

**PROJECT SWEET PEAS**

Financial Statements

December 31, 2020 and 2019

# PROJECT SWEET PEAS

December 31, 2020 and 2019

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Independent Auditor's Report

*Robert D. Giudici, C.P.A.*  
*James H. Aceto, C.P.A.*

Board of Directors  
Project Sweet Peas  
Warwick, Rhode Island

***Report on the Financial Statements***

We have audited the accompanying statements of assets, liabilities, and net assets – modified cash basis of Project Sweet Peas as of December 31, 2020 and 2019, and the related statements of revenue, expenses, and changes in net assets – modified cash basis, cash flows – modified cash basis, and functional expenses for the years then ended, and the related notes to the financial statements.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting as described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

***Auditor's Responsibility (continued)***

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of Project Sweet Peas as of December 31, 2020 and 2019, and its revenue, expenses, and changes in net assets, cash flows, and functional expenses for the years then ended, on the basis of accounting described in Note 1.

***Basis of Accounting***

We draw attention to Note 1 of the financial statements which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

*Ward, Fisher & Company, LLP*

May 4, 2021

## PROJECT SWEET PEAS

Statements of Assets, Liabilities, and Net Assets - Modified Cash Basis  
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
<b><i>Current Assets</i></b>		
Cash	\$ 278,865	\$ 200,834
Inventory	90,402	70,285
Prepaid expense	3,990	2,412
Rental deposit	-	600
<b><i>Total current assets</i></b>	<b><u>\$ 373,257</u></b>	<b><u>\$ 274,131</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
<b><i>Liabilities</i></b>		
Deferred revenue - fundraising	<u>\$ -</u>	<u>\$ 4,850</u>
<b><i>Net Assets</i></b>		
Net assets with donor restrictions	2,190	8,800
Net assets without donor restrictions	<u>371,067</u>	<u>260,481</u>
<b><i>Total net assets</i></b>	<b><u>373,257</u></b>	<b><u>269,281</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 373,257</u></b>	<b><u>\$ 274,131</u></b>

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

## PROJECT SWEET PEAS

### Statements of Revenues, Expenses, and Changes in Net Assets - Modified Cash Basis Years Ended December 31, 2020 and 2019

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	2020 Total	2019 Total
<b>Revenues</b>				
Donations	\$ 139,247	\$ -	\$ 139,247	\$ 127,061
Grants	57,500	2,160	59,660	69,850
Donations in kind	41,421	-	41,421	32,651
Fundraising events, net of direct costs of \$20,006 in 2020 and \$35,471 in 2019	39,124	-	39,124	55,291
Merchandise, net of direct costs of \$22,872 in 2020 and \$18,578 in 2019	7,006	-	7,006	-
Bank interest	522	-	522	275
<b>Total revenues</b>	<b>284,820</b>	<b>2,160</b>	<b>286,980</b>	<b>285,128</b>
<b>Expenses</b>				
Program services	147,901	8,770	156,671	197,313
Management and general	26,333	-	26,333	25,850
	<b>174,234</b>	<b>8,770</b>	<b>183,004</b>	<b>223,163</b>
Change in Net Assets	110,586	(6,610)	103,976	61,965
Net assets, beginning of year	260,481	8,800	269,281	207,316
<b>Net Assets, End of Year</b>	<b>\$ 371,067</b>	<b>\$ 2,190</b>	<b>\$ 373,257</b>	<b>\$ 269,281</b>

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

## PROJECT SWEET PEAS

### Statements of Cash Flows - Modified Cash Basis For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b><i>Cash Flows from Operating Activities:</i></b>		
Change in net assets	\$ 103,976	\$ 61,965
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
(Increase) Decrease in:		
Inventory	(20,117)	(1,888)
Prepaid expense	(1,578)	(2,412)
Rental deposit	600	(600)
Increase (Decrease) in:		
Deferred revenue - fundraising	<u>(4,850)</u>	<u>4,850</u>
Net increase in cash and cash equivalents	78,031	61,915
Cash and cash equivalents, beginning of year	<u>200,834</u>	<u>138,919</u>
Cash and cash equivalents, end of year	<u><u>\$ 278,865</u></u>	<u><u>\$ 200,834</u></u>

