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2014
Audit

Loaves & Fishes Food Pantry, Inc.

**Financial Statements
& Independent Auditor's Report**

June 30, 2014 and 2013

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October 13, 2014

To the Board of Trustees of
Loaves & Fishes Food Pantry, Inc.

In accordance with your request, we have audited the financial statements of Loaves & Fishes Food Pantry, Inc. as of and for the year ended June 30, 2014 and submit the following:

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Anstiss + Co. P.C.
Anstiss & Co., P.C.
Lowell, MA

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Independent Auditor's Report

To the Board of Trustees of
Loaves & Fishes Food Pantry, Inc.

We have audited the accompanying financial statements of Loaves & Fishes Food Pantry, Inc. (a non-profit organization), which comprise the statements of financial position as of June 30, 2014, and the related statements of activities and cash flows for the year 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 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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.

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

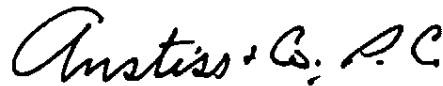
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Opinion

In our opinion, the 2014 financial statements referred to above present fairly, in all material respects, the financial position of Loaves & Fishes Food Pantry, Inc. as of June 30, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The financial statements of Loaves & Fishes Food Pantry, Inc. as of June 30, 2013, were audited by other auditors whose report dated December 17, 2013, expressed an unmodified opinion on those statements.



Anstiss & Co., P.C.
Lowell, MA
October 13, 2014

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Loaves & Fishes Food Pantry, Inc.
Statements of Financial Position
June 30, 2014 and 2013

	2014	2013
ASSETS		
Current assets		
Cash and cash equivalents	\$ 222,488	\$ 251,317
Prepaid expenses and other current assets	6,839	5,900
Inventory	87,377	113,615
Total current assets	316,704	370,832
Endowment investments	1,100,857	966,156
Property and equipment, net	1,042,157	1,069,303
Total assets	\$ 2,459,718	\$ 2,406,291
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 8,597	\$ 3,398
Accrued expenses	12,925	14,439
Total current liabilities	21,522	17,837
Net assets		
Unrestricted		
Unrestricted	1,554,132	1,573,930
Board designated endowment	368,566	298,392
Board designated building, equipment, and repair	36,900	33,300
Total unrestricted	1,959,598	1,905,622
Temporarily restricted	34,762	38,996
Permanently restricted	443,836	443,836
Total net assets	2,438,196	2,388,454
Total liabilities and net assets	\$ 2,459,718	\$ 2,406,291

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Loaves & Fishes Food Pantry, Inc.
Statement of Activities
For the Year Ended June 30, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total for 2014
Revenue and support				
Direct public support	\$ 373,122	\$ 17,052	\$ -	\$ 390,174
In-kind contributions	855,423	-	-	855,423
Government grants	-	-	-	-
Indirect public support	78,075	-	-	78,075
Investment income	87,377	-	-	87,377
Special events	17,009	-	-	17,009
Event expenses	(10,543)	-	-	(10,543)
Special events - net	6,466	-	-	6,466
Net assets released from restriction	21,286	(21,286)	-	-
Total revenue and support	1,421,749	(4,234)	-	1,417,515
Program expenses				
Food	824,278	-	-	824,278
Clothing	66,950	-	-	66,950
Occuprancy	37,436	-	-	37,436
Salaries and wages	89,501	-	-	89,501
Payroll taxes	9,057	-	-	9,057
Other	115,441	-	-	115,441
Professional development	3,318	-	-	3,318
Emergency shelter	630	-	-	630
Depreciation	36,266	-	-	36,266
Total program expenses	1,182,877	-	-	1,182,877
Adminstrative expenses				
Salaries and wages	98,052	-	-	98,052
Office expense	13,771	-	-	13,771
Insurance	10,864	-	-	10,864
Payroll taxes	8,510	-	-	8,510
Professional fees	24,332	-	-	24,332
Telecommunications	2,298	-	-	2,298
Printing	27,069	-	-	27,069
Total administrative expenses	184,896	-	-	184,896
Total Expenses	1,367,773	-	-	1,367,773
Change in net assets	53,976	(4,234)	-	49,742
Net assets - beginning of year	1,905,622	38,996	443,836	2,388,454
Net assets - end of year	<u>\$ 1,959,598</u>	<u>\$ 34,762</u>	<u>\$ 443,836</u>	<u>\$ 2,438,196</u>

The accompanying auditor's report and notes are an integral part of these financial statements.

