

Daniel's Table, Inc.

*Financial Statements for the year ended
December 31, 2023 and Independent
Auditors' Report*

DANIEL'S TABLE, INC.
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Daniel's Table, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Daniel's Table, Inc. (a nonprofit organization), (the "Organization"), which comprise the statement of financial position as of December 31, 2023, and the related statement of activities and changes in net assets, functional expenses, and cash flows for the year 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 Organization as of December 31, 2023, and the changes in its net assets, functional expenses, and its cash flows for the year 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Organization and to meet our other 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 opinion.

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 Organization'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 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, 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 judgement 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 of the Organization'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

Dubrey, Culliton & Associates, LLC

Sturbridge, MA
November 15, 2024

DANIEL'S TABLE, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023

	<u>2023</u>
ASSETS	
CURRENT ASSETS	
Cash	\$ 239,128
Accounts receivable	700
Prepaid expenses	<u>3,003</u>
TOTAL CURRENT ASSETS	242,831
PROPERTY AND EQUIPMENT, NET	<u>907,883</u>
TOTAL ASSETS	<u><u>\$ 1,150,714</u></u>
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts payable	\$ 6,138
Accrued expenses and other liabilities	5,000
Accrued payroll and related taxes	7,824
Current portion of long-term debt	<u>23,623</u>
TOTAL CURRENT LIABILITIES	42,585
LONG-TERM DEBT, NET OF CURRENT PORTION	<u>709,363</u>
TOTAL LIABILITIES	<u>751,948</u>
NET ASSETS	
Without donor restrictions	<u>398,766</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,150,714</u></u>

See accompanying independent auditors' report and notes to financial statements

DANIEL'S TABLE, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2023 Total</u>
SUPPORT AND REVENUE			
Contributions	\$ 745,643	\$ 6,000	\$ 751,643
Donated food	487,872	-	487,872
Catering income	13,476	-	13,476
Rental income	5,650	-	5,650
Interest and other income	130	-	130
	<u>1,252,771</u>	<u>6,000</u>	<u>1,258,771</u>
NET ASSETS RELEASED FROM RESTRICTIONS			
	<u>6,000</u>	<u>(6,000)</u>	<u>-</u>
OPERATING EXPENSES			
Program services	761,920	-	761,920
Management and general	121,134	-	121,134
Fundraising	193,968	-	193,968
	<u>1,077,022</u>	<u>-</u>	<u>1,077,022</u>
OTHER EXPENSE			
Software disposal	<u>510,465</u>	<u>-</u>	<u>510,465</u>
CHANGE IN NET ASSETS	(328,716)	-	(328,716)
NET ASSETS, BEGINNING OF YEAR	<u>727,482</u>	<u>-</u>	<u>727,482</u>
NET ASSETS, END OF YEAR	<u>\$ 398,766</u>	<u>\$ -</u>	<u>\$ 398,766</u>

See accompanying independent auditors' report and notes to financial statements

DANIEL'S TABLE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Totals 2023</u>	<u>2022</u>
PERSONNEL AND RELATED EXPENSES					
Salaries and wages	\$ 126,788	\$ 61,680	\$ 154,201	\$ 342,669	\$ 307,056
Payroll taxes and insurance	12,226	5,948	14,870	33,044	19,523
Fringe benefits	498	242	606	1,346	-
Total personnel and related expenses	<u>139,512</u>	<u>67,870</u>	<u>169,677</u>	<u>377,059</u>	<u>326,579</u>
OTHER OPERATING EXPENSES					
Donated food	487,872	-	-	487,872	529,908
Depreciation	68,096	-	-	68,096	68,496
Interest expense	9,640	9,610	9,610	28,860	32,048
Insurance	12,250	12,250	-	24,500	25,662
Utilities	19,160	2,395	2,395	23,950	30,302
Professional fees	-	19,500	-	19,500	5,600
Rent	8,256	1,032	1,032	10,320	-
Repairs and maintenance	7,358	1,840	-	9,198	5,835
Computer supplies	2,778	833	3,333	6,944	7,273
Telephone and internet	1,682	1,632	1,632	4,946	8,277
Advertising	97	1,225	3,576	4,898	6,689
Payroll services	879	427	1,068	2,374	2,616
Office supplies	745	742	742	2,229	12,144
Uniforms	1,551	-	-	1,551	1,345
Website	676	338	338	1,352	1,981
Licenses and taxes	-	1,320	-	1,320	8,761
Vehicle	612	38	115	765	1,961
Food, supplies and donations	756	-	-	756	3,004
Printing, copying and mailing	-	82	193	275	7,814
Meetings and travel	-	-	257	257	138
Total other operating expenses	<u>622,408</u>	<u>53,264</u>	<u>24,291</u>	<u>699,963</u>	<u>823,104</u>
TOTAL EXPENSES	<u>\$ 761,920</u>	<u>\$ 121,134</u>	<u>\$ 193,968</u>	<u>\$ 1,077,022</u>	<u>\$ 1,149,683</u>

