

**LOAVES & FISHES COMMUNITY SERVICES**

AUDITED FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

SLUPIK AND ASSOCIATES, LTD.  
CERTIFIED PUBLIC ACCOUNTANTS

**LOAVES & FISHES COMMUNITY SERVICES**

**TABLE OF CONTENTS**

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	3
STATEMENTS OF FINANCIAL POSITION AT JUNE 30, 2017 AND 2016	4
STATEMENTS OF ACTIVITIES FOR THE YEARS ENDED JUNE 30, 2017 AND 2016	5
STATEMENTS OF FUNCTIONAL EXPENSES FOR THE YEARS ENDED JUNE 30, 2017 AND 2016	6-7
STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2017 AND 2016	8
NOTES TO FINANCIAL STATEMENTS	9-16

# SLUPIK AND ASSOCIATES, LTD.

CERTIFIED PUBLIC ACCOUNTANTS

1700 PARK STREET, SUITE 201, NAPERVILLE, IL 60563  
PHONE (630) 357-0096 FAX (630) 357-0592

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
**LOAVES & FISHES COMMUNITY SERVICES**  
Naperville, Illinois

We have audited the accompanying financial statements of Loaves & Fishes Community Services (the "Organization") (a nonprofit organization), which comprise the statements of financial position as of June 30, 2017 and 2016, 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 the 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 audits to obtain reasonable assurance about whether the financial statements are free from 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 Organization'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 Organization'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.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Loaves & Fishes Community Services as of June 30, 2017 and 2016, 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.

*Slupik and Associates, Ltd.*

August 14, 2017

# LOAVES & FISHES COMMUNITY SERVICES

## STATEMENTS OF FINANCIAL POSITION June 30,

	2017	2016
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 1,156,032	\$ 1,139,015
Investments, at fair value	38,189	-
Prepaid expenses	30,563	-
Pledges and accounts receivable, current portion	245,904	410,805
Inventory	13,147	-
Total current assets	1,483,835	1,549,820
<b>Property and Equipment, net</b>	<b>2,331,377</b>	<b>2,388,418</b>
<b>Other Assets</b>		
Pledges and accounts receivable, net of current portion	151,668	152,154
Security deposit	9,354	9,354
Total other assets	161,022	161,508
<b>TOTAL ASSETS</b>	<b>\$ 3,976,234</b>	<b>\$ 4,099,746</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 55,020	\$ 137,203
Accrued payroll	57,098	94,303
Deferred contributions	77,825	-
Current portion of long-term debt	-	20,471
Total current liabilities	189,943	251,977
<b>Long-term debt, net of current portion</b>	<b>-</b>	<b>1,733</b>
<b>TOTAL LIABILITIES</b>	<b>189,943</b>	<b>253,710</b>
<b>Net Assets</b>		
Unrestricted	3,305,531	3,260,077
Temporarily restricted	480,760	585,959
<b>TOTAL NET ASSETS</b>	<b>3,786,291</b>	<b>3,846,036</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 3,976,234</b>	<b>\$ 4,099,746</b>

# LOAVES & FISHES COMMUNITY SERVICES

## STATEMENTS OF ACTIVITIES

For the years ended June 30,

	2017			2016		
	Unrestricted	Temporarily Restricted	Combined Total	Unrestricted	Temporarily Restricted	Combined Total
<b>PUBLIC SUPPORT AND REVENUE</b>						
In-kind contributions	\$ 10,418,100	-	\$ 10,418,100	\$ 11,530,035	-	\$ 11,530,035
In-kind contributions - vehicles	202,726	-	202,726	-	-	-
Church	202,811	13,500	216,311	173,235	4,500	177,735
Individual	518,452	147,680	666,132	496,394	50,143	546,537
Organization and corporations	598,996	24,170	623,166	681,069	265,700	946,769
Government grants	94,400	33,420	127,820	61,700	10,000	71,700
Other public support	242,852	34,574	277,426	-	-	-
Special events, net of direct costs	183,901	-	183,901	159,799	-	159,799
Vehicle income	53,434	3,500	56,934	-	-	-
Investment income	3,076	3,615	6,691	442	-	442
Other income	2,026	-	2,026	2,057	-	2,057
Net assets released from restrictions	365,658	(365,658)	-	384,984	(384,984)	-
<b>Total Public Support and Revenue</b>	<u>12,886,432</u>	<u>(105,199)</u>	<u>12,781,233</u>	<u>13,489,715</u>	<u>(54,641)</u>	<u>13,435,074</u>
<b>EXPENSES</b>						
Program	12,346,018	-	12,346,018	12,914,773	-	12,914,773
Management	179,187	-	179,187	160,869	-	160,869
Fundraising	315,773	-	315,773	290,584	-	290,584
<b>Total Expenses</b>	<u>12,840,978</u>	<u>-</u>	<u>12,840,978</u>	<u>13,366,226</u>	<u>-</u>	<u>13,366,226</u>
<b>CHANGE IN NET ASSETS</b>	45,454	(105,199)	(59,745)	123,489	(54,641)	68,848
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>3,260,077</u>	<u>585,959</u>	<u>3,846,036</u>	<u>3,136,588</u>	<u>640,600</u>	<u>3,777,188</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 3,305,531</u>	<u>\$ 480,760</u>	<u>\$ 3,786,291</u>	<u>\$ 3,260,077</u>	<u>\$ 585,959</u>	<u>\$ 3,846,036</u>

