Oak Park River Forest Food Pantry

Financial Statements

June 30, 2018

Sassetti

CERTIFIED PUBLIC ACCOUNTANTS

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Board of Trustees
Oak Park River Forest Food Pantry
Oak Park, Illinois

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of **OAK PARK RIVER FOREST FOOD PANTRY** (a nonprofit organization), which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities, functional expenses and cash flows 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 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 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 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.

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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 financial position of **OAK PARK RIVER FOREST FOOD PANTRY** as of June 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Sassetti LLC

Oak Park, Illinois
October 26, 2018

OAK PARK RIVER FOREST FOOD PANTRY

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2018 AND 2017

ASSETS	2018	2017
Cash and cash equivalents	$ 851,251	$ 907,121
Grants receivable	13,000	24,775
Loans to employees	-	150
Prepaid expenses	11,245	12,990
Security deposit	-	932
Property and equipment	50,434	65,016
Total Assets	$ 925,930	$ 1,010,984
LIABILITIES		
Accounts payable	$ 10,951	$ 2,610
Accrued payroll	20,987	22,477
Total Liabilities	31,938	25,087
NET ASSETS		
Board designated	442,897	489,094
Unrestricted	366,281	373,208
Total Unrestricted Net Assets	809,178	862,302
Temporarily restricted	84,814	123,595
Total Net Assets	893,992	985,897
Total Liabilities and Net Assets	$ 925,930	$ 1,010,984

See accompanying notes and accountants' report.

OAK PARK RIVER FOREST FOOD PANTRY

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2017 AND 2016

	2018			2017		
	Unrestricted	Temporarily Restricted	Totals	Unrestricted	Temporarily Restricted	Totals
REVENUES AND OTHER SUPPORT						
Contributions - individuals	$ 577,743	$ -	$ 577,743	$ 580,297	$ -	$ 580,297
Contributions - congregations	34,680	-	34,680	37,086	-	37,086
Contributions - businesses	34,741	30,000	64,741	76,934	-	76,934
Grants - governmental	17,627	-	17,627	19,375	-	19,375
Grants - foundations and organizations	154,351	21,570	175,921	137,340	133,299	270,639
GCFD credits	17,981	-	17,981	16,552	-	16,552
In-kind food and supplies	834,527	-	834,527	785,657	-	785,657
Special events	211,551	-	211,551	187,640	-	187,640
Interest income	1,453	-	1,453	1,844	-	1,844
Other revenue	245	-	245	16	-	16
Net assets released from restrictions	90,351	(90,351)	-	59,129	(59,129)	-
Total Revenues and Support	1,975,250	(38,781)	1,936,469	1,901,870	74,170	1,976,040
EXPENSES						
Program services	1,758,755	-	1,758,755	1,670,510	-	1,670,510
Support services:						
Management and general	82,454	-	82,454	97,539	-	97,539
Fundraising	187,165	-	187,165	170,607	-	170,607
Total Expenses	2,028,374	-	2,028,374	1,938,656	-	1,938,656
CHANGE IN NET ASSETS	(53,124)	(38,781)	(91,905)	(36,786)	74,170	37,384
NET ASSETS						
Beginning of year	862,302	123,595	985,897	899,088	49,425	948,513
End of year	$ 809,178	$ 84,814	$ 893,992	$ 862,302	$ 123,595	$ 985,897

See accompanying notes and accountants' report.

OAK PARK RIVER FOREST FOOD PANTRY

STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED JUNE 30 , 2018 AND 2017

	2018				2017			
	Program Services	Management and General	Fundraising	Totals	Program Services	Management and General	Fundraising	Totals
Salaries and taxes	$ 341,251	$ 64,999	$ 63,120	$ 469,370	$ 369,477	$ 74,640	$ 46,752	$ 490,869
Client services	3,241	-	-	3,241	3,066	-	-	3,066
Contracted services	42,025	3,861	3,574	49,460	33,787	4,525	11,831	50,143
Depreciation	16,143	-	-	16,143	7,923	7,923	-	15,846
Donated food	834,527	-	-	834,527	785,507	-	-	785,507
Donated goods and supplies	-	-	-	-	150	-	-	150
Dues	6,525	1,021	2,381	9,927	5,001	1,468	858	7,327
Facilities and equipment	44,453	6,423	4,609	55,485	26,098	4,513	2,253	32,864
Food and hygiene products	344,750	-	-	344,750	351,143	-	-	351,143
Fundraising and development	4,367	1,826	102,180	108,373	3,255	597	101,641	105,493
Insurance	5,279	1,086	859	7,224	10,503	1,384	904	12,791
Miscellaneous	1,142	116	1,056	2,314	3,868	152	100	4,120
Postage	2,494	233	2,080	4,807	2,891	428	1,519	4,838
Printing	12,627	1,246	3,801	17,674	11,532	1,196	3,313	16,041
Supplies	27,971	1,635	3,379	32,985	22,546	713	836	24,095
Service learners	14,589	-	121	14,710	9,502	-	-	9,502
Technology upgrades	44,955	-	-	44,955	7,854	-	-	7,854
Transportation	7,688	8	5	7,701	7,535	-	600	8,135
Volunteer costs	4,728	-	-	4,728	8,872	-	-	8,872
	$ 1,758,755	$ 82,454	$ 187,165	$ 2,028,374	$ 1,670,510	$ 97,539	$ 170,607	$ 1,938,656

See accompanying notes and accountants' report.

