

**Food Literacy Center  
Financial Statements  
December 31, 2015**

**Food Literacy Center  
Contents**

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*Independent Accountants' Review Report*

Board of Directors  
Food Literacy Center

We have reviewed the accompanying financial statements of Food Literacy Center , which comprise the statement of financial position as of December 31, 2015, and the related statements of activity, statement of functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company 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'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.

***Accountants' Responsibility***

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

***Accountants' Conclusion***

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 accordance with accounting principles generally accepted in the United States of America.



Pomares Bearry  
An Accountancy Coporation  
Sacramento, CA

May 26, 2016

**Food Literacy Center  
Statement of Financial Position  
As of December 31, 2015**

**Assets**

<b>Current Assets</b>	
Cash	\$ 166,504
Contributions Receivable, Net of Allowance for Doubtful Accounts - Note 2	1,988
Other Current Assets	<u>625</u>
<b>Total Current Assets</b>	169,117
Fixed Assets, Net - Note 3	10,304
Security Deposit	<u>2,200</u>
<b>Total Assets</b>	<u><u>\$ 181,621</u></u>

**Liabilities and Net Assets**

<b>Current Liabilities</b>	
Accounts Payable	\$ 1,280
Accrued Expenses	<u>17,460</u>
<b>Total Current Liabilities</b>	<u>18,740</u>
<b>Total Liabilities</b>	<u>18,740</u>
<b>Net Assets</b>	
Unrestricted	157,881
Temporarily Restricted - Note 7	<u>5,000</u>
<b>Total Net Assets</b>	<u>162,881</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 181,621</u></u>

The accompanying notes are an integral part of these financial statements.  
See Independent Accountants' Review Report.

**Food Literacy Center**  
**Statement of Activity and Changes in Net Assets**  
**For the Year Ended December 31, 2015**

<b>Unrestricted Revenue and Support from Operations</b>	
Contributions	\$ 214,928
Grants	54,440
Program Revenue	23,951
In-Kind Goods and Services	32,930
Interest and Dividend Income	70
Other Income	128
	326,447
<b>Total Unrestricted Revenue &amp; Support before Special Events and Assets Released from Restriction</b>	
Special Events	23,839
Less Direct Costs	(4,834)
	19,005
<b>Net Special Events</b>	
	5,000
<b>Net Assets Released from Restriction</b>	
	350,452
<b>Total Unrestricted Revenue and Support from Operations</b>	
<b>Operating Expenses</b>	
Program Services	246,159
General and Administrative	18,316
Fundraising	91,107
	355,582
<b>Total Operating Expenses</b>	
	(5,130)
<b>Net Increase (Decrease) in Unrestricted Net Assets from Operations</b>	
<b>Changes in Temporarily Restricted Net Assets</b>	
Grants	5,000
Net Assets Released from Restriction	(5,000)
	-
<b>Net Increase in Temporarily Restricted Net Assets</b>	
	(5,130)
<b>Increase (Decrease) in Net Assets</b>	
	168,011
<b>Net Assets, Beginning of Year</b>	168,011
<b>Net Assets, End of Year</b>	\$ 162,881

The accompanying notes are an integral part of these financial statements.  
See Independent Accountants' Review Report.

