
LOAVES & FISHES FOOD PANTRY, INC.

(See Independent Accountants' Review Report)

FINANCIAL STATEMENTS

NINE MONTH PERIOD ENDED DECEMBER 31, 2014

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(See Independent Accountants' Review Report)
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Table of Contents

	<u>Page</u>
Independent Accountants' Review Report	1
Financial Statements:	
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements	6-9

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

Independent Accountants' Review Report

To the Board of Directors
Loaves & Fishes Food Pantry, Inc.
Charlottesville, Virginia

We have reviewed the accompanying statements of financial position of Loaves & Fishes Food Pantry, Inc. (a nonprofit organization) as of April 1, 2014 through December 31, 2014, and the related statements of activities, functional expenses and cash flows for the nine month period then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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 designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States.

Robinson, Farmer, Cox Associates

Charlottesville, Virginia

April 24, 2015

- Financial Statements -

LOAVES & FISHES FOOD PANTRY, INC.

Statement of Financial Position
At December 31, 2014

Assets	
Cash and cash equivalents	\$ 132,196
Pledges receivable	200
Inventory	70,685
Gift cards	69
Prepaid expenses	2,679
Property and equipment, net of accumulated depreciation	<u>54,497</u>
Total assets	\$ <u><u>260,326</u></u>
Liabilities and Net Assets	
Liabilities	
Accounts payable, trade	\$ <u>7,681</u>
Total liabilities	\$ <u>7,681</u>
Net Assets	
Unrestricted	\$ 230,540
Temporarily restricted	<u>22,105</u>
Total net assets	\$ <u>252,645</u>
Total liabilities and net assets	\$ <u><u>260,326</u></u>

See accompanying notes and independent accountants' review report.

LOAVES & FISHES FOOD PANTRY, INC.

Statement of Activities
 Nine Month Period Ended December 31, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenues:				
Contributions:				
Individual contributions	\$ 190,766	\$ -	\$ -	\$ 190,766
Corporate contributions	9,050	20,000	-	29,050
Church contributions	15,276	-	-	15,276
Nonprofit contributions	671,579	2,105	-	673,684
Foundation contributions	64,306	-	-	64,306
Grants - USDA	856,594	-	-	856,594
Investment income	70	-	-	70
Fundraising revenue	698	-	-	698
Miscellaneous income	56	-	-	56
Total revenues	\$ 1,808,395	\$ 22,105	\$ -	\$ 1,830,500
Expenses:				
Program services	\$ 1,667,651	\$ -	\$ -	\$ 1,667,651
Supporting services:				
Management and general	19,861	-	-	19,861
Fundraising	18,008	-	-	18,008
Total expenses	\$ 1,705,520	\$ -	\$ -	\$ 1,705,520
Changes in net assets	\$ 102,875	\$ 22,105	\$ -	\$ 124,980
Net assets at beginning of period	127,665	-	-	127,665
Net assets at end of period	\$ 230,540	\$ 22,105	\$ -	\$ 252,645

See accompanying notes and independent accountants' review report.

LOAVES & FISHES FOOD PANTRY, INC.

Statement of Functional Expenses
 Nine Month Period Ended December 31, 2014

	Supporting Services			Total
	Program Services	Management and General	Fundraising	
Salaries	\$ 34,091	\$ 13,979	\$ 13,979	\$ 62,049
Payroll taxes	4,747	-	-	4,747
Fees for services	279	-	278	557
Occupancy	34,770	-	-	34,770
Insurance	-	4,456	-	4,456
Depreciation	9,154	-	-	9,154
Fundraising expenses	-	-	3,751	3,751
Food distributed	1,578,791	-	-	1,578,791
Office expenses	15	618	-	633
Repair and maintenance	1,958	-	-	1,958
Food distribution supplies	1,603	-	-	1,603
Memberships, dues and licenses	-	175	-	175
Miscellaneous	-	633	-	633
Supplies	2,243	-	-	2,243
	<u>\$ 1,667,651</u>	<u>\$ 19,861</u>	<u>\$ 18,008</u>	<u>\$ 1,705,520</u>

See accompanying notes and independent accountants' review report.

LOAVES & FISHES FOOD PANTRY, INC.

Statement of Cash Flows
Nine Month Period Ended December 31, 2014

Cash flows from operating activities	
Change in net assets	\$ 124,980
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities	
Depreciation	9,154
(Increase) decrease in assets:	
Pledges receivable	200
Prepaid expenses	(91)
Inventory	(6,797)
Increase (decrease) in liabilities:	
Accounts payable, trade	2,843
Deferred revenue	(4,000)
	<hr/>
Net cash provided by (used for) operating activities	\$ 126,289
Cash flows from investing activities	
Purchases of property and equipment	\$ (350)
	<hr/>
Net cash provided by (used for) investing activities	\$ (350)
Net increase in cash and cash equivalents	\$ 125,939
Cash and cash equivalents at beginning of period	6,257
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Cash and cash equivalents at end of period	\$ 132,196
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See accompanying notes and independent accountants' review report.

LOAVES & FISHES FOOD PANTRY, INC.