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Loaves & Fishes Food Pantry, Inc.
Statement of Activities
For the Year Ended June 30, 2013

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total for 2013
Revenue and support				
Direct public support	\$ 374,859	\$ 19,862	\$ -	\$ 394,721
In-kind contributions	764,385	-	-	764,385
Government grants	8,000	-	-	8,000
Indirect public support	55,891	-	-	55,891
Investment income	30,908	-	-	30,908
Special events	-	-	-	-
Event expenses	-	-	-	-
Special events - net	-	-	-	-
Net assets released from restriction	13,631	(13,631)	-	-
Total revenue and support	1,247,674	6,231	-	1,253,905
Program expenses				
Food	777,589	-	-	777,589
Clothing	59,795	-	-	59,795
Occupancy	25,455	-	-	25,455
Salaries and wages	83,416	-	-	83,416
Payroll taxes	9,068	-	-	9,068
Other	23,667	-	-	23,667
Professional development	2,010	-	-	2,010
Emergency shelter	320	-	-	320
Depreciation	36,216	-	-	36,216
Total program expenses	1,017,536	-	-	1,017,536
Administrative expenses				
Salaries and wages	98,210	-	-	98,210
Office expense	35,264	-	-	35,264
Insurance	2,897	-	-	2,897
Payroll taxes	8,015	-	-	8,015
Professional fees	28,911	-	-	28,911
Telecommunications	2,941	-	-	2,941
Printing	16,944	-	-	16,944
Total administrative expenses	193,182	-	-	193,182
Total Expenses	1,210,718	-	-	1,210,718
Change in net assets	36,956	6,231	-	43,187
Net assets - beginning of year	1,868,666	32,765	443,836	2,345,267
Net assets - end of year	\$ 1,905,622	\$ 38,996	\$ 443,836	\$ 2,388,454

The accompanying auditor's report and notes are an integral part of these financial statements.

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Loaves & Fishes Food Pantry, Inc.
Statements of Cash Flows
For the Year Ended June 30, 2014 and 2013

	2014	2013
Cash flows from operating activities		
Change in net assets	\$ 49,742	\$ 43,187
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	36,266	36,216
Gain on investments	(69,546)	(10,708)
Donated investments	(21,177)	-
Changes in assets and liabilities		
Increase in prepaid expenses	(939)	(5,900)
Decrease (increase) in inventory	26,238	(19,023)
Increase (decrease) in accounts payable	5,199	(3,449)
(Decrease) increase in payroll liabilities	(1,514)	697
Net cash provided by operating activities	24,269	41,020
Cash flows from investing activities		
Purchase of investments	(864,429)	(16,959)
Proceeds from sale of investments	820,451	-
Purchase of property and equipment	(9,120)	(13,513)
Net cash utilized by investing activities	(53,098)	(30,472)
Net (decrease) increase in cash and cash equivalents	(28,829)	10,548
Cash and cash equivalents - beginning	251,317	240,769
Cash and cash equivalents - ending	\$ 222,488	\$ 251,317
 Supplemental data		
In-kind contributions	\$ 876,600	\$ 764,385

Loaves & Fishes Food Pantry, Inc.
Notes to Financial Statements
June 30, 2014

Note 1 – Organization

Loaves & Fishes Food Pantry, Inc. (the “Organization”) is a non-profit food pantry located in Devens, Massachusetts. The Organization exists as a mission of love and faith to provide food and temporary support services to residents of Ayer, Devens, Groton, Harvard, Littleton, and Shirley, and to advocate for changes by its clients that will promote independence and self-reliance.

Note 2 – Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Income is recognized when earned and expenses are recognized when the obligation is incurred.

Basis of Presentation

The Organization reports net assets and revenues, expenses, gains, and losses in accordance with the provisions of FASB Accounting Standards Codification (ASC) 958-205 “*Presentation of Financial Statements.*” Under ASC 958-205, financial information is classified based on the existence or absence of donor-imposed restrictions. Accordingly, 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 restrictions are reported as unrestricted net assets. Unrestricted net assets include Board designated amounts for which the designation may be removed at the Board’s discretion.

Temporarily Restricted Net Assets

Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time are classified as temporarily restricted. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted assets and reported in the statement of activities as net assets released from restriction. At June 30, 2014 and 2013, the Organization had temporarily restricted net assets of \$34,762 and \$ 38,996, respectively.

Permanently Restricted Net Assets

Permanently restricted net assets comprise those assets contributed to the Organization that are to remain in perpetuity as permanent assets of the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes. At June 30, 2014 and 2013 the Organization had permanently restricted net assets of \$443,836.