**Food Literacy Center**  
**Statement of Functional Expenses**  
**For the Year Ended December 31, 2015**

	<b>Total Program Services</b>	<b>General and Administrative</b>	<b>Fundraising</b>	<b>Total Support Services</b>	<b>Current Year Total Expenses</b>
<b>Expenses</b>					
Salaries & Wages	\$ 122,494	\$ 3,605	\$ 35,984	\$ 39,589	\$ 162,083
Payroll Taxes	9,764	276	3,347	3,623	13,387
Other Employee Benefits	11,217	-	3,739	3,739	14,956
Accounting Services	1,890	582	436	1,018	2,908
Other Services	15,649	-	249	249	15,897
Office Expenses	3,106	269	456	725	3,831
Information Technology	11,236	1,405	1,405	2,809	14,045
Occupancy	10,230	2,841	2,222	5,063	15,293
Travel	1,695	-	565	565	2,260
Conferences and Meetings	471	145	109	253	724
Insurance	6,720	273	1,785	2,058	8,778
Program Expenses	26,146	-	-	-	26,146
Other Operations Expenses	6,030	5,779	2,253	8,032	14,062
Fund Development	3,153	-	28,377	28,377	31,530
In-Kind Goods and Services	15,357	2,400	9,748	12,148	27,505
<b>Total Expenses Before Depreciation</b>	245,158	17,574	90,673	108,247	353,405
Depreciation	1001	742	434	1,176	2,177
<b>Total Expenses</b>	<b>\$ 246,159</b>	<b>\$ 18,316</b>	<b>\$ 91,107</b>	<b>\$ 109,423</b>	<b>\$ 355,582</b>

The accompany notes are an integral part of these financial statements.  
See Independent Accountants' Review Report.

**Food Literacy Center  
Statement of Cash Flows  
For the Year Ended December 31, 2015**

<b>Cash Flow from Operating Activities</b>	
Changes in Net Assets	\$ (5,130)
<b>Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by (Used in) Operating Activities</b>	
Depreciation	2,177
In-Kind Contribution of Gift Cards	(1,000)
Purchases with Gift Cards	375
<b>(Increase)Decrease in Assets</b>	
Accounts Receivable	(1,988)
<b>Increase (Decrease) in Operating Liabilities</b>	
Accounts Payable and Accrued Expenses	<u>18,609</u>
<b>Net Cash Provided by Operating Activities</b>	<u>18,173</u>
<b>Cash Flows from Investing Activities</b>	
Fixed Asset Purchases	<u>(4,024)</u>
<b>Net Cash (Used In) Investing Activities</b>	<u>(4,024)</u>
<b>Net Increase (Decrease) in Cash</b>	9,019
<b>Cash, Beginning of Year</b>	<u>157,485</u>
<b>Cash, End of Year</b>	<u><u>\$ 166,504</u></u>

The accompanying notes are an integral part of these financial statements.  
See Independent Accountants' Review Report.

**Food Literacy Center**  
**Notes to Financial Statements**  
**December 31, 2015**

**Note 1 - Organization**

The mission of Food Literacy Center is to inspire kids to eat their vegetables. We teach low-income elementary children cooking and nutrition to improve health, environment and economy. The Center was incorporated as an independent, non-profit organization on November 16, 2011.

**Note 2 – Summary of Significant Accounting Policies**

A. Basis of Accounting

The financial statements of the Center are prepared on the accrual basis of accounting whereby revenues are recognized when earned and expenditures are recognized when incurred.

B. Basis of Presentation

The Center reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted. A description of the three net asset categories follows:

*Unrestricted* – net assets that are not subject to donor-imposed restrictions. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

*Temporarily Restricted* – net assets whose use by the Center is subject to donor-imposed restrictions that can be fulfilled by the actions of the Center pursuant to those restrictions that expire by the passage of time.

*Permanently Restricted* – net assets subject to donor-imposed restrictions that they be maintained permanently by the Center.

C. Cash and Cash Equivalents

For the statement of financial position and the statement of cash flows, cash and cash equivalents are defined as all highly liquid investments available for current use with initial maturity of twelve months or less.

D. Pledges, Grants and Other Receivables

Pledges and Grants receivable are reported at the amount the Center expects to collect on balances outstanding at year-end. Based on management's assessment of the grantors and pledgers having outstanding balances and past history with them, it has concluded that losses on balances outstanding at year-end are unlikely. All grants and pledges receivable are deemed by management to be collectible. The allowance for doubtful accounts at December 31, 2015 was zero.



**Food Literacy Center**  
**Notes to Financial Statements**  
**December 31, 2015**

**Note 2 – Summary of Significant Accounting Policies – Continued**

E. Fixed Assets

Fixed assets consist of kitchen equipment, computer equipment and office furniture and equipment and are recorded at cost when purchased, or if donated, at their estimated fair market value at the date of the donation. All acquisitions of fixed assets in excess of \$500 with useful lives of three years or more, and all expenditures for repairs, maintenance, renewals and betterments that materially prolong the useful lives of assets are capitalized. The policy of the Center is to provide for depreciation over the estimated useful lives of the assets by straight-line method.

