

**AUDITED FINANCIAL STATEMENTS**

**COMMUNITY HARVEST, INC.**

**June 30, 2012**

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*David H. Wackerly*

Certified Public Accountant

Suite 103  
4150 Belden Village St., NW  
Canton, Ohio 44718

Phone:

Canton 330-493-0507

Akron 330-923-8713

Fax 330-493-9504

[dwackerly@wackerlycpa.com](mailto:dwackerly@wackerlycpa.com)

## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
Community Harvest, Inc.

I have audited the accompanying statements of financial position of Community Harvest, Inc. (a nonprofit organization) as of June 30, 2012 and the related statements of activities, cash flows and functional expenses for the year then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit. The prior year summarized comparative information has been derived from the Organization's 2011 financial statements and, in my report dated November 15, 2011, I expressed an unqualified opinion on those financial statements.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and net asset balances of Community Harvest, Inc. as of June 30, 2012, and its support, revenue and expenses for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

November 30, 2012

**COMMUNITY HARVEST, INC.**  
Statement of Financial Position  
June 30, 2012  
(With Comparative Totals for 2011)

ASSETS		2012	2011
CURRENT ASSETS			
Cash		\$ 30,333	\$ 32,089
Accounts receivable		-	-
		<hr/>	<hr/>
TOTAL CURRENT ASSETS		30,333	32,089
FIXED ASSETS			
Leasehold improvements		1,640	1,640
Furniture and equipment		1,993	1,993
Delivery equipment		51,590	51,590
		<hr/>	<hr/>
		55,223	55,223
Less: accumulated depreciation		15,476	4,870
		<hr/>	<hr/>
TOTAL FIXED ASSETS		39,747	50,353
		<hr/>	<hr/>
TOTAL ASSETS		<u>\$ 70,080</u>	<u>\$ 82,442</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Payroll taxes payable		\$ 2,368	2,359
NET ASSETS			
Unrestricted		67,712	80,083
Temporarily restricted		-	-
		<hr/>	<hr/>
TOTAL NET ASSETS		67,712	80,083
		<hr/>	<hr/>
TOTAL LIABILITIES AND NET ASSETS		<u>\$ 70,080</u>	<u>\$ 82,442</u>

The accompanying notes are an integral part of the financial statements.

**COMMUNITY HARVEST, INC.**  
Statement of Activities  
For the Year Ended June 30, 2012  
(With Comparative Totals for 2011)

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTALS</u>	
			<u>2012</u>	<u>2011</u>
SUPPORT AND REVENUE				
SUPPORT				
Grants, Contributions, fundraiser \$	50,555	\$ -	\$ 50,555	\$ 103,593
Celebrity cuisine	27,865	-	27,865	24,395
In-kind donations - food	1,278,992	-	1,278,992	1,132,829
REVENUE				
Interest income	23	-	23	70
OTHER				
Gain on sale of fixed asset	-	-	-	2,312
NET ASSETS RELEASED FROM RESTRICTIONS:				
Restrictions satisfied	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL SUPPORT AND REVENUE	1,357,435	-	1,357,435	1,263,199
EXPENSES				
Program services	1,328,075	-	1,328,075	1,182,400
General and administrative	<u>41,731</u>	<u>-</u>	<u>41,731</u>	<u>46,996</u>
TOTAL EXPENSES	<u>1,369,806</u>	<u>-</u>	<u>1,369,806</u>	<u>1,229,396</u>
CHANGES IN NET ASSETS	(12,371)	-	(12,371)	33,803
NET ASSETS, BEGINNING OF YEAR	<u>80,083</u>	<u>-</u>	<u>80,083</u>	<u>46,280</u>
NET ASSETS, END OF YEAR	<u>\$ 67,712</u>	<u>\$ -</u>	<u>\$ 67,712</u>	<u>\$ 80,083</u>

The accompanying notes are an integral part of these financial statements.

**COMMUNITY HARVEST, INC.**  
Statement of Cash Flows  
For the Year Ended June 30, 2012  
(With Comparative Totals for 2011)

	<u>2012</u>	<u>2011</u>
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES:		
Change in net assets	\$ (12,371)	\$ 33,803
Adjustment to reconcile change in net assets to net cash used for operating activities		
Depreciation	10,606	4,355
Gain on sale of fixed asset	-	(2,312)
Increase (Decrease) in payroll taxes payable	9	1,101
Proceeds from sale of fixed asset	<u>-</u>	<u>4,000</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(1,756)	40,947
CASH USED BY INVESTING ACTIVITIES		
Purchase of fixed assets	<u>-</u>	<u>(53,891)</u>
NET INCREASE (DECREASE) IN CASH	(1,756)	(12,944)
CASH, BEGINNING OF YEAR	<u>32,089</u>	<u>45,033</u>
CASH, END OF YEAR	<u><u>\$ 30,333</u></u>	<u><u>\$ 32,089</u></u>

The accompanying notes are an integral part of these financial statements.



**COMMUNITY HARVEST, INC.**  
Statement of Functional Expenses  
For the Year Ended June 30, 2012  
(With Comparative totals for 2011)

	PROGRAM SERVICES	GENERAL AND ADMINISTRATIVE	TOTALS	
			2012	2011
Wages	\$ 20,500	\$ 20,500	\$ 41,000	\$ 50,589
Benefits	-	-	-	3,017
Payroll taxes	1,643	1,643	3,286	4,036
TOTAL PERSONNEL	22,143	22,143	44,286	57,642
Donated food	1,278,992	-	1,278,992	1,132,829
Professional fees	-	2,340	2,340	2,105
Supplies	1,103	1,299	2,402	5,099
Telephone	-	1,825	1,825	1,758
Postage	-	914	914	530
Occupancy	2,249	4,498	6,747	6,724
Maintance	-	500	500	196
Printing and publications	-	3,865	3,865	3,579
Insurance	-	750	750	950
Vehicle expenses	12,152	-	12,152	10,522
Conferences, meetings	50	2,167	2,217	224
Volunteer gifts	780	-	780	1,719
Other expenses	-	1,430	1,430	1,164
TOTAL EXPENSES BEFORE DEPRECIATION	1,317,469	41,731	1,359,200	1,225,041
Depreciation	10,606	-	10,606	4,355
TOTAL EXPENSES	\$ 1,328,075	\$ 41,731	\$ 1,369,806	1,229,396

The accompanying notes are an integral part of these financial statements.

**COMMUNITY HARVEST, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2012

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

Nature of Activities:

Community Harvest, Inc.'s mission statement is to rescue prepared and perishable food from restaurants and caterers and distribute the food to hunger sights throughout Stark County.

Basis of Accounting:

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Contributions:

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Fixed Assets:

Fixed assets acquired by Community Harvest, Inc. are considered to be owned by Community Harvest, Inc. The organization follows the practice of capitalizing at cost all expenditures of fixed assets in excess of \$500. Depreciation is computed on a straight-line basis over the lives of the assets as follows:

Leasehold improvements	10 years
Furniture and equipment	5 years
Vehicles	5 years

Functional Allocation of Expenses:

The costs of providing the 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.



**COMMUNITY HARVEST, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2012

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.

Income Taxes:

Community Harvest, Inc. is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying financial statements.