

CAPE KID MEALS, INC.
(a nonprofit corporation)

FINANCIAL STATEMENTS

For the Six Month Period Ended June 30, 2021

CAPE KID MEALS, INC.
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For the Six Month Period Ended June 30, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Cape Kid Meals, Inc.

We have reviewed the accompanying financial statements of the Cape Kid Meals, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021 and the related statement of activities, functional expenses, and cash flows for the period January 1, 2021 to June 30, 2021, 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.

Auditor's Responsibility

Our 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 us to perform procedures to obtain limited assurance as a basis for reporting whether we are 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. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on my review, I we are 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.

Osterville, Massachusetts
December 10, 2021

CAPE KID MEALS, INC.
Statement of Financial Position
For the Six Month Period Ended June 30, 2021

ASSETS

Current Assets:	
Cash and cash equivalents	\$ 539,513
Accounts Receivable	4,600
Total current assets	<u>544,113</u>
Total assets	<u>\$ 544,113</u>

LIABILITIES AND NET ASSETS

Current Liabilities:	
Accounts payable and accrued expenses	\$ 1,173
Total current and total liabilities	<u>1,173</u>
Net Assets:	
Without donor restrictions:	
Undesignated	534,615
Restricted	8,325
Total net assets	<u>542,940</u>
Total liabilities and net assets	<u>\$ 544,113</u>

The accompanying notes are an integral part of these financial statements.

CAPE KID MEALS, INC.
Statement of Activities
For the Six Month Period Ended June 30, 2021

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains, and Support:			
Contributions and grants	\$ 181,011	\$ -	\$ 181,011
In-kind contributions	76,671	-	76,671
Special Events	14,925	-	14,925
Investment Income	241	-	241
Other	-	-	-
Net assets released from restrictions	-	-	-
Total revenue, gains, and support	<u>272,849</u>	<u>-</u>	<u>272,849</u>
Expenses:			
Program	124,469	24,737	149,206
Management and general	-	6,147	6,147
Fund-raising	174	7,367	7,541
Total expenses	<u>124,643</u>	<u>38,251</u>	<u>162,894</u>
Change in Net Assets	148,206	(38,251)	109,954
Net Assets, Beginning of Year	<u>386,409</u>	<u>46,577</u>	<u>432,986</u>
Net Assets, End of Year	<u>\$ 534,615</u>	<u>\$ 8,325</u>	<u>\$ 542,940</u>

The accompanying notes are an integral part of these financial statements.

CAPE KID MEALS, INC.
Statement of Functional Expenses
For the Six Month Period Ended June 30, 2021

	2021			
	Program	Management and General	Fund Raising	Total
Expenses:				
Food costs	\$ 124,809	\$ -	\$ -	\$ 124,809
Advertising and marketing	1,567	1,567	1,000	4,135
Professional Fees	22,830	3,670	5,700	32,200
Office Expenses	-	910	841	1,751
Total	\$ 149,206	\$ 6,147	\$ 7,541	\$ 162,894

The accompanying notes are an integral part of these financial statements.

CAPE KID MEALS, INC.
Statement of Cash Flows
For the Six Month Period Ended June 30, 2021

Cash Flows from Operating Activities:	
Change in net assets	\$ 109,954
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	-
(Increase) decrease in operating assets:	
Accounts Receivable	51,339
Increase (decrease) in operating liabilities:	
Accounts payable and accrued expenses	1,173
Net Cash Provided by Operating Activities	<u>162,466</u>
Net Change in Cash, Cash Equivalents, and Restricted Cash	162,466
Cash, Cash Equivalents, and Restricted Cash, Beginning of Year	<u>377,047</u>
Cash, Cash Equivalents, and Restricted Cash, End of Year	<u><u>\$ 539,513</u></u>

The accompanying notes are an integral part of these financial statements.

CAPE KID MEALS, INC.
Notes to Financial Statements
For the Six Month Period Ended June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization

Cape Kid Meals, Inc., (Organization) is a non-profit in Massachusetts that was established Sept 24, 2018. Cape Kid Meals is a food backpack program which provides nutritional food to children who are at risk of not having enough to eat over the weekend. The program serves all elementary schools across the Cape where there is a need. Volunteers pack and deliver weekly to all the schools. Food is provided at no cost to the children.

