

DANIEL'S TABLE, INC.
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
AND
REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

DANIEL'S TABLE, INC.

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Daniel's Table, Inc.
10 Pearl Street
Framingham, MA 01702

Opinion

We have audited the accompanying financial statements of the Daniel's Table, Inc., Framingham, Massachusetts, (a nonprofit corporation) which comprise the statement of financial position as of December 31, 2021 and 2020, and the related statements of activities, 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 the Daniel's Table, Inc., Framingham, Massachusetts, as of December 31, 2021 and 2020, 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 audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Daniel's Table, Inc. and to meet our ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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.

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 the Daniel's Table, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Certified Public Accountants

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- * Exercise professional judgment and maintain professional skepticism throughout the audit.
- * Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- * Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Daniel's Table, Inc.'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 the Daniel's Table, Inc.'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.



Borgatti Harrison & Co.

Framingham, Massachusetts
January 12, 2023

DANIELS' TABLE, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 153,033	\$ 398,715
Accounts receivable	-	-
Prepaid expenses and other	<u>28,239</u>	<u>28,218</u>
Total current assets	<u>181,272</u>	<u>426,933</u>
Property and Equipment:		
Equipment	90,943	90,943
Building	912,583	-
App development	215,500	-
Vehicles	<u>174,053</u>	<u>119,251</u>
	1,393,079	210,194
Less: Accumulated depreciation	<u>133,105</u>	<u>107,441</u>
Total property and equipment, net	<u>1,259,974</u>	<u>102,753</u>
	<u><u>\$ 1,441,246</u></u>	<u><u>\$ 529,686</u></u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 16,028	\$ 21,870
Current portion of long-term debt	<u>21,970</u>	<u>23,143</u>
Total current liabilities	<u>37,998</u>	<u>45,013</u>
Long-term liabilities:		
Long-term debt, net of current portion	<u>711,729</u>	<u>19,259</u>
	<u>711,729</u>	<u>19,259</u>
Net assets		
Without donor restrictions	691,519	465,414
With donor restrictions	<u>-</u>	<u>-</u>
Total net assets	<u>691,519</u>	<u>465,414</u>
	<u><u>\$ 1,441,246</u></u>	<u><u>\$ 529,686</u></u>

See accompanying notes are an integral part of these financial statements

DANIEL'S TABLE, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2021

(With Summary Information For The Year Ended December 31, 2020)

	Without Donor Restrictions	With Donor Restrictions	Total	2020
Operating revenues, gains and other support				
Contributions	\$ 744,059	\$ 93,843	\$ 837,902	\$ 895,930
Donated food	386,569	-	386,569	540,593
Catering income	8,127	-	8,127	7,084
Sub-lease rental income	3,400	-	3,400	5,210
Interest and other income	44	-	44	55
Net assets released from restrictions:				
Restrictions satisfied by payments	93,843	(93,843)	-	-
Total operating revenues, gains and other support	<u>1,236,042</u>	<u>-</u>	<u>1,236,042</u>	<u>1,448,872</u>
Operating expenses				
Program services	787,912	-	787,912	936,195
Management and general	152,469	-	152,469	70,055
Fundraising	109,911	-	109,911	21,713
Total operating expenses	<u>1,050,292</u>	<u>-</u>	<u>1,050,292</u>	<u>1,027,963</u>
Change in net assets from operations	185,750	-	185,750	420,909
Other changes				
Gain on disposal of property and equipment	21,265	-	21,265	-
Paycheck Protection Plan loan forgiveness	19,090	-	19,090	-
Net assets, beginning of year	<u>465,414</u>	<u>-</u>	<u>465,414</u>	<u>44,505</u>
Net assets, end of year	<u>\$ 691,519</u>	<u>\$ -</u>	<u>\$ 691,519</u>	<u>\$ 465,414</u>

See accompanying notes are an integral part of these financial statements

DANIEL'S TABLE, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Increase in net assets	\$ 226,105	\$ 420,909
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	57,499	26,391
Gain on disposal of property and equipment	(21,265)	-
Changes in assets and liabilities:		
Accounts receivable	-	6,615
Accounts payable	(5,842)	(29,342)
Prepaid expenses and other	(21)	(20,218)
Total adjustments	<u>30,371</u>	<u>(16,554)</u>
Net cash used by operating activities	<u>256,476</u>	<u>404,355</u>
Cash flows from investing activities:		
Capital expenditures	<u>(1,227,455)</u>	<u>(43,312)</u>
Net cash used in investing activities	<u>(1,227,455)</u>	<u>(43,312)</u>
Cash flows from financing activities:		
Proceeds from disposal of property and equipment	34,000	-
Proceeds from long-term debt	720,000	42,402
Principal payments on debt	(28,703)	(19,601)
	<u>725,297</u>	<u>22,801</u>
Net increase in cash and cash equivalents	(245,682)	383,844
Cash and cash equivalents, beginning of year	<u>398,715</u>	<u>14,871</u>
Cash and cash equivalents, end of year	<u>\$ 153,033</u>	<u>\$ 398,715</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for:		
Interest	\$ 11,194	\$ 440

