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Karen M. Olson
Hugh E. Elliott

Gwen S. Henry

September 16, 2015

Ms. Kelly Anaya, Administrative Manager
West Suburban Community Pantry, Inc.
6809 Hobson Valley Drive, #118
Woodridge, Illinois 60517

Dear Kelly:

Enclosed please find one (1) unbound and two (2) bound copies of the financial statements for West Suburban Community Pantry, Inc. as of June 30, 2015 and 2014, together with auditor's report.

After approving the enclosed financial statements, please sign the unbound copy of the financial statements and return it to us using the enclosed envelope.

Also enclosed is a copy of the Auditor's Communication with Those Charged with Governance under AU 260 for West Suburban Community Pantry, Inc. as of June 30, 2015.

Please call should you have any questions.

Sincerely,

DUGAN & LOPATKA



Karen M. Olson

KMO:bdb
Encl.

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September 15, 2015

To the Board of Directors of
West Suburban Community Pantry, Inc.

We have audited the financial statements of West Suburban Community Pantry, Inc. (the Organization) for the year ended June 30, 2015, and have issued our report thereon dated September 15, 2015. Professional standards require that we provide you with the following information related to our audit. We have communicated such information in our letter to you dated May 14, 2015. Professional standards also require that we communicate to you the following information related to our audit.

QUALITATIVE ASPECTS OF ACCOUNTING PRACTICES

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Organization are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2015. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of depreciation expense and accumulated depreciation is based on the estimated useful lives of assets placed in service, developed from historical experience with similar assets, and calculated using the straight-line method of depreciation. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of donated materials is based on the estimated value of the poundage of materials received for the year ended June 30, 2015. We evaluated key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of cost allocations among program and supporting services is based on management's knowledge of resources used in the various programs. We evaluated the key factors and assumptions used to develop the allocation in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

To the Board of Directors of
West Suburban Community Pantry, Inc.
September 15, 2015
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DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT

We encountered no significant difficulties in dealing with management in performing and completing our audit.

CORRECTED AND UNCORRECTED MISSTATEMENTS

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

DISAGREEMENTS WITH MANAGEMENT

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

MANAGEMENT REPRESENTATIONS

We have requested certain representations from management that are included in the management representation letter dated September 15, 2015.

MANAGEMENT CONSULTATIONS WITH OTHER INDEPENDENT ACCOUNTANTS

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

OTHER AUDIT FINDINGS OR ISSUES

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

To the Board of Directors of
West Suburban Community Pantry, Inc.
September 15, 2015
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This information is intended solely for the use of the Board of Directors and management of West Suburban Community Pantry, Inc. and is not intended to be, and should not be, used by anyone other than these specified parties.

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Wheaton, Illinois

WEST SUBURBAN COMMUNITY PANTRY, INC.

**FINANCIAL STATEMENTS
AS OF JUNE 30, 2015 AND 2014**

TOGETHER WITH AUDITOR'S REPORT

These financial statements have been prepared from the Organization's books and records making all necessary adjustments thereto, and they represent the final statements for the period under audit.

Signed: _____

Scott R. Kelly, chairman

(Name and Title)

Dated: September 15, 2015

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
West Suburban Community Pantry, Inc.:

We have audited the accompanying financial statements of West Suburban Community Pantry, Inc., which comprise the statement of assets, liabilities, and net assets - modified cash basis as of June 30, 2015 and 2014, and the related statements of support, revenue, expenses and changes in net assets - modified cash basis and functional expenses - modified cash basis 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 modified cash basis of accounting as described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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 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 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.

To the Board of Directors of
West Suburban Community Pantry, Inc.:
Page two

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of West Suburban Community Pantry, Inc. as of June 30, 2015 and 2014, and its support, revenue, and expenses for the years then ended in accordance with the modified cash basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than the accounting basis generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Dugan + Lopatka
DUGAN & LOPATKA

Wheaton, Illinois
September 15, 2015

WEST SUBURBAN COMMUNITY PANTRY, INC.
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS -
MODIFIED CASH BASIS
JUNE 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
<u>A S S E T S</u>		
ASSETS:		
Cash and cash equivalents	\$ 305,764	\$ 397,523
Property and equipment, net	<u>545,967</u>	<u>569,412</u>
Total assets	<u><u>\$ 851,731</u></u>	<u><u>\$ 966,935</u></u>
<u>LIABILITIES AND NET ASSETS</u>		
LIABILITIES:		
Conditional promises to give	<u>\$ 500,000</u>	<u>\$ 500,000</u>
NET ASSETS:		
Unrestricted	351,731	466,935
Temporarily restricted	<u>-</u>	<u>-</u>
Total net assets	<u>351,731</u>	<u>466,935</u>
Total liabilities and net assets	<u><u>\$ 851,731</u></u>	<u><u>\$ 966,935</u></u>

The accompanying notes are an integral part of this statement.