See independent auditor's report and notes to financial statements.

## LOAVES & FISHES COMMUNITY SERVICES

### STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2017

	Program	Management	Fundraising	Total
<b>EXPENSES</b>				
Food and basic necessities and programs	\$ 11,031,751	\$ -	\$ -	\$ 11,031,751
Salaries, payroll taxes, and employee benefits	850,031	137,204	253,891	1,241,126
Rent, utilities, warehouse, and maintenance	191,695	-	-	191,695
Advertising and promotional	39,071	-	25,041	64,112
Professional fees	22,869	16,114	11,069	50,052
Office	113,761	12,696	18,281	144,738
Other	1,714	1,981	1,896	5,591
	12,250,892	167,995	310,178	12,729,065
Interest	381	45	22	448
Depreciation	94,745	11,147	5,573	111,465
Total Expenses	\$ 12,346,018	\$ 179,187	\$ 315,773	\$ 12,840,978

## LOAVES & FISHES COMMUNITY SERVICES

### STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2016

	Program	Management	Fundraising	Total
<b>EXPENSES</b>				
Food and basic necessities and programs	\$ 11,672,452	\$ -	\$ -	\$ 11,672,452
Salaries, payroll taxes, and employee benefits	772,716	112,115	214,337	1,099,168
Rent, utilities, warehouse, and maintenance	167,879	-	-	167,879
Advertising and promotional	56,259	-	32,184	88,443
Professional fees	43,326	23,028	20,381	86,735
Office	92,241	11,416	15,665	119,322
Other	2,279	1,648	1,687	5,614
	<u>12,807,152</u>	<u>148,207</u>	<u>284,254</u>	<u>13,239,613</u>
Interest	12,415	1,461	730	14,606
Depreciation	95,206	11,201	5,600	112,007
Total Expenses	<u>\$ 12,914,773</u>	<u>\$ 160,869</u>	<u>\$ 290,584</u>	<u>\$ 13,366,226</u>

## LOAVES & FISHES COMMUNITY SERVICES

### STATEMENTS OF CASH FLOWS For the years ended June 30,

	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ (59,745)	\$ 68,848
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	111,465	112,007
Other public support (in-kind items)	(44,645)	-
Realized (gain) on investments	(1,347)	-
Unrealized (gain) on investments	(2,268)	-
Changes in current assets and liabilities		
Prepaid expenses	(30,563)	18,878
Pledges and accounts receivable	165,387	56,808
Inventory	(13,147)	-
Accounts payable	(82,183)	85,172
Accrued payroll	(37,205)	4,455
Deferred contributions	77,825	-
	<b>83,574</b>	<b>346,168</b>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Building improvements	-	(3,813)
Purchases of property and equipment	(44,353)	(29,638)
	<b>(44,353)</b>	<b>(33,451)</b>
<b>NET CASH (USED) BY INVESTING ACTIVITIES</b>		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on bank debt	(22,204)	(574,016)
Amortization of deferred financing fees	-	1,131
	<b>(22,204)</b>	<b>(572,885)</b>
<b>NET CASH (USED) BY FINANCING ACTIVITIES</b>		
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>17,017</b>	<b>(260,168)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>1,139,015</b>	<b>1,399,183</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 1,156,032</b>	<b>\$ 1,139,015</b>
Supplemental disclosure of cash flow information		
Cash paid during the year for:		
Income taxes	\$ -	\$ -
Interest expense	\$ 499	\$ 15,053

## LOAVES & FISHES COMMUNITY SERVICES

### NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

#### NOTE 1 – ORGANIZATION’S PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### **Organization’s Purpose**

Loaves & Fishes Community Services (the “Organization”) is a nonprofit organization incorporated in the State of Illinois that provides food and leadership in the community by uniting and mobilizing resources to empower people. The focus is to serve residents in the communities of Naperville, Illinois and DuPage County, Illinois for the purpose of ending hunger and empowering lives.