See accompanying notes are an integral part of these financial statements

DANIEL'S TABLE, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2021

(With Summary Information For The Year Ended December 31, 2020)

	Program Services	Management and General	Fundraising	Total	Totals 2020
Salaries	\$ 214,548	\$ 78,981	\$ 84,384	\$ 377,913	\$ 195,703
Payroll taxes and benefits	14,256	5,248	5,607	25,111	25,364
Total salaries and benefits	228,804	84,229	89,991	403,024	221,067
Rent	37,800	2,100	2,100	42,000	62,019
Utilities	18,458	992	397	19,847	20,658
Repairs and maintenance	4,600	-	-	4,600	17,267
Vehicle expenses	9,439	-	-	9,439	3,671
Insurance	15,362	15,362	-	30,724	11,641
Website	4,312	-	10,060	14,372	18,306
Contract services	1,590	-	-	1,590	7,100
Payroll service	1,433	528	564	2,525	5,974
Advertising	18,436	-	570	19,006	20,992
Food, supplies and donations	5,468	-	-	5,468	23,519
Donated food	386,569	-	-	386,569	540,593
Telephone and internet	8,525	463	278	9,266	7,544
Professional fees	-	6,830	-	6,830	7,387
Uniforms	1,283	-	-	1,283	1,039
Computer supplies and repairs	6,586	3,293	3,293	13,172	18,352
Office supplies and other	-	990	-	990	8,425
Printing, copying and mailing	-	2,624	2,625	5,249	4,454
Licenses and taxes	-	5,318	-	5,318	581
Meetings and travel	-	294	33	327	543
Interest expense	-	11,194	-	11,194	440
Depreciation	39,247	18,252	-	57,499	26,391
	<u>\$ 787,912</u>	<u>\$ 152,469</u>	<u>\$ 109,911</u>	<u>\$ 1,050,292</u>	<u>\$1,027,963</u>

See accompanying notes are an integral part of these financial statements

DANIEL'S TABLE, INC.

NOTES TO FINANCIAL STATEMENTS

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

Organization

Daniel's Table, Inc. is a Massachusetts nonprofit corporation founded in 2015 to provide home-style meals that are produced with care and served with dignity for those challenged by job loss, illness or misfortune.

Through trial and error, Daniel's Table adopted different programs and either continued or discontinued them based on effectiveness and scalability. The one thing the Organization recognized throughout is that the lack of nonprofit collaboration and coordination of efforts was the main reason providing food security was, and still is, an elusive achievement.

In 2017, the Organization started the journey to develop software applications, knowing it was going to be a substantial investment, to coordinate efforts for regional nonprofits, clients and volunteers. Daniel's Table has developed the Healthy Communities client management system, Akindr Volunteer App, OneCiti Community Survey App., and Our BloomingCiti Community Food Resource App. The Organization is in the final stages of development and believe that in 2023 and beyond that the Organization will see a significant return on investment and effectiveness within entire communities. The amount capitalized as of December 31, 2021 was \$215,500.

Presentation

The Organization prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America (U.S. GAAP) for NFPs, which includes the accrual basis of accounting whereby revenues are recognized when earned and expenses when incurred.

The Organization is required to report information regarding its financial position and activities according to two classes of net assets; without donor restrictions and with donor restrictions.

Promises to give

Contributions are recognized when the donor makes a promise to give to the organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

DANIEL'S TABLE, INC.

NOTES TO FINANCIAL STATEMENTS
(Continued)

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Contributions and grants receivable

Contributions and grants receivable are unconditional promises to give that are recognized when the donor makes a promise to give to the organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Property and equipment

Property and equipment are carried at cost, or if cost is not practically determinable, at estimated cost. Donated property and equipment is recorded at their estimated fair value at the time received. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. The cost of maintenance and repairs is charged to operations as incurred.

Cash and cash equivalents

Cash and cash equivalents are cash investments in instruments with a maturity of ninety days or less.

Inventories of supplies

Supplies are considered to be expenditures at the time of purchase and are not included in the statement of financial position as inventories.

Vacation and sick leave

Employees are granted vacation and sick leave in varying amounts and must be taken in the fiscal year granted.

DANIEL'S TABLE, INC.

NOTES TO FINANCIAL STATEMENTS
(Continued)

Donated goods and services

Daniel's Table reports the fair value of gifts of donated food and grocery products over which it has control (i.e. variance power) as public support, without donor restrictions, and, immediately thereafter, as expense when granted to a family or individual who had demonstrated need.

The value of contributed services that do not require special expertise is not included in these financial statements since it is not susceptible to objective measurement or valuation.

Income taxes

The Organization is a non-profit organization exempt from taxation under Section 501©(3) of the Internal Revenue Code. Accordingly, no provision for income tax has been made. However, income from certain activities not directly related to the Organization's tax-exempt status is subject to taxation as unrelated business income.

Allowance for uncollectible accounts

The allowance for uncollectible amounts is estimated based on historical trends and specific account analysis. The allowance for uncollectible amounts is zero at December 31, 2021 and 2020.