WEST SUBURBAN COMMUNITY PANTRY, INC.
STATEMENT OF SUPPORT, REVENUE, EXPENSES AND CHANGES IN NET ASSETS -
MODIFIED CASH BASIS
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

	2015			2014		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
PUBLIC SUPPORT AND REVENUE:						
Donated goods	\$ 1,960,932	-	\$ 1,960,932	\$ 1,884,999	\$ -	\$ 1,884,999
Contributions	41,478	-	41,478	37,910	-	37,910
Corporate donations	36,913	-	36,913	21,495	-	21,495
Grants	86,150	5,503	91,653	103,256	5,000	108,256
Individual donations	218,751	-	218,751	236,547	-	236,547
Annual fundraisers	188,620	-	188,620	184,054	-	184,054
Church donations	22,577	-	22,577	19,599	-	19,599
Miscellaneous income	(44)	-	(44)	517	-	517
Interest income	1,450	-	1,450	2,843	-	2,843
Total public support and revenue	2,556,827	5,503	2,562,330	2,491,220	5,000	2,496,220
RECLASSIFICATIONS:						
Net assets released upon satisfaction of purpose restrictions	5,503	(5,503)	-	20,000	(20,000)	-
EXPENSES:						
Program	2,380,803	-	2,380,803	2,260,973	-	2,260,973
General and administrative	113,401	-	113,401	109,228	-	109,228
Fundraising	183,330	-	183,330	174,351	-	174,351
Total program expenses	2,677,534	-	2,677,534	2,544,552	-	2,544,552
CHANGES IN NET ASSETS	(115,204)	-	(115,204)	(33,332)	(15,000)	(48,332)
NET ASSETS, Beginning of year	466,935	-	466,935	500,267	15,000	515,267
NET ASSETS, End of year	\$ 351,731	\$ -	\$ 351,731	\$ 466,935	\$ -	\$ 466,935

The accompanying notes are an integral part of this statement.

WEST SUBURBAN COMMUNITY PANTRY, INC.
STATEMENT OF FUNCTIONAL EXPENSES -
MODIFIED CASH BASIS
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

	2015				2014			
	General and		Total	Program	General and		Total	
	Administrative	Fundraising			Administrative	Fundraising		
Donated goods	\$ 1,960,932	\$ -	\$ 1,960,932	\$ 1,884,999	\$ -	\$ 1,884,999	\$ 1,884,999	
Food and sundry	154,630	-	154,630	119,524	-	119,524	119,524	
Educational and supportive services	7,576	-	7,576	8,498	-	8,498	8,498	
Payroll expenses	143,406	87,483	329,528	136,284	84,786	317,222	317,222	
Dues and subscriptions	1,330	-	1,330	2,756	-	2,756	2,756	
Supplies	2,226	-	2,226	1,335	-	1,335	1,335	
Depreciation	30,782	-	30,782	31,631	-	31,631	31,631	
Fundraising	-	-	61,521	-	-	57,204	57,204	
Industrial park dues	5,200	-	5,200	4,400	-	4,400	4,400	
Insurance	11,838	2,255	14,093	7,762	1,479	9,241	9,241	
Licenses and fees	-	91	91	-	131	131	131	
Meetings and seminars	-	808	808	-	184	184	184	
Miscellaneous	7,016	1,436	8,452	8,020	1,643	9,663	9,663	
Office supplies	2,506	1,002	5,012	1,866	746	3,732	3,732	
Publicity	8,849	1,264	12,641	7,069	1,010	10,099	10,099	
Repairs and maintenance	6,952	-	6,952	10,079	-	10,079	10,079	
Telephone and utilities	9,015	3,606	18,030	10,003	4,001	20,006	20,006	
Vehicle expenses	8,772	4,386	21,930	7,088	3,544	17,720	17,720	
Postage	1,866	1,244	6,221	2,059	1,373	6,864	6,864	
Printing	1,107	738	3,691	800	533	2,666	2,666	
Professional fees	-	9,088	9,088	-	9,798	9,798	9,798	
Rental property expense	16,800	-	16,800	16,800	-	16,800	16,800	
	<u>\$ 2,380,803</u>	<u>\$ 113,401</u>	<u>\$ 2,677,534</u>	<u>\$ 2,260,973</u>	<u>\$ 109,228</u>	<u>\$ 2,544,552</u>	<u>\$ 2,544,552</u>	
		<u>\$ 183,330</u>	<u>\$ 2,677,534</u>	<u>\$ 2,260,973</u>	<u>\$ 174,351</u>	<u>\$ 2,544,552</u>	<u>\$ 2,544,552</u>	

The accompanying notes are an integral part of this statement.