See accompanying independent auditors' report and notes to financial statements

DANIEL'S TABLE, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Changes in net assets	\$ (328,716)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Depreciation expense	68,096
Software disposal	510,465
(Increase) decrease in operating assets:	
Accounts receivable	(700)
Prepaid expenses and other	5,759
(Decrease) increase in operating liabilities:	
Accounts payable	(19,660)
Accrued expenses and other liabilities	5,000
Accrued payroll and related taxes	7,824
Net cash provided by operating activities	<u>248,068</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Software development	<u>(61,142)</u>
Net cash used in investing activities	<u>(61,142)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Principal payments of long-term debt	<u>(22,578)</u>
Net cash used in financing activities	<u>(22,578)</u>
NET INCREASE IN CASH AND RESTRICTED CASH	164,348
CASH AND RESTRICTED CASH, BEGINNING OF YEAR	<u>74,780</u>
CASH AND RESTRICTED CASH, END OF YEAR	<u>\$ 239,128</u>
SUPPLEMENTAL DISCLOSURES:	
Cash paid during the year for:	
Interest	<u>\$ 28,860</u>

See accompanying independent auditors' report and notes to financial statements

DANIEL'S TABLE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

1. ORGANIZATION

Daniel's Table, Inc. (the "Organization"), is a nonprofit organization formed 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, Inc. 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial statement presentation - The Organization follows the prescribed standards for general purpose financial statements of all not-for-profit organizations. These standards require reporting amounts for the Organization's total assets, liabilities, and net assets in a statement of financial position, reporting the change in the Organization's net assets in a statement of activities and changes in net assets, reporting expenses by function and type of expense in a statement of functional expenses, and reporting the change in the Organization's cash and cash equivalents in a statement of cash flows. The standards require the classification of an organization's net assets based on the existence or absence of donor-imposed restrictions. The Organization presents information regarding its financial position and activities according to the classifications of net assets described as follows:

Without donor restrictions - All resources accumulated over which the Organization has discretionary control. The Board of Directors of the Organization may elect to designate such resources for specific purposes or may delegate designation decisions for these resources to internal management. This designation may be removed at the Board's discretion.

With donor restrictions - Resources accumulated through donations or grants for specific operating or capital purposes. Such resources will be released from restriction when the requirements of the donor or grantor have been satisfied through expenditure for the specific purpose or program or through the passage of time.

Contributions, gifts and grants - Contributions received are recorded as support with or without donor restrictions depending on the existence and nature of any donor restrictions. Contributions may include actual gifts or promises to give. Such contributions are considered to be available for unrestricted use unless specifically restricted by the donor or grantor. Contributions of assets other than cash are recorded at their estimated fair value on the date of the gift.

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restriction expires in the reporting period during which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are released to net assets without donor restrictions.

The Organization received part of its financial support through contribution of goods and services by individuals and businesses. The contributed goods and services are reported at fair market value as of the date of contribution and are included in the statements of activities and changes in net assets as public support and revenues. Offsetting expense amounts are included in the statements of functional expenses classified by the nature of the good or service received.

DANIEL'S TABLE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Organization has volunteers who provide assistance in various areas of its operations. Such contributed services do not meet the criteria for recognition of contributed services contained in accounting principles generally accepted in the United States of America and accordingly, are not reflected in the accompanying financial statements. For the year ended December 31, 2023, the Organization received approximately 5,201 hours of volunteered time.

Functional 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. Personnel and related expenses are allocated based on an estimate of time and effort.

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 expenses 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.

Income taxes - The Organization qualifies as a tax-exempt organization, other than a private foundation, under Section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for federal or state income taxes in the accompanying financial statements. In addition, The Organization qualifies for the charitable contributions deduction under Section 170(b)(1)(a) and has been classified as an Organization that is not a private foundation under Section 509(a)(1).

The Organization reports its activities to the Internal Revenue Service in an annual information return which is subject to review by the taxing authorities for the standard three-year statute of limitations. As of December 31, 2023, the Organization's information returns for the years ended December 31, 2020 through 2023 are subject to potential review by federal and state tax authorities.

Concentration of risk - From time to time, the Organization may have a concentration of credit represented by cash balances in a highly rated commercial bank in amounts in excess of current federal deposit insurance limits. The Organization did not have a cash balance in excess of the FDIC-insured balance as of December 31, 2023.

Accounting estimates and assumptions - 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents - For the purpose of these financial statements, cash and cash equivalents are defined as cash balances maintained in checking, savings and cash money market accounts with original maturities of less than ninety days.

Advertising - All costs associated with advertising and promotion for the Organization are expensed in the year incurred. Advertising expense was \$4,898 for the year ended December 31, 2023.

DANIEL'S TABLE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated goods - The Organization 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.