##### **Basis of Accounting**

The financial statements of the Organization have been prepared on the accrual basis of accounting, and accordingly reflect all significant receivables, payables, and other liabilities.

##### **Basis of Presentation**

The accompanying financial statements are presented in accordance with Accounting Standards Codification (“ASC”) Topic 958, *Not-For-Profit Entities*. Under ASC 958, the Organization is required to report information regarding its financial position and activities according to three classes of net assets that are based on the existence or absence of donor-imposed restrictions: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Temporarily restricted net assets represent net assets subject to donor-imposed restrictions which will be either met by the Organization’s actions or the passage of time. Temporarily restricted net assets are reclassified to unrestricted net assets when the restrictions are met or have expired. These reclassifications are reported in the financial statements as Net Assets Released from Restrictions.

Permanently restricted net assets represent funds subject to the restrictions of gift instruments requiring the principal to be maintained intact. Investment income may be used for operating purposes and therefore is recorded as unrestricted revenue. For the years ended June 30, 2017 and 2016, the Organization held no permanently restricted net assets.

##### **Use of Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

##### **Cash and Cash Equivalents**

For purposes of the statements of cash flows, the Organization considers all highly liquid instruments, including certificates of deposit, to be cash equivalents.

##### **Concentration of Credit Risk**

The Organization maintains its cash balances at financial institutions in Illinois. Non-interest and interest bearing accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000 for the years ending June 30, 2017 and 2016. Cash and cash equivalents, based on bank balances at June 30, 2017 and 2016, exceeded federally insured prescribed limits by \$398,686 and \$411,842, respectively. It is Organization policy to maintain a minimum of six months of projected cash operating expenses in reserve.

**LOAVES & FISHES COMMUNITY SERVICES**

NOTES TO FINANCIAL STATEMENTS (continued)

JUNE 30, 2017

**NOTE 1 – ORGANIZATION’S PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Pledges and Accounts Receivable**

The Organization considers pledges and accounts receivable to be fully collectible. Accordingly, no allowance for doubtful accounts is required. If the amounts become uncollectible, they will be charged to operations when that determination is made. Bad debt expense for the years ended June 30, 2017 and 2016 was \$32,900 and \$2,500, respectively.

**Inventory**

Inventory is comprised of donated vehicles, which are recorded at fair value.

**Goods for Distribution**

The Organization carries a stock of food items and basic necessities in order to carry out its mission to the public. Organization policy is not to record inventory in these financial statements based on the following factors:

- Generally accepted accounting principles define inventory as tangible personal property that is held for sale in the ordinary course of business, in the process of production for sale, or consumed in the production of goods or services to be available for sale.
- The Organization does not sell any goods or services. It does not have a license to make retail sales in Illinois. It has no infrastructure in place (register system, pricing, etc.) to make retail sales.
- The majority of the stocked items are donated from the general public; it is impractical to keep detailed cost records of individual items.

**Property and Equipment**

Property and equipment are recorded at cost, if purchased, or fair market value, if donated. Acquisitions of property and equipment or repairs, maintenance, or betterments that materially prolong the useful lives of assets in excess of \$5,000 are capitalized. Depreciation expense is calculated using the straight line method over the estimated useful lives of the assets as follows:

Furniture and office equipment	3-5 Years
Transportation equipment	3-5 Years
Warehouse equipment	5-7 Years
Building	25-39 Years

**Deferred Contributions**

Deferred contributions represent contributions received that relate to the subsequent period and income related to special events that will occur in the subsequent period.

**In-Kind Contributions**

The Organization regularly receives contributions of food and grocery items from the public. The Organization has a check-in system to track such items, weigh them, and assign values to these contributions using an estimated value of \$3.17 and \$3.11 per pound for the years ended June 30, 2017 and 2016, respectively.

## LOAVES & FISHES COMMUNITY SERVICES

NOTES TO FINANCIAL STATEMENTS (continued)

JUNE 30, 2017

### NOTE 1 – ORGANIZATION’S PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### **Donated Services**

Donated services are recognized as contributions if the services (1) create or enhance nonfinancial assets or (2) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

The Organization received donated services from its officers, directors, and community volunteers which totals in excess of 95,800 person-hours for the year ended June 30, 2017 and 90,000 person-hours for the year ended June 30, 2016. Using the Corporation for National and Community Service survey that estimates a \$24.74 value per hour of volunteer time, management estimates the value of these efforts to be approximately \$2,370,100 and \$2,177,000 for the years ended June 30, 2017 and 2016, respectively. As the recognition criteria for donated services were not met, these volunteer efforts were not recognized as contributions in the financial statements for the years ended June 30, 2017 and 2016.

