
LOAVES & FISHES FOOD PANTRY, INC.
(See Independent Accountants' Review Report)
FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2014 AND 2013

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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 March 31, 2014 and 2013, and the related statements of activities, functional expenses and cash flows for the years 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
January 8, 2015

- Financial Statements -

LOAVES & FISHES FOOD PANTRY, INC.

Statements of Financial Position
At March 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Assets		
Cash and cash equivalents	\$ 6,257	\$ 73,502
Pledges receivable	400	12,860
Inventory	63,888	57,191
Gift cards	69	120
Prepaid expenses	2,588	2,500
Property and equipment, net of accumulated depreciation	<u>63,301</u>	<u>66,549</u>
Total assets	<u>\$ 136,503</u>	<u>\$ 212,722</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable, trade	\$ 4,838	\$ 4,539
Deferred revenue	4,000	-
Payroll liabilities	<u>-</u>	<u>733</u>
Total liabilities	<u>\$ 8,838</u>	<u>\$ 5,272</u>
Net Assets		
Unrestricted	<u>\$ 127,665</u>	<u>\$ 207,450</u>
Total net assets	<u>\$ 127,665</u>	<u>\$ 207,450</u>
Total liabilities and net assets	<u>\$ 136,503</u>	<u>\$ 212,722</u>

See accompanying notes and independent accountants' review report.

LOAVES & FISHES FOOD PANTRY, INC.

Statements of Activities
Years Ended March 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
	<u>Unrestricted</u>	<u>Unrestricted</u>
Revenues:		
Contributions:		
Individual contributions	\$ 64,088	\$ 106,135
Corporate contributions	17,570	25,300
Church contributions	12,083	25,086
Nonprofit contributions	616,507	333,129
Foundation contributions	39,450	37,200
Grants - USDA	971,816	507,974
Investment income	(228)	-
Fundraising revenue	760	-
Miscellaneous income	57	-
Total revenues	\$ 1,722,103	\$ 1,034,824
Expenses:		
Program services	\$ 1,762,865	\$ 967,876
Supporting services:		
Management and general	22,082	5,773
Fundraising	16,941	2,061
Total expenses	\$ 1,801,888	\$ 975,710
Changes in net assets	\$ (79,785)	\$ 59,114
Net assets at beginning of year	207,450	148,336
Net assets at end of year	\$ 127,665	\$ 207,450

See accompanying notes and independent accountants' review report.

LOAVES & FISHES FOOD PANTRY, INC.

Statement of Functional Expenses
Year Ended March 31, 2014

	Supporting Services			Total
	Program Services	Management and General	Fundraising	
Salaries	\$ 35,164	\$ 15,641	\$ 11,172	\$ 61,977
Payroll taxes	4,741	-	-	4,741
Accounting fees	3,550	-	-	3,550
Fees for services	73	-	72	145
Occupancy	44,584	-	-	44,584
Insurance	-	3,736	-	3,736
Depreciation	12,206	-	-	12,206
Bad debt expense	1,598	-	-	1,598
Fundraising expenses	-	-	5,697	5,697
Food distributed	1,651,551	-	-	1,651,551
Office expenses	164	935	-	1,099
Repair and maintenance	3,347	-	-	3,347
Food distribution supplies	3,321	-	-	3,321
Memberships, dues and licenses	-	485	-	485
Miscellaneous	-	1,196	-	1,196
Meetings	-	89	-	89
Supplies	2,566	-	-	2,566
	<u>\$ 1,762,865</u>	<u>\$ 22,082</u>	<u>\$ 16,941</u>	<u>\$ 1,801,888</u>

See accompanying notes and independent accountants' review report.

LOAVES & FISHES FOOD PANTRY, INC.

Statement of Functional Expenses
Year Ended March 31, 2013

	Supporting Services			Total
	Program Services	Management and General	Fundraising	
Salaries	\$ 10,092	\$ -	\$ -	\$ 10,092
Payroll taxes	772	-	-	772
Fees for services	311	-	71	382
Occupancy	40,208	-	-	40,208
Insurance	-	3,576	-	3,576
Depreciation	10,670	-	-	10,670
Bad debt expense	3,600	-	-	3,600
Fundraising expenses	-	-	1,990	1,990
Food distributed	897,673	-	-	897,673
Office expenses	373	556	-	929
Repair and maintenance	260	-	-	260
Food distribution supplies	2,189	-	-	2,189
Memberships, dues and licenses	-	175	-	175
Miscellaneous	-	1,379	-	1,379
Meetings	-	87	-	87
Supplies	1,728	-	-	1,728
	<u>\$ 967,876</u>	<u>\$ 5,773</u>	<u>\$ 2,061</u>	<u>\$ 975,710</u>

See accompanying notes and independent accountants' review report.