Loaves & Fishes Food Pantry, Inc.
Notes to Financial Statements
June 30, 2014

Note 2 – Significant Accounting Policies (Continued)

Cash Equivalents

Cash equivalents consist of bank deposits and short-term, highly liquid investments, if any, with original maturities of three months or less.

Fair Value of Financial Instruments

ASC 820-10, "*Fair Value Measurements and Disclosures*," applies to reported balances that are required or permitted to be measured at fair value on a recurring basis under an existing accounting pronouncement. ASC 820-10 emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability and establishes a fair value hierarchy. The fair value hierarchy consists of three levels of inputs that may be used to measure fair value as follows:

Level 1 – Inputs that utilize quoted prices (adjusted) in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the assets or liabilities, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. Management has determined that the fair values of its financial instruments not carried at fair value, including cash and cash equivalents, prepaid expenses, inventory, accounts payable, and payroll liabilities are substantially equivalent to their carrying values as of June 30, 2014 and 2013 due to their short-term nature.

ASC 825-10, "*The Fair Value Option for Financial Assets and Financial Liabilities*," permits an entity to measure many financial instruments and certain other assets and liabilities at fair value on an instrument-by-instrument basis. The Organization has not adopted any of the additional fair value options allowed in the standard.

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Loaves & Fishes Food Pantry, Inc.
Notes to Financial Statements
June 30, 2014

Note 2 – Significant Accounting Policies (Continued)

Accounts Receivable

The Organization employs the allowance method to account for bad debts. The reserve is based upon historical analysis of receivables. Interest is not charged on overdue accounts. Accounts are considered uncollectible and charged against the allowance after all available attempts to collect have been exhausted. No allowance was deemed necessary as of June 30, 2014 and 2013.

Inventory

Inventory consists of perishable and non-perishable foodstuffs and related products, as well as, clothing. Foodstuffs and related products are valued at the approximate average wholesale value of one pound of donated product at the national level as outlined in the Product Valuation Survey Methodology prepared by Feeding America and subjected annually to agreed-upon procedures by a national accounting firm. At June 30, 2014 and 2013 the approximate average wholesale value of one pound of donated product was \$1.64. On the date of the physical count, clothing is valued based on the valuation guide provided by The Salvation Army.

Property and Equipment

The Organization capitalizes major purchases of fixed assets which are not in the nature of replacements or repairs. Minor equipment purchases, replacements, maintenance, and repairs that do not improve or extend the lives of the respective assets are charged to expense as incurred. Capitalized fixed assets are recorded at cost if purchased or constructed, or at fair market value at the date of the gift, if donated. Depreciation is provided using the straight-line method over the estimated useful lives of the assets capitalized as follows:

Building	39 years
Improvements	15 years
Furniture and fixtures	5 years
Equipment	5 years
Closing costs	180 months

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of long-lived assets is measured by comparison to the future undiscounted net cash flows expected to be generated by the assets. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reportable at the lower of the carrying amount or fair value, less costs to sell.

Loaves & Fishes Food Pantry, Inc.
Notes to Financial Statements
June 30, 2014

Note 2 – Significant Accounting Policies (Continued)

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Fair value is based on market value which is based on quoted prices from the principal exchanges on which the securities are traded. Unrealized gains and losses are included in the change in net assets. Investment income and gains that are restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Donated Good, Services, Property & Equipment

Donations of goods, services, property, and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Total donated goods and services were \$876,600 and \$764,385 for the years ended June 30, 2014 and 2013, respectively.

Donated services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Volunteers also help disburse food and clothing to recipients during the year. In the case of volunteers, it is the policy of the Organization not to recognize the value of these services in the financial statements. While these are volunteers serving many needs of the Organization, it is not practical to quantify the value of these services. These services are not recognized as contributions in the financial statements since recognition criteria by the Financial Accounting Standards Board (FASB) were not met. Total unrecorded donated services were approximately \$287,412 and \$392,096 for the years ended June 30, 2014 and 2013, respectively.

Income Taxes and Uncertain Tax Positions

The Organization, incorporated under Chapter 180 of the Massachusetts General Laws as a tax exempt entity, has been granted tax-exempt status under Internal Revenue Code Section 501(c)(3), and is, therefore, generally exempt from federal and state income taxes. Accordingly, no provision for income taxes has been included in the accompanying financial statements.