#### **Advertising**

The Organization expenses advertising costs as incurred. Advertising expense was \$47,641 and \$56,497 for the years ended June 30, 2017 and 2016, respectively.

#### **Functional Allocation of Expenses**

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services at management’s discretion. Management expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

#### **Income Tax Status**

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code, pursuant to a letter from the Internal Revenue Service dated March 1992. However, income from certain activities not directly related to the Organization’s tax-exempt purpose is subject to taxation as unrelated business income. The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b) (1) (A) (vi). The Organization’s tax returns for the years ended June 30, 2014, 2015, 2016, and 2017 are subject to examination by the IRS and the Illinois Attorney General’s Office, generally for three years after they were filed. For the years ended June 30, 2017 and 2016, there were no income tax penalties and interest recognized in the Organization’s financial statements.

Management believes there are no uncertain income tax positions for the years ended June 30, 2017 and 2016.

LOAVES & FISHES COMMUNITY SERVICES

NOTES TO FINANCIAL STATEMENTS (continued)

JUNE 30, 2017

**NOTE 2 – FAIR VALUE MEASUREMENTS**

The Organization reports its fair value measurements using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by ASC Topic 820, *Fair Value Measurements and Disclosures*, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are as follows:

Level 1 – Quoted prices for identical assets or liabilities in active markets to which the organization has access at the measurement date.

Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets in markets that are not active;
- Observable inputs other than quoted prices for asset or liability (for example, interest rates and yield curves); and
- Inputs derived principally from, or corroborated by, observable market data by correlation or by other means.

Level 3 – Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure fair value to the extent that observable inputs are not available.

The primary use of fair value measurements in the Organization’s financial statements are the recurring measurement of investments.

**NOTE 3 – INVESTMENTS**

As discussed in Note 2 to the financial statements, the Organization is required to report its fair value measurements in one of three levels. The Organization uses the following ways to determine the fair value of its investments on a recurring basis:

*DuPage Community Foundation:* Valued at the net asset value (“NAV”) of the underlying investments in the investment pool held at the DuPage Community Foundation at year-end.

The Organization recognizes transfers into and out of levels within the fair value hierarchy at the end of the reporting period. There were no transfers between levels during the years ended June 30, 2017 and 2016.

Fair value measurements (all Level 2) for investments reported at fair value on a recurring basis at June 30, 2017 and 2016 are as follows:

	<u>2017</u>	<u>2016</u>
DuPage Community Foundation	\$ 38,189	\$ -

**LOAVES & FISHES COMMUNITY SERVICES**

NOTES TO FINANCIAL STATEMENTS (continued)

JUNE 30, 2017

**NOTE 3 – INVESTMENTS (continued)**

Investment income as a result of DuPage Community Foundation funds is comprised of the following for the years ended June 30, 2017 and 2016:

	2017	2016
Interest and dividend income	\$ 626	\$ -
Realized gains from sales of investments	1,075	-
Unrealized gains (losses) from holding investments	2,268	-
	\$ 3,969	\$ -

**NOTE 4 – PLEDGES RECEIVABLE**

The Organization's pledges receivable at June 30, 2017 are unconditional and are due as follows:

Receivable in less than one year	\$ 92,400
Receivable in one to five years	211,981
Receivable in more than five years	-
Total pledges receivable	\$ 304,381

**NOTE 5 – PROPERTY AND EQUIPMENT**

Property and equipment at June 30, 2017 and 2016 consisted of:

	2017	2016
Land	\$ 550,656	\$ 550,656
Furniture and office equipment	212,902	162,316
Transportation equipment	114,947	114,947
Warehouse equipment	170,537	167,349
Building	2,077,657	2,077,657
	3,126,699	3,072,925
Accumulated depreciation	(795,322)	(684,507)
Net property and equipment	\$ 2,331,377	\$ 2,388,418

Depreciation expense for the years ended June 30, 2017 and 2016 was \$111,465 and \$112,007, respectively.

**LOAVES & FISHES COMMUNITY SERVICES**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**JUNE 30, 2017**

**NOTE 6 – LONG-TERM DEBT**

Long-term debt at June 30, 2017 and 2016 was comprised of:

	2017	2016
BMO Harris Bank; fixed interest rate of 3.81%; due in monthly principal and interest payments of \$1,747; balance was paid off June 14, 2017	\$ -	\$ 22,204
Less: current maturities	-	(20,471)
Net long-term debt	\$ -	\$ 1,733

Interest expense for the years ended June 30, 2017 and 2016 was \$448 and \$14,606, respectively.