Equipment and depreciation - Acquisitions or donations of property and equipment over \$5,000 are capitalized and are recorded at cost if purchased or at the fair market value at the date of donation. Depreciation of property and equipment is recorded on a straight-line basis over their estimated useful lives as follows:

	Estimated useful lives	2023
Buildings and improvements	20-39 years	\$ 912,584
Equipment and furniture	5-10 years	110,867
Vehicles	5 years	154,128
		<u>1,177,579</u>
Less: accumulated depreciation		<u>(269,696)</u>
Property and equipment, net		<u>\$ 907,883</u>

Depreciation expense for the year ended December 31, 2023 was \$68,096.

During the year ended December 31, 2023 the Organization determined it would no longer invest in the development of software applications. As such, ownership of the applications and all prior investments were transferred to Legacy Response, Inc.. The Organization recognized a loss of \$510,465 on the investment made towards application development as seen on the statement of activities and changes in net assets in the accompanying financial statements.

Leases - The Organization accounts for leases in accordance with FASB ASC 842. The Organization determines if an arrangement is a lease, or contains a lease, at inception of a contract and when terms of an existing contract are changed. The Organization determines if an arrangement conveys the right to use an identified asset and whether the Organization obtains substantially all of the economic benefits from and has the ability to direct the use of the asset. The Organization recognizes a lease liability and ROU asset at the commencement date of the lease.

3. CONTINGENCIES

Legal matters - In the normal course of operations, the Organization may be subject to certain claims and litigations. As of December 31, 2023, the Organization is not involved in any litigation and management is not aware of any unasserted claims or assessments.

DANIEL’S TABLE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

4. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization’s financial assets available within one year of the financial position date for general expenditure are as follows:

	<u>2023</u>
Cash	\$ 239,128
Accounts receivable	<u>700</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 239,828</u>

5. RECENT PRONOUNCEMENTS

New accounting pronouncements – The Organization has adopted the implementation of ASU No. 2016-02 *Leases (Topic 842)* for the year end December 31, 2022, which requires the Organization to capitalize any operating leases which are greater than 12-months as an asset and liability on the statement of financial position and amortize the lease over the term of the lease on a straight-line basis. Finance leases have both an interest factor and depreciation of the lease asset. Non-lease components of monthly payment are a consideration, and the standard allows a practical expedient to lessees to account for non-lease components separately.

The Organization has adopted the Financial Accounting Standards Board’s Accounting Standards Update (ASU) No. 2018-08 Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605), as amended. ASU No. 2018-08 was issued to make it easier for not-for-profit organizations to evaluate whether gifts, grants or contracts should be accounted for as contributions or as reciprocal (exchange) transactions.

6. DONATED GOODS AND SERVICES

During the year ended December 31, 2023, the Organization distributed approximately 252,782 pounds of donated product received from 2 national donors and 3 local food companies. The approximate average wholesale value of one pound of donated product at the national level was determined to be \$1.93 during the calendar year 2023, 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.

7. RELATED PARTY TRANSACTIONS

The Organization’s investment in software applications was paid through a company, Legacy Response, Inc., owned by the Organization’s former Executive Director. This related company was formed to contract out the development to foreign subcontractors resulting in zero net profit to this related company. During the year ended December 31, 2023 the Organization signed over all rights to the applications development and any licensing agreements to Legacy Response, Inc..

DANIEL'S TABLE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

RELATED PARTY TRANSACTIONS (CONTINUED)

The Organization has a loan payable to David Blais, Former Executive Director, with an outstanding balance of \$43,431 as of December 31, 2023. The loan was made to assist with start-up expenses during the Organization's creation.

8. LONG TERM DEBT

Long term notes payable consisted of the following at December 31:

	2023
Mortgage 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	\$ 679,269
Note payable, Toyota Financial, interest at 6.69%, secured by vehicle, payable in monthly installments of principal and interest of \$459 through 2026	10,286
Note Payable David Blais, a related party, unsecured, 0% interest	43,431
	<u>732,986</u>
Less: current maturities of long-term debt	23,623
Long term debt	<u>\$ 709,363</u>

The aggregate maturities of long-term debt are as follows for the year ending December 31:

2025	24,748
2026	20,232
2027	21,069
2028	21,941
2029	22,848
Thereafter	598,525
	<u>\$ 709,363</u>

9. RENTAL INCOME

The Organization has a tenant-at-will agreement for leasing office space to an unrelated organization. During the year ended December 31, 2023 the Organization collected \$5,650 of rental income.

10. SUBSEQUENT EVENTS

Subsequent events have been evaluated through November 15, 2024, which is the date the financial statements were available to be issued.

**DANIEL'S TABLE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

SUBSEQUENT EVENTS (CONTINUED)

On May 9, 2024 the Organization signed all ownership rights to Legacy Response, Inc for the capitalized software, resulting in a loss on disposal reported on the statement of activities and changes in net assets.