Change of Fiscal Year End

On September 10, 2020, the board voted to change the fiscal year end to the school year end of June 30th, beginning in 2021, and the Certificate of Change was filed with the Secretary of State of Massachusetts on June 30, 2021.

Cash, Cash Equivalents, and Restricted Cash

The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less which are neither held for nor restricted by donors for long term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to capital improvements and acquisitions, endowments that are perpetual in nature, or other long-term purposes are excluded from this definition.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statement of financial position to the sum of the corresponding amounts within the statement of cash flows:

	2021
Cash and cash equivalents	\$ 539,513
Cash restricted for capital improvements and acquisitions	-
Total	<u>\$ 539,513</u>

Receivable and Credit Policies

For any receivables, the Organization determines the allowance for uncollectable accounts receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectable. At June 30, 2021 the allowance was \$0.

Any receivables from contracts with customers are reported as accounts receivable, net in the accompanying consolidated statements of financial position. Contract liabilities are reported as deferred revenue in the accompanying consolidated statements of financial position. At June 30, 2021 the Receivables were \$4,600.

Property and Equipment

The Organization records property and equipment additions over \$2,500 at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 39 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently. There are currently no fixed assets recorded in the accompanying financial statements.

CAPE KID MEALS, INC.
Notes to Financial Statements
For the Six Month Period Ended June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets 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-) imposed restrictions and may be expended for any purpose in performing the primary objectives of CKM. These net assets may be used at the discretion of the Board of Directors.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Organization reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. 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 consolidated statements of activities as net assets released from restrictions. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restrictions when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Financial Instruments and Credit Risk

The Organization manages deposit concentration risk by placing cash and money market accounts in financial institutions believed by them to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, we have not experienced losses in any of these accounts.

The Organization is supported primarily by food donations, donor contributions, and grants. Approximately, 8% of the Organization's support came from food donations for the year ended June 30, 2021. Support from donor contributions and grants for the year ended June 30, 2021 was approximately 92%.

Revenue and Revenue Recognition

The Organization does not charge their clients for any of the programs, services and good provided. The organization is largely funded through donations. The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

CAPE KID MEALS, INC.
Notes to Financial Statements
For the Six Month Period Ended June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Advertising Costs

Advertising costs are expensed as incurred, and approximated \$4,135 during the year ended June 30, 2021.

Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to our 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 generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. (Note C) The Organization records donated professional services at the respective fair values of the services received only if the services create or enhance nonfinancial assets or require special skills, are provided by individuals possessing those skills and typically need to be purchased if not provided by donation. No significant contributions of such services were received during the year ended June 30, 2021.

Income Taxes

The Organization is organized as a Massachusetts nonprofit corporation and have been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as organizations described in IRC Section 501(c)(3), qualify for the charitable contribution deduction under IRC Sections 170(b)(1)(A)(vi) and (viii), and have been determined not to be private foundations under IRC Sections 509(a)(1) and (3), respectively. Each entity is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. The Organization has determined that each entity is not subject to unrelated business income tax and have not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets 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, and those differences could be material.

CAPE KID MEALS, INC.
Notes to Financial Statements
For the Six Month Period Ended June 30, 2021

NOTE B - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS:

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use,

	2021
Financial assets at year end:	
Cash and cash equivalents	\$ 539,513
Total financial assets at year end	539,513
Donor Restricted	
Amount set aside for non food expenditures	8,324
Financial assets available to meet cash needs for general	\$ 531,189

The Organization is supported by both restricted and unrestricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE C - DONATED MATERIALS

The Organization received donated materials & food as follows during the year ended June 30, 2021:

	2021
Donated Food With a Dollar Value:	\$ 76,671

NOTE D - SUBSEQUENT EVENTS:

The Organization has evaluated subsequent events through December 10, 2021, the date which the financial statements were available to be issued. Management continues to evaluate the impact of the COVID-19 pandemic. The financial statements do not include any adjustments that might result from the outcome of this uncertainty pertaining to the pandemic.