Notes to Financial Statements
At December 31, 2014

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES:

Nature of Activities:

Loaves & Fishes Food Pantry, Inc. is a 501(C)3 non-profit organization that offers USDA-provided food, food donated from churches and other local organizations, and food purchased with monetary donations to families in need within and around the Charlottesville community. The Organization changed the fiscal year from April 1 through March 31 to coincide with the calendar year beginning January 1, 2015. This short year review is for the nine month period of April 1, 2014 through December 1, 2014.

Basis of Accounting:

The Organization's financial statements are prepared on the accrual basis, in accordance with generally accepted accounting principles. Therefore, revenues are recognized when earned rather than when received and expenditures are recorded when incurred rather than when paid. Expenditures are capitalized as assets when the expenditure in one period can be seen as providing benefit to the Organization in future periods.

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 amount and disclosures. Accordingly, actual results could differ from those estimates.

Financial Statement Presentation:

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to any donor-imposed stipulations. At December 31, 2014 the Organization reported unrestricted net assets of \$230,540.

Temporarily restricted assets - Net assets subject to donor-imposed restrictions on their use that may be met either by actions of the Organization or the passage of time. At December 31, 2014 the Organization had temporarily restricted net assets of \$22,105.

Permanently restricted net assets - Net assets subject to donor-imposed or other legal restrictions requiring that the principal be maintained permanently by the Organization. Generally, the donors permit the Organization to use all or part of the income earned for either general or donor-specific purposes. At December 31, 2014, the Organization had no permanently restricted net assets.

Cash and Cash Equivalents:

For purposes of the statement 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.

See Independent Accountants' Review Report.

LOAVES & FISHES FOOD PANTRY, INC.

Notes to Financial Statements
At December 31, 2014 (Continued)

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES: (Continued)

In-Kind Donations:

Donated food and equipment are reflected as contributions in the accompanying statements at their estimated values at the date of receipt. No amounts have been reflected in the statements for donated services because they did not meet the requirements for recognition in the financial statements. Nevertheless, a substantial number of volunteers have donated significant amounts of their time in the Organization's program services and fundraising activities. Noncash donations of food in the amount of \$1,528,173 were recognized in the financial statements.

Concentration of Credit Risk:

The Organization maintains its cash in bank deposit accounts at two high credit quality financial institutions. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Organization had no uninsured cash balances at December 31, 2014.

Inventory:

At December 31, 2014 inventories consisted of the following:

Food	\$	<u>70,685</u>
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Inventory is recorded using the average cost method.

NOTE 2 - TAX STATUS:

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and contributions to our programs are deductible for tax purposes. The Organization's tax returns for the past three years remain subject to examination by the Internal Revenue Service.

NOTE 3 - PROPERTY AND EQUIPMENT:

Purchased property and equipment is recorded at its original cost. Material gifts of property and equipment are recorded at the fair market value at date of gift. Depreciation is taken on a straight line basis, using a five year life for vehicles, and a five to ten year life for equipment.

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Book Value</u>
Building	\$ 350	\$ -	\$ 350
Leasehold improvements	7,717	4,245	3,472
Equipment	66,166	21,116	45,050
Vehicles	12,500	6,875	5,625
	<u>\$ 86,733</u>	<u>\$ 32,236</u>	<u>\$ 54,497</u>

See Independent Accountants' Review Report.

LOAVES & FISHES FOOD PANTRY, INC.

Notes to Financial Statements
At December 31, 2014 (Continued)

NOTE 4 - PLEDGES RECEIVABLE:

Pledges receivable as of December 31, 2014 are expected to be received as follows:

Within One Year	\$	<u>200</u>
Total	\$	<u><u>200</u></u>

NOTE 5 - LEASES:

The Organization has a noncancelable operating lease, for office space, that expires on January 31, 2017. Rent expense for the year ended December 31, 2014 was \$23,288.

On February 5, 2015, the Organization entered into a full release from the lease as of August 1, 2015.

Future minimum lease payments under operating leases that have remaining terms in excess of one year as of December 31, 2014, are:

<u>FYE</u>	<u>Amount</u>
2015	\$ <u>18,750</u>
Total	\$ <u><u>18,750</u></u>

NOTE 6 - ALLOCATION OF FUNCTIONAL EXPENSES:

The costs of providing programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

NOTE 7 - TEMPORARILY RESTRICTED NET ASSETS:

Temporarily restricted net assets are derived from the following sources:

	<u>Temporarily Restricted</u>
Wal-Mart Stores, Inc.	\$ 20,000
Jr. League of Charlottesville	<u>2,105</u>
Total	\$ <u><u>22,105</u></u>

See Independent Accountants' Review Report.

LOAVES & FISHES FOOD PANTRY, INC.

Notes to Financial Statements
At December 31, 2014 (Continued)

NOTE 8 - SUBSEQUENT EVENTS:

In preparing these financial statements, management of the Organization has evaluated events and transactions for potential recognition or disclosure through April 24, 2015, the date the financial statements were available to be issued.

On February 18, 2015, Loaves & Fishes Food Pantry, Inc. purchased a building in Charlottesville, Virginia for \$975,000. In addition to financing \$650,000, the Organization received several large donations to help fund the purchase of the building.