Loaves & Fishes Food Pantry, Inc.
Notes to Financial Statements
June 30, 2014

Note 2 – Significant Accounting Policies (Continued)

Income Taxes and Uncertain Tax Positions (continued)

The Organization is required by ASC 740-10, "*Accounting for Uncertainty in Income Taxes*," to evaluate and disclose tax positions that could have an effect on the Organization's financial statements. The Organization reports its activities to the Internal Revenue Service and to the Commonwealth of Massachusetts on an annual basis. These informational returns are generally subject to audit and review by the governmental agencies for a period of three years after filing. Substantially all of the Organization's income, expenditures, and activities relate to its exempt purpose, therefore, management has determined that the Organization is not subject to unrelated business income taxes and will continue to qualify as a tax exempt not-for-profit entity.

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.

Revenue Recognition

The Organization receives donations of food and clothing and contributions from the general public, federal and local governments, and other non-profit organizations. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expiration of temporary restrictions on net assets by fulfillment of the donor-stipulated purpose or by passage of time are reported as net assets released from restrictions. During the fiscal years ended June 30, 2014 and 2013, temporarily restricted net assets of \$21,286 and \$13,631, respectively, were released from restriction by satisfying the purposes for use specified by the donor.

Note 3 - Concentrations of Credit Risk

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash equivalents and investment securities. The Organization places its temporary cash investments with credit worthy, high quality financial institutions. At times, such balances may exceed federally insured limits. Management periodically assesses the stability of the financial institutions that hold their funds and considers the risk to be minimal, and the Organization has not experienced any losses in such accounts. The investment accounts are not federally insured.

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Loaves & Fishes Food Pantry, Inc.
Notes to Financial Statements
June 30, 2014

Note 4 – Investments and Fair Value of Financial Instruments

The Organization uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures (Note 2). The following table presents the Organization’s fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of June 30, 2014 and 2013:

	2014			
	Total	Quoted prices in active markets for identical assets Level 1	Significant other observable inputs Level 2	Significant unobservable inputs Level 3
Cash equivalents	\$ 30,388	\$ 30,388	\$ -	\$ -
Equity funds				
Large-growth	175,417	175,417	-	-
Large-value	109,971	109,971	-	-
Mid-blend	72,675	72,675	-	-
Foreign	57,949	57,949	-	-
Large-blend	32,655	32,655	-	-
Small-blend	19,540	19,540	-	-
Other	27,546	27,546	-	-
Fixed income funds				
Short-term	275,812	275,812	-	-
Intermediate term	151,162	151,162	-	-
High yield	62,718	62,718	-	-
Nontraditional	42,610	42,610	-	-
Bank loans	42,414	42,414	-	-
Total	\$1,100,857	\$1,100,857	\$ -	\$ -

	2013			
	Total	Quoted prices in active markets for identical assets Level 1	Significant other observable inputs Level 2	Significant unobservable inputs Level 3
Cash equivalents	\$ 7	\$ 7	\$ -	\$ -
Fixed income funds				
Short-term	966,149	966,149	-	-
Total	\$ 966,156	\$ 966,156	\$ -	\$ -

Loaves & Fishes Food Pantry, Inc.
Notes to Financial Statements
June 30, 2014

Note 5 – Investment Return

Investment return consists of the following for the years ended June 30:

	2014	2013
Interest and dividends	\$ 23,941	\$ 20,200
Realized gain (loss) on securities	810	-
Unrealized gain (loss) on securities	68,732	10,708
Investment fees	(6,106)	-
Total	<u>\$ 87,377</u>	<u>\$ 30,908</u>

Investment return is shown net of investment management and custody fees paid directly to the investment manager. There were additional investment fees that were not paid directly to the managers, but rather are netted from the return on certain investments.

Note 6 – Endowments

The Organization's endowments consist of 2 funds established for a variety of purposes. Its endowment funds consist of both donor restricted funds and funds established by the Board of Directors to function as endowments. The Organization has interpreted the Uniform Prudent Management of Institutional Funds (UPMIFA) as requiring preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of the gifts donated to the permanent endowment, (b) the original value of the subsequent gifts donated to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure consistent with the standard of prudence prescribed by UPMIFA.

From time to time, the fair value of assets associated with the donor-restricted endowment may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. In accordance with Generally Accepted Accounting Principles (GAAP), deficiencies of this nature are reported in unrestricted net assets. These deficiencies can result from unfavorable market fluctuations and when there is continued appropriation for programs that were deemed prudent by the Board of Directors. As of June 30, 2014 and 2013, there were no such deficiencies.

