31,499
Meals for Kids	\$ 377,042	494,083
Meals for Seniors		10,095
Community Supported Agriculture	96,680	35,985
Other	3,579	
Distributions		
Beneficial interests in charitable trusts held by others	3,476	4,146
	<u>\$ 480,777</u>	<u>\$ 575,808</u>

NOTE 8 – LINE OF CREDIT

Gather has a \$1,250,000 revolving line of credit secured by investments. Borrowings under the line bear interest at 3.75%. Accrued interest and principal are due at maturity (April 30, 2028). The outstanding balance at June 30, 2022 is zero.

Notes to Financial Statements

June 30, 2022 and 2021

NOTE 9 – CONTRIBUTIONS OF NONFINANCIAL ASSETS

For year ended June 30, 2022:

<u>Donation</u>	<u>Revenue Recognized</u>	<u>Utilization in Program</u>	<u>Donor Restrictions</u>	<u>Valuation Techniques</u>
Food	\$ 2,493,614	Pantry	Low income community	Donated food is valued based on Feed America dollar value of a pound of donated food.
Total	<u>\$ 2,493,614</u>			

For year ended June 30, 2021:

<u>Donation</u>	<u>Revenue Recognized</u>	<u>Program Utilized</u>	<u>Donor Restrictions</u>	<u>Valuation Techniques</u>
Food	\$ 3,194,469	Pantry	Low income community	Donated food is valued based on Feed America dollar value of a pound of donated food.
Total	<u>\$ 3,194,469</u>			

NOTE 10 – LEASES

The Pantry leases office space in Portsmouth, NH from two third parties. There are two current leases. The amended term of the first lease is for three years beginning on October 1, 2022 and ends on September 30, 2024. During 2022, a second amendment was made updating the agreement to a second unit lease effective October 1, 2022, which ends on September 30, 2024. The Pantry also has a month to month lease for a third space with monthly payments of \$1,575. Building lease expense for the years ended June 30, 2022 and 2021, respectively is \$62,930 and \$51,452.

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

Year Ending June 30,		
	2023	\$ 35,441
	2024	<u>35,779</u>
		<u>\$ 71,219</u>

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

NOTE 11 – SUBSEQUENT EVENTS

Management has made an evaluation of subsequent events to and including December 16, 2022, 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.