LOAVES & FISHES FOOD PANTRY, INC.

Statements of Cash Flows
Years Ended March 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities		
Change in net assets	\$ (79,785)	\$ 59,114
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities		
Depreciation	12,206	10,670
(Increase) decrease in assets:		
Pledges receivable	12,460	23,497
Prepaid expenses	(88)	-
Inventory	(6,697)	8,554
Gift cards	51	(120)
Increase (decrease) in liabilities:		
Accounts payable, trade	299	(685)
Deferred revenue	4,000	-
Payroll liabilities	(733)	607
Net cash provided by (used for) operating activities	<u>\$ (58,287)</u>	<u>\$ 101,637</u>
Cash flows from investing activities		
Purchases of property and equipment	<u>\$ (8,958)</u>	<u>\$ (65,984)</u>
Net increase in cash and cash equivalents	\$ (67,245)	\$ 35,653
Cash and cash equivalents at beginning of year	<u>73,502</u>	<u>37,849</u>
Cash and cash equivalents at end of year	<u><u>\$ 6,257</u></u>	<u><u>\$ 73,502</u></u>

See accompanying notes and independent accountants' review report.

LOAVES & FISHES FOOD PANTRY, INC.

Notes to Financial Statements
At March 31, 2014 and 2013

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.

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 March 31, 2014 and 2013 the Organization reported unrestricted net assets of \$127,665 and \$207,450, respectively.

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 March 31, 2014 and 2013 the Organization had no temporarily restricted net assets.

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 March 31, 2014 and 2013, 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 March 31, 2014 and 2013 (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 \$1,588,323 and \$841,103 were recognized in the financial statements, for 2014 and 2013, respectively. Also a donation of a vehicle in the amount of \$12,500 was recognized in the financial statements for the year ended March 31, 2013.

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 March 31, 2014 and 2013.

Inventory:

At March 31, 2014 and 2013 inventories consisted of the following:

	<u>2014</u>	<u>2013</u>
Food	\$ <u>63,888</u>	\$ <u>57,191</u>

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.

See Independent Accountants' Review Report.

LOAVES & FISHES FOOD PANTRY, INC.

Notes to Financial Statements
At March 31, 2014 and 2013 (Continued)

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>2014</u>		
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Book Value</u>
Leasehold improvements	\$ 7,717	\$ 3,087	\$ 4,630
Equipment	66,166	14,995	51,171
Vehicles	12,500	5,000	7,500
	<u>\$ 86,383</u>	<u>\$ 23,082</u>	<u>\$ 63,301</u>
	<u>2013</u>		
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Book Value</u>
Leasehold improvements	\$ 7,717	\$ 1,543	\$ 6,174
Equipment	57,208	6,833	50,375
Vehicles	12,500	2,500	10,000
	<u>\$ 77,425</u>	<u>\$ 10,876</u>	<u>\$ 66,549</u>

NOTE 4 - PLEDGES RECEIVABLE:

Pledges receivable as of March 31, 2014 and 2013 are expected to be received as follows:

	<u>2014</u>	<u>2013</u>
Within One Year	\$ 400	\$ 12,860
Total	<u>\$ 400</u>	<u>\$ 12,860</u>

During the year ended March 31, 2013, \$3,600 of pledges receivable were written off. Management believes the remaining balances are collectible.

See Independent Accountants' Review Report.

LOAVES & FISHES FOOD PANTRY, INC.

Notes to Financial Statements
At March 31, 2014 and 2013 (Continued)

NOTE 5 - LEASES:

The Organization has a noncancelable operating lease, for office space, that expires on January 31, 2017. Rent expense for the years ended March 31, 2014 and 2013 were \$30,263 and \$30,000, respectively.

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

<u>FYE</u>	<u>Amount</u>
2015	\$ 28,019
2016	28,859
2017	<u>24,660</u>
Total	<u>\$ 81,538</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 - SUBSEQUENT EVENTS:

In preparing these financial statements, management of the Organization has evaluated events and transactions for potential recognition or disclosure through January 8, 2015, the date the financial statements were available to be issued.

See Independent Accountants' Review Report.