**NOTE 7 – IN-KIND CONTRIBUTIONS**

The Organization receives donated food and grocery items from the general public for distribution to client families. Management has estimated the retail value of such donations at a value of \$3.17 and \$3.11 per pound for the years ended June 30, 2017 and 2016, respectively. The total value of such donations for the years ended June 30, 2017 and 2016 of \$10,402,777 and \$11,496,464, respectively, is recorded as both a revenue and expense item.

**NOTE 8 – LEASES**

The Organization has a lease for office equipment that will expire in four years. The Organization also has a lease for warehouse space that expires in August 2017 and will not be renewed. Management is in negotiations regarding a new lease for warehouse space to begin at the termination of the original lease. Lease expense was \$65,412 and \$60,969 for the years ended June 30, 2017 and 2016, respectively. The following is a schedule of future minimum rentals:

Year ending June 30.

2018	\$	4,221
2019	\$	4,221
2020	\$	4,221
2021	\$	2,111
2022	\$	-

**NOTE 9 – FUNDRAISING EXPENSES**

Total fundraising expense for the years ended June 30, 2017 and 2016 was \$315,773 and \$290,584, respectively.

**LOAVES & FISHES COMMUNITY SERVICES**

NOTES TO FINANCIAL STATEMENTS (continued)  
JUNE 30, 2017

**NOTE 10 – BOARD-DESIGNATED UNRESTRICTED NET ASSETS**

The Organization’s Board of Directors has recommended that an annual portion of the operating funds are to be designated as a Building Reserve Fund, up to a fund balance of \$250,000. These funds are designated for future use for major repair, maintenance, and replacement of components of its building. The balance of these designated funds was \$250,000 as of June 30, 2017 and 2016.

**NOTE 11 – TEMPORARILY RESTRICTED NET ASSETS**

Changes in temporarily restricted net assets consist of the following for the year ended June 30, 2017:

	Beginning Balance	Additions	Releases	Ending Balance
Endowment Fund				
DuPage Community Foundation	\$ -	\$ 38,189	\$ -	\$ 38,189
Church contributions				
Pledges	4,500	13,500	(4,500)	13,500
Individual contributions				
Donations	15,843	7,100	(15,843)	7,100
Pledges	249,916	140,580	(137,115)	253,381
	<u>265,759</u>	<u>147,680</u>	<u>(152,958)</u>	<u>260,481</u>
Organization and				
Corporation contributions				
Grants	180,700	-	(110,700)	70,000
Pledges	105,000	-	(67,500)	37,500
Technology improvements	20,000	-	(20,000)	-
Vehicle purchase	-	20,000	-	20,000
	<u>305,700</u>	<u>20,000</u>	<u>(198,200)</u>	<u>127,500</u>
Government grants	<u>10,000</u>	<u>33,420</u>	<u>(10,000)</u>	<u>33,420</u>
Other public support				
Donations	-	4,170	-	4,170
Vehicle income	-	3,500	-	3,500
	<u>\$ 585,959</u>	<u>\$ 260,459</u>	<u>\$ (365,658)</u>	<u>\$ 480,760</u>

**LOAVES & FISHES COMMUNITY SERVICES**

NOTES TO FINANCIAL STATEMENTS (continued)  
JUNE 30, 2017

**NOTE 12 – RETIREMENT BENEFIT PLAN**

The Organization provides a salary reduction 401(k) plan to eligible employees. The Organization may contribute a matching contribution of a pre-determined percentage if the financial position of the Organization allows. For the years ended June 30, 2017 and 2016, the Organization recognized retirement plan expense of \$40,515 and \$22,993, respectively.

**NOTE 13 – ACQUISITION OF NAPERVILLE C.A.R.E.S.**

Effective July 1, 2016, the Organization completed an acquisition of the assets of Naperville C.A.R.E.S. (C.A.R.E.S.), an Illinois nonprofit organization that serves the community by helping local families in financial crisis meet their essential needs by providing emergency financial support and resources. The primary reasons for the acquisition include programs, physical logistics, technology, volunteers, donors, boards, staff, and communication. The Organization assumed the rights, title, and interest of all assets of C.A.R.E.S., except those specifically excluded.

Fair values of C.A.R.E.S.' major classes of assets acquired by the Organization as of the date of acquisition are as follows:

Cash and cash equivalents	\$	203,448
Investments, at fair value		34,574
Inventory		29,333
Property and equipment, net		9,421
Intangibles, net		<u>650</u>
Total assets acquired	\$	<u><u>277,426</u></u>

**NOTE 14 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through August 14, 2017, the date the financial statements were available to be issued.