WEST SUBURBAN COMMUNITY PANTRY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Activities -

West Suburban Community Pantry, Inc. (the "Organization") was incorporated in 1992 to serve the community by feeding the hungry and sharing resources to improve the quality of life. The vision of the Organization is a community without hunger. During the years ended June 30, 2015 and 2014, the Organization distributed approximately 1,580,000 and 1,550,000 pounds of food, respectively.

The financial statements were available to be issued on September 15, 2015, with subsequent events being evaluated through this date.

Accounting Method -

The financial statements of the Organization have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Modifications to the cash basis of accounting include recording property and equipment, related depreciation expense, conditional promises to give (mortgage payable) and donated food.

Estimates -

The Organization prepares its financial statements in conformity with the modified cash basis of accounting which is another generally accepted basis of accounting, which requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Credit Risk -

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents. The Organization maintains cash balances at several financial institutions in the local area. Accounts at each institution are insured by the FDIC up to \$250,000. At June 30, 2015 and 2014, the Organization did not have cash balances in excess of the insured limit.

Property and Equipment -

Property and equipment are stated at cost. Depreciation is calculated using the modified accelerated cost recovery system over the estimated useful lives of the respective assets, ranging from five to thirty-nine years. This depreciation method is not a generally accepted method and when compared to the straight-line method it was determined to be immaterially different. Upon sale or retirement, the cost and related accumulated depreciation are eliminated from the respective accounts and the resulting gain or loss is included in the statement of support, revenue, expenses and changes in net assets.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Donated Services -

A substantial number of unpaid volunteers have made significant contributions of their time to the Organization. These volunteers have a significant impact on making the Organization effective by donating approximately 27,600 and 28,300 hours during the years ended June 30, 2015 and 2014, respectively. However, the value of these services is not reflected in the financial statements because they do not meet the definition of donated services under the Accounting Standards Codification.

Income Taxes -

The Organization is exempt from income tax under Section 501(c)(3) of the United States Internal Revenue Code and state laws. Accordingly, no provision for income taxes has been established.

The Organization files income tax returns in the U.S. federal jurisdiction and Illinois. With few exceptions, the Organization is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years before 2011. The Organization does not expect a material change in unrecognized tax benefits in the next twelve months.

Revenue Recognition -

All grants and contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Grants and contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Reclassifications -

Certain prior year amounts have been reclassified to conform with current year presentation.

(2) PROPERTY AND EQUIPMENT:

Property and equipment consisted of the following:

	<u>2015</u>	<u>2014</u>
Building and building improvements	\$ 539,717	\$ 539,717
Equipment	128,166	120,829
Land	105,000	105,000
Vehicles	<u>77,864</u>	<u>77,864</u>
	850,747	843,410
Less - Accumulated depreciation	<u>(304,780)</u>	<u>(273,998)</u>
Property and equipment, net	<u>\$ 545,967</u>	<u>\$ 569,412</u>

Depreciation expense for the fiscal years ended June 30, 2015 and 2014 was \$30,782 and \$31,631, respectively.

(3) CONDITIONAL PROMISES TO GIVE:

The Organization has received a total of \$500,000 in two conditional promises to give grants on properties located at 6805 and 6809 Hobson Valley Drive, Woodridge, Illinois. At June 30, 2008, the outstanding balance was \$200,000. The new conditional promise was added in November, 2008 totaling \$300,000 for the purchase of the 6805 Hobson property. The Organization is required to meet certain covenants related to building maintenance, payment of property taxes, continuance of existence and others. If the covenants are met, the original promise to give will be fulfilled on September 4, 2023. The new promise requires repayment if the Organization sells or transfers the property before November 20, 2028. Both conditional promises to give are secured by mortgages.

(4) DONATED GOODS:

Donated goods and services are recorded in the financial statements at their estimated fair market value on the date of receipt. The Organization reports gifts of donated food and grocery products over which it has control as unrestricted support when received and, shortly thereafter, as expense when distributed to donees. During the years ended June 30, 2015 and 2014, approximately 1,140,100 and 1,115,400 pounds of donated product were received, respectively. The approximate average wholesale value of one pound of donated product at the national level was determined to be \$1.72 and \$1.69 a pound for the years ended June 30, 2015 and 2014, respectively. For the years ended June 30, 2015 and 2014, the Organization received approximately \$1,960,000 and \$1,885,000 in donated food and grocery products, respectively.

(5) LEASE COMMITMENTS:

The Organization has a lease for additional warehouse storage. The lease expires in October, 2015 with monthly rent of \$1,400. Rent expense for the years ended June 30, 2015 and 2014 was \$16,800.

The future minimum lease payments are as follows:

<u>Year ending</u> <u>June 30,</u>	<u>Amount</u>
2016	\$ 4,200

The lease was renewed through October, 2016 subsequent to June 30, 2015 for monthly rent of \$1,500.