

HUNGER AT HOME
(a California Nonprofit Public Benefit Corporation)

FINANCIAL STATEMENTS

For the Year Ended

December 31, 2016

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Hunger at Home
San Jose, California

We have audited the accompanying financial statements of Hunger at Home (a California Nonprofit Public Benefit Corporation), which comprise the statement of financial position as of December 31, 2016, 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 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 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hunger at Home as of December 31, 2016, 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.

Thielen & Associates

Campbell, California
July 7, 2017

**HUNGER AT HOME
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2016**

ASSETS

	<u>2016</u>
Current Assets	
Cash and equivalents	\$ 229,265
Pledges receivable	<u>5,000</u>
Total Current Assets	234,265
Total Assets	<u><u>\$ 234,265</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts payable and accrued expenses	\$ 7,146
Total Liabilities	<u>7,146</u>
Net Assets	
Unrestricted net assets	<u>227,119</u>
Total Liabilities and Net Assets	<u><u>\$ 234,265</u></u>

See the accompanying notes which are an integral part of these financial statements.

**HUNGER AT HOME
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	2016	
	Unrestricted Funds	Total Funds
REVENUES:		
<u>PUBLIC SUPPORT</u>		
Contributions	\$ 24,100	\$ 24,100
Special events (net of expenses)	232,028	232,028
Total Public Support	256,128	256,128
Total Support and Revenue	256,128	256,128
 EXPENSES:		
<u>SUPPORT SERVICES</u>		
Management and General	13,759	13,759
Fundraising	15,250	15,250
Total support services	29,009	29,009
Total operating expenses	29,009	29,009
Change in net assets from operations	227,119	227,119
Net assets, beginning of period	-	-
Net assets, end of period	\$ 227,119	\$ 227,119

See the accompanying notes which are an integral part of these financial statements.

**HUNGER AT HOME
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016**

CASH FLOWS USED FOR OPERATING ACTIVITIES:	<u>2016</u>
Change in net assets	\$ 227,119
Adjustments to reconcile change in unrestricted net assets to net cash used for operating activities:	
(Increase) Decrease in pledges receivable	(5,000)
Increase (Decrease) in accounts payable	<u>7,146</u>
Net cash provided by (used for) operating activities	229,265
 NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	 229,265
 CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	 <u>-</u>
 CASH AND CASH EQUIVALENTS, END OF PERIOD	 <u><u>\$ 229,265</u></u>

See the accompanying notes which are an integral part of these financial statements.

**HUNGER AT HOME
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Support Services		
	Management and General	Fund- Raising	Total Support Services
FUNCTIONAL EXPENSES			
Professional fees	11,840	-	11,840
Licenses and fees	870	-	870
Office expense	813	-	813
Printing and publications	23	-	23
Meetings and conferences	204	-	204
Insurance	-	250	250
Specific assistance	-	15,000	15,000
Miscellaneous	9	-	9
	<u>9</u>	<u>-</u>	<u>9</u>
TOTAL EXPENSES	\$ 13,759	\$ 15,250	\$ 29,009

See the accompanying notes which are an integral part of these financial statements.

HUNGER AT HOME

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES:

Nature of Activities - Hunger at Home (the Organization) is a nonprofit public benefit corporation organized in the State of California whose mission is to serve as a conduit between the business community and nonprofit partners by which excess food and other surplus is channeled to the homeless and hungry. The Organization is supported primarily through donor contributions and grants.

Accounting Policies - The Organization follows the standards of accounting and financial reporting for not-for-profit organizations prescribed by the American Institute of Certified Public Accountants. Accordingly, the financial statements are prepared on the accrual basis of accounting.

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Contributions are recognized when the donor makes a pledge to give that is, in substance, unconditional. Contributions restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire within the fiscal year recognized. All other donor restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. The Organization periodically reviews pledges for their collectability. As a result of these reviews, pledges deemed uncollectible are written off directly to bad debt expense.

No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services. The Organization receives more than 1,000 hours of volunteer service per year.

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence or nature of any donor restrictions.

The Organization is a not for profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. The Internal Revenue Service further classifies the Organization as a public charity.

The preparation of the 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.

NOTE 2 – FUNDRAISING:

Substantially all of the Organization’s revenue in 2016 was from fundraising in partnership with three other nonprofit organizations: the Salvation Army, the Bill Wilson Center, and Martha’s Kitchen. The organizations entered in to an agreement whereby the proceeds from the event would be shared between the nonprofits based on a percentage of revenue raised. The following table provides details as to the receipts and disbursements from the Bridge the Gap Gala event:

BRIDGE THE GAP GALA:

		Salvation Army	\$ 44,500
		Martha’s Kitchen	135,915
Total Receipts	\$ 1,071,499	Bill Wilson Center	10,000
Total disbursements	<u>(649,056)</u>	Hunger at Home	<u>232,028</u>
Net proceeds available to partners	<u>\$ 422,443</u>	Total	<u>\$ 422,443</u>

NOTE 4 – SUBSEQUENT EVENTS:

The Organization has evaluated subsequent events through July 7, 2017, the date which financial statements were available to be issued.