

WEST SUBURBAN COMMUNITY PANTRY, INC.

**FINANCIAL STATEMENTS
AS OF JUNE 30, 2010 AND 2009**

TOGETHER WITH AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statement of assets, liabilities, and net assets - modified cash basis of West Suburban Community Pantry, Inc., formerly Woodridge Community Pantry, Inc. as of June 30, 2010 and 2009, and the related statement of support, revenue, expenses and changes in net assets - modified cash basis for the years then ended. These financial statements are the responsibility of West Suburban Community Pantry, Inc.'s management. 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 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. We believe that our audits provide a reasonable basis for our opinion.

As described in note 1, these financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

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, 2010 and 2009, and its support, revenue, expenses and changes in net assets for the years then ended, on the basis of accounting described in note 1.

Dugan & Lopatka

DUGAN & LOPATKA

Wheaton, Illinois
September 30, 2010

WEST SUBURBAN COMMUNITY PANTRY, INC.
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS -
MODIFIED CASH BASIS
JUNE 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