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Loaves & Fishes Food Pantry, Inc.
Notes to Financial Statements
June 30, 2014

Net asset composition by endowment fund type as of June 30, 2014 and 2013 was:

	2014			Total
	Unrestricted	Temporarily restricted	Permanently restricted	
Donor created endowments	\$ -	\$ -	\$ 443,836	\$ 443,836
Board designated endowments	368,566	-	-	368,566
Total	\$ 368,566	\$ -	\$ 443,836	\$ 812,402

	2013			Total
	Unrestricted	Temporarily restricted	Permanently restricted	
Donor created endowments	\$ -	\$ -	\$ 443,836	\$ 443,836
Board designated endowments	298,392	-	-	298,392
Total	\$ 298,392	\$ -	\$ 443,836	\$ 742,228

Changes in endowment net assets for the years ended June 30, 2014 and 2013 were as follows:

	2014			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Endowment net assets, beginning of year	\$ 298,392	\$ -	\$ 443,836	\$ 742,228
Investment return				
Investment income	7,109			7,109
Appreciation	30,499			30,499
Total investment return	37,608			37,608
Contributions	35,130			35,130
Appropriations for expenditure	-			-
Other changes	(2,564)	-	-	(2,564)
Endowment net assets, end of year	\$ 368,566	\$ -	\$ 443,836	\$ 812,402

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Loaves & Fishes Food Pantry, Inc.
Notes to Financial Statements
June 30, 2014

Note 6 – Endowments (continued)

	2013			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Endowment net assets, beginning of year	\$ 272,886	\$ -	\$ 443,836	\$ 716,722
Investment return				
Investment income	12,895	-	-	12,895
Appreciation	13,009	-	-	13,009
Total investment return	<u>25,904</u>	<u>-</u>	<u>-</u>	<u>25,904</u>
Contributions	2,500	-	-	2,500
Appropriations for expenditure	-	-	-	-
Other changes	<u>(2,898)</u>	<u>-</u>	<u>-</u>	<u>(2,898)</u>
Endowment net assets, end of year	<u>\$ 298,392</u>	<u>\$ -</u>	<u>\$ 443,836</u>	<u>\$ 742,228</u>

Note 7 – Property and Equipment

Property and equipment consist of the following at June 30:

	2014	2013
Building	\$1,299,893	\$ 1,299,893
Improvements	9,120	-
Furniture and fixtures	13,513	13,513
Equipment	10,938	10,938
Closing costs	2,724	2,724
Total Fixed Assets	<u>1,336,188</u>	<u>1,327,068</u>
Less: Accumulated Depreciation	<u>(294,031)</u>	<u>(257,765)</u>
Property & Equipment - Net	<u>\$ 1,042,157</u>	<u>\$ 1,069,303</u>

Depreciation expense was \$36,266 and \$36,216 for the years ending June 30, 2014 and 2013, respectively.

Note 8 – Line of Credit

The Organization has a \$50,000 revolving line of credit, which was unused at June 30, 2014 and 2013 and is renewable annually. Bank advances on the credit line are payable on demand and carry an interest rate of 5%. The credit line is secured by substantially all assets of the Organization.

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Loaves & Fishes Food Pantry, Inc.
Notes to Financial Statements
June 30, 2014

Note 9 – Net Assets

On June 30, 2014 and 2013, the Organization had \$1,964,987 and \$1,905,622 in unrestricted net assets, of which, \$405,466 and \$331,692, respectively, was designated by the board for endowment and for purchase and repair of property and equipment.

Net assets were temporarily restricted for the following purposes as of June 30:

	2014	2013
Education	\$ 3,261	\$ 3,361
Back Packs	3,185	2,424
Toys	8,220	7,654
Shop for Parents	4,577	6,525
Enrichment	1,100	3,333
Other	2,129	4,604
C. VanWormer	12,290	11,095
Total	\$ 34,762	\$ 38,996

Permanently restricted net assets of \$443,836 as of June 30, 2014 and 2013 represent donor created endowment net assets that must be invested. Income generated from the related investment assets is available for use for the general purposes of the Organization.

Note 10 – Subsequent Events

ASC 855-10, "Subsequent Events," defines further disclosure requirements for events that occur after the statement of financial position date but before financial statements are issued. In accordance with ASC 855-10, the Organization's management has evaluated events subsequent to June 30, 2014 through October 13, 2014 which is the date the financial statements were available to be issued. There has been no material event noted during this period that would either impact the results reflected in this report or the Organization's results going forward.