F. Contributions

Contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence and/or nature of any donor restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

G. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

H. Contributed Property and Equipment

Contributed property and equipment is recorded at fair value at the date of the donation. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support.

I. In-Kind Contributions

The value of certain donated goods and services represents the estimated value if purchased. These amounts have been reflected in the financial statements for the in-kind goods and services donated to the Center.

J. Functional Expenses

The cost of providing various programs and supporting services has been reported on the functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the various programs and supporting services based on estimates made by management.

See Independent Accountants' Review Report.

**Food Literacy Center**  
**Notes to Financial Statements**  
**December 31, 2015**

**Note 2 – Summary of Significant Accounting Policies – Continued**

K. Income Taxes

Food Literacy Center, a not-for-profit organization operating under Section 501(c)(3) of the Internal Revenue code, is exempt from federal, state, and local income taxes and, accordingly, no provisions for income taxes are included in the financial statements. In addition, the Center qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and has been classified as a public charity.

Management has determined that the Center does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures.

**Note 3 – Property and Equipment**

Property and Equipment at December 31, 2015 consist of:

Kitchen Equipment	\$ 7,004
Computer Equipment	2,995
Office Furniture and Equipment	<u>4,381</u>
<b>Total Property and Equipment</b>	14,380
Less: Accumulated Depreciation	<u>(4,076)</u>
<b>Property and Equipment, Net</b>	<u><u>\$ 10,304</u></u>

The depreciation expense for the years ended December 31, 2015 was \$2,177.

**Food Literacy Center**  
**Notes to Financial Statements**  
**December 31, 2015**

**Note 4 - Contributed Services**

The Center recognizes contribution revenue for certain services received at the fair value of those services. Those services include the following items:

**Program**

Graphic Design	\$ 996
Photography	5,250
Videography	<u>595</u>

**Total Program** 6,841

**General and Administrative**

SLA Service Fees for Website	<u>2,400</u>
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**Fundraising**

Graphic Design	3,984
Photography	3,750
Videography	<u>595</u>

**Total Fundraising** 8,329

**Total Contributed Services** \$ 17,570

**Note 5 - Paid Time Off**

Eligible employees being accruing paid time off from start of employment. Full time employees and part-time employees that work more than 15 hour per week accrue PTO, depending on the number of hours worked and years of service. The maximum PTO hours that can be accrued is between 120 - 160 hours depending on years of service.

**Food Literacy Center  
Notes to Financial Statements  
December 31, 2015**

**Note 6 – Lease Commitments**

The Center entered into a 3-year lease for office space commencing November 1, 2014, with a one year option to renew at the end of the lease term. Future minimum lease payments are as follows.

**Minimum Lease Payments for the Year Ended December 31,**

2015	\$	12,100
2016		12,700
2017		11,000
2018		-
2019		-
Thereafter		-
		-
<b>Total Minimum Lease Payments</b>	<b>\$</b>	<b>35,800</b>
		<b>35,800</b>

**Net 7 - Net Assets**

Temporarily restricted net assets are restricted to the following purposes:

Net Asset Balance, Beginning of Year	\$	5,000
Grant Funds for 2016 Programs		5,000
Grant Funds Released for 2015 Programs		(5,000)
		(5,000)
<b>Net Asset Balance, End of Year</b>	<b>\$</b>	<b>5,000</b>
		<b>5,000</b>

**Note 8 - Prior Period Adjustment**

In 2013, the Center received donated fixed assets. The donations were not recorded when the donation was received. In 2015, management corrected this error by increasing fixed assets by \$6,016 and accumulated depreciation by \$849. The cumulative net asset adjustment was \$6,865.

**Note 9 – Subsequent Events**

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through May 26, 2016, which is the date the financial statements were available to be issued.