Net assets

The financial statements report net assets and changes in net assets in three classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Unrestricted net assets- are resources available to support operations.

Temporarily restricted net assets- are resources that are restricted by a donor for use for a particular purpose or in a particular future period. When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from temporarily restricted to unrestricted net assets.

Permanently restricted net assets- are resources whose use by the organization is limited by donor-imposed restrictions that neither expire by being used in accordance with a donor's restriction nor by the passage of time. The portion of the organization's donor-restricted endowment funds that must be maintained in perpetuity are classified in this net asset class.

DANIEL'S TABLE, INC.

NOTES TO FINANCIAL STATEMENTS
(Continued)

All revenues and net gains are reported as increases in unrestricted net assets in the statement of activities unless the use of the related resources is subject to temporary or permanent donor restrictions. All expenses and net losses are reported as decreases in unrestricted net assets.

2 – FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the Organization's programs and other activities is summarized on a functional basis in the statement of activities and the statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited.

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Organization.

Fundraising costs are expensed as incurred, even though they result in contributions received in future years. Joint costs have been allocated between fundraising and management and general expenses in accordance with standards for accounting for costs of activities that include fundraising.

3 – PROPERTY AND EQUIPMENT

A summary of annual depreciation rates are as follows:

	<u>Rate</u>
Equipment	14% - 20%
Vehicles	14% - 20%

Depreciation charged to expense was \$57,499 and \$26,391 for 2021 and 2020, respectively.

4 – DEPOSITS

Deposits – Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the Organization's deposits may not be recovered. The Organization does not have a policy for custodial credit risk of deposits. As of December 31, 2021, \$-0- of the Organization's bank balance of \$155,958 was uninsured and uncollateralized and, therefore, exposed to custodial credit risk.

DANIEL'S TABLE, INC.

NOTES TO FINANCIAL STATEMENTS

(Continued)

5 – INCOME TAXES

Uncertain tax positions -

The Organization is exempt from federal income taxes under Section 501 ©(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

The Organization's Exempt Organization Income Tax Returns (Form 990) for 2020, 2019 and 2018 are subject to examination by the IRS, generally for three years after they are filed.

6 – LONG-TERM DEBT

Long-term debt consists of the following:

	<u>2021</u>	<u>2020</u>
Note payable, bank, interest at 4.00%, secured by mortgage on building, payable in monthly installments of principal and interest of \$3,824 through 2046	\$714,440	\$ -
Note payable, Toyota Financial, interest at 6.69%, secured by vehicle, payable in monthly installments of principal and interest of \$459 through 2026	19,259	23,312
PPP loan from the U.S. Small Business Administration, administered by Middlesex Savings Bank. The loan was forgiven on March 4, 2021	<u>-</u>	<u>19,090</u>
	733,699	42,402
Less: Current maturities	<u>21,970</u>	<u>23,143</u>
	\$711,729	\$ 19,259
	=====	=====

Principal maturities of long-term debt for the next five years are as follows:

2022	\$ 21,970
2023	22,993
2024	24,066
2025	26,003
2026	21,531

DANIEL'S TABLE, INC.

NOTES TO FINANCIAL STATEMENTS
(Continued)

7 – LEASES

The Organization had a ten year operating lease for its facilities expiring in 2026. In August of 2021, the Organization purchased the building for \$900,000. Rent expense for the years ended December 31, 2021 and 2020 was \$42,000 and \$62,019, respectively.

8 – SUB-LEASES

The Organization had a sub-lease for part of 2021 with an annual rental income of \$3,400 and \$5,210 in 2021 and 2020, respectively.

9 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the organization's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

	<u>2021</u>	<u>2020</u>
Financial assets at year-end	\$ 181,272	\$ 426,933
Less those unavailable for general expenditures within one year, due to:		
Donor-restricted for programs	_____	_____
Financial assets available to meet cash needs for general expenditures within one year	\$ 181,272 =====	\$ 426,933 =====

As part of the Organization's liquidity management, it invests cash in excess of daily requirements in short-term investments, typically money market accounts.

DANIEL'S TABLE, INC.

NOTES TO FINANCIAL STATEMENTS

(Continued)

10 - DONATED GOODS AND SERVICES

During the year ended December 31, 2021 and 2020, Daniel's Table distributed approximately 201,3380 and 243,000 pounds, respectively, of donated product received from 2 national donor and 3 local food companies. The approximate average wholesale value of one pound of donated product at the national level, which was determined to be \$1.92 and \$1.74 during calendar 2021 and 2020, respectively, was based upon a study performed by Feeding America. The year over year change in the value of one pound of donated product will vary from year to year based on product mix of items donated.

The value of food donated by local companies was based upon actual prices per pound quoted by these companies.

11 - RELATED PARTY TRANSACTIONS

The Organization's investment in the App development was paid through a Company owned by the Organization's former Executive Director. This related Company was formed to contract out the development to foreign subcontractors resulting in a zero net profit to this related company.

12 - STATEMENT OF ACTIVITIES

The Statement of Activities include prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2020, from which the summarized information was derived.

13- EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through January 12, 2023, the date which the financial statements were available to be issued.