OAK PARK RIVER FOREST FOOD PANTRY

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2018 AND 2017

CASH FLOWS FROM OPERATING ACTIVITIES	2018	2017
Change in net assets	$ (91,905)	$ 37,384
Adjustments to reconcile to net cash (used in) provided by operating activities -		
Depreciation	16,143	15,845
(Increase) decrease in operating assets		
Grants receivable	11,775	28,869
Security deposit	932	-
Due from employees	150	500
Prepaid insurance	1,745	(4,053)
Increase (decrease) in operating liabilities		
Accrued liabilities	(1,490)	(2,616)
Accounts payable	8,341	1,436
Net Cash (Used in) Provided by Operating Activities	(54,309)	77,365
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease in certificate of deposit	-	160,933
Additions to property and equipment	(1,561)	(4,589)
Net Cash (Used in) Provided by Investing Activities	(1,561)	156,344
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(55,870)	233,709
CASH AND CASH EQUIVALENTS - Beginning of year	907,121	673,412
End of year	$ 851,251	$ 907,121

See accompanying notes and accountants' report.

OAK PARK RIVER FOREST FOOD PANTRY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization - OAK PARK RIVER FOREST FOOD PANTRY (the "Organization") was founded in 1978 to work to reduce hunger locally through direct hunger relief services, hunger education and awareness, and advocacy to influence anti-hunger policy. The Organization serves the Oak Park area and neighboring communities.

Basis of Presentation - As required by generally accepted accounting principles for not-for-profit organizations, 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. As of June 30, 2018 and 2017, the Organization had no permanently restricted net assets.

Basis of Accounting - The Organization prepares the financial statements using the accrual method of accounting.

Statement of Cash Flows - The Organization considers all highly liquid investments with a maturity of three months or less to be cash equivalents. No cash was paid for income taxes or interest during the years ended June 30, 2018 and 2017.

Property and Equipment - All acquisitions of property and equipment in excess of $500 are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of the donation. Depreciation is computed using primarily the straight-line method. Estimated useful lives used are five years for furniture and equipment and ten years for leasehold improvements.

Donated Services and Rent - The Organization received donated services of professional, technical and counselor services estimated at $12,334 and $11,910, during the years ended June 30, 2018 and 2017, respectively. Additionally, the organization received donated rent estimated at $8,400 during the years ended June 30, 2018 and 2017. The Organization does not reflect donated services or rent in its Statements of Activities and Functional Expenses.

Donated Food - The Organization received donated food from the Greater Chicago Food Depository, local groceries, and individuals estimated at $834,527 and $785,657, during the years ended June 30, 2018 and 2017, respectively. The estimate is based on industry standard rates for donated food.

Subsequent Events - The Organization has evaluated subsequent events through October 26, 2018, the date the financial statements were available to be issued.

Expense Allocation - The costs of providing various programs and other 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 benefited.

Use of Accounting Estimates - The preparation of financial statements in conformity with generally accepted accounting principles 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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes - The Organization is exempt from federal income taxes under the provision of Section 501(c)(3) of the Internal Revenue Code. The letter of determination was issued in 2010. There were no unrelated business revenues that might be subject to tax. The Organization's forms 990, Return of Organization Exempt from Income Tax, for the years ended June 30, 2015, 2016 and 2017 are subject to examination by the Internal Revenue Service, generally for three years after they are filed.

Grants Receivable - Grants receivable are stated at amounts due from donors, net of allowances for uncollectible amounts. The Organization determines its allowance by considering a number of factors, including the length of time accounts receivable are past due, the Organization's previous collection history, the donor's current ability to pay its obligation to the Organization, and the condition of the general economy as a whole. The Organization writes off accounts receivable when they become uncollectible. No allowance for doubtful accounts was deemed necessary by management at June 30, 2018 and 2017.

2. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

	2018	2017
Furniture and fixtures	$ 5,879	$ 5,879
Machinery and equipment	18,437	18,437
Leasehold improvements	82,728	81,167
Web site	11,626	11,626
Less accumulated depreciation	(68,236)	(52,093)
	$ 50,434	$ 65,016

Depreciation expense was $16,143 and $15,845, for the years ended June 30, 2018 and 2017, respectively.

3. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets were restricted for the following purposes at June 30:

	2018	2017
Strategic plan	$ 60,200	$ 91,000
Surplus project	15,593	19,187
Home delivered meals	9,021	5,108
Time restricted grants	-	8,300
	$ 84,814	$ 123,595

4. BOARD DESIGNATED UNRESTRICTED NET ASSETS

Board designated unrestricted net assets consist of $442,897 and $489,094, as of June 30, 2018 and 2017, respectively. These funds have been selected by the Organization’s board of directors to be used for future occupancy costs and strategic projects.

5. CONCENTRATION OF CREDIT RISK

The Organization maintains deposits in a financial institution that at times exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation (FDIC).

6. OPERATING LEASE

On November 1, 2015, the Organization agreed to a 12-month lease with Forsyth Building, LLC at a rate of $630 per month. The lease was extended at the same rate through October 31, 2017 but was not renewed. Beginning July 1, 2017, the First United Church of Oak Park agreed to a new space sharing agreement that allows the Organization to occupy additional space within the church and reimburse the church for overhead expenses at a rate of $630 per month. There is no term on this agreement and these reimbursed costs have been included in rent expense. Rent expense totaled $9,598 and $7,560 for the years ended June 30, 2018 and 2017, respectively.

5. RECENT ACCOUNTING PRONOUNCEMENTS

In August 2016, the FASB issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. Key elements of the ASU include a reduction in the number of asset categories from three to two, conforming requirements on releases of capital restrictions, several new requirements related to expense presentation and disclosure (including investment expenses), and new required disclosures communicating information useful in assessing liquidity. The new standard will be effective for the Organization's June 30, 2019 financial statements. Early adoption is permitted.

The Organization is currently evaluating the impact of the adoption of the above standard on its financial statements.