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

## PROJECT SWEET PEAS

### Statements of Functional Expenses - Modified Cash Basis For the Years Ended December 31, 2020 and 2019

	Program Services	Management and General	2020 Total	2019 Total
Care package items and program expenses	\$ 122,523	\$ -	\$ 122,523	\$ 167,617
In-Kind items' delivery value	21,303	-	21,303	12,186
Postage	12,845	-	12,845	17,510
Office rent	-	4,575	4,575	7,200
Printing/Office	-	2,781	2,781	5,100
Conferences	-	382	382	605
NPO insurance	-	2,212	2,212	1,972
Professional expense	-	7,500	7,500	1,200
Advertising/promotional	-	509	509	1,483
Bank and donation processing fees	-	1,734	1,734	2,013
Donor management	-	4,236	4,236	1,683
NPO registrations	-	1,170	1,170	958
Website hosting and maintenance	-	18	18	826
Volunteer events	-	1,058	1,058	2,715
Parking	-	-	-	95
Utilities	-	158	158	-
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 156,671</b>	<b>\$ 26,333</b>	<b>\$ 183,004</b>	<b>\$ 223,163</b>

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



## PROJECT SWEET PEAS

Notes to Financial Statements  
December 31, 2020 and 2019

### 1. OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### *Nature of Operations*

Project Sweet Peas (the “Organization”) is a national non-profit organization that offers programs and services that support the well-being of families who have an infant in intensive care and of those who have experienced pregnancy and infant loss.

#### *Basis of Accounting*

The Organization prepares its financial statements on a modified cash basis. Under this basis, revenues are generally recognized when collected, rather than when earned, and expenditures are generally recognized when paid, rather than when incurred.

#### *Classes of Net Assets*

The financial statements report amounts by class of net assets.

*Net assets without donor restrictions* are currently available for operating purposes under the direction of the Board, designated by the Board for specific use, donor-advised funds, or invested in property and equipment.

*Net assets with donor restrictions* are stipulated by donors for specific operating purposes or for the acquisition of property and equipment or are time restricted. These include donor restrictions requiring the net assets be held in perpetuity or for a specified term with investment return available for operations.

#### *Inventory*

The inventory includes items that are used mostly for care packages and there are supplies used for events. The inventory is calculated at average price or the fair value of donations.

### 2. DONATED INVENTORY

In-kind donations of inventory used by the Organization are valued at the estimated fair value at the time of the donation. In-kind donations of inventory totaled \$41,421 and \$32,651 for the years ended December 31, 2020 and 2019, respectively.

### 3. CASH AND CASH EQUIVALENTS

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

### 4. INCOME TAX STATUS

The Organization's activities are generally exempt from federal and state income taxes under section 501(c)(3) of the Internal Revenue Code.

For the years ended December 31, 2020 and 2019, management of the Organization is not aware of any material uncertain tax positions to be accounted in the financial statements.

All tax-exempt entities are subject to review and audit by federal, state, and other applicable agencies. Such agencies may review the taxability of unrelated business income, or the qualification of the tax-exempt entity under the Internal Revenue Code and applicable state statutes. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

### 5. SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through May 4, 2021, which is the date the financial statements were available to be issued, for events requiring recording or disclosure in the financial statements for the years ended December 31, 2020 and 2019.

### 6. NET ASSETS WITH DONOR RESTRICTIONS

At December 31, 2020, donor-restricted net assets were available for the following purposes:

Beginning balance, food and gift cards	\$ 8,800
Grants received	-
Funds disbursed	<u>(6,610)</u>
Ending balance	<u>\$ 2,190</u>

### 7. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflect the Organization's financial assets as of the statements of assets, liabilities, and net assets – modified cash basis date, reduced by amounts not available for general use within one year of the statements of financial position date because of contractual or donor-imposed restrictions or internal designations. Amounts available at December 31, 2020 and 2019, included donor-restricted amounts that are available for general expenditure in the following year.

	<u>2020</u>	<u>2019</u>
Current assets, excluding non-financial assets	\$ 278,865	\$ 200,834
Subtract: donor restrictions for specific purposes	<u>(2,190)</u>	<u>(8,800)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 276,675</u>	<u>\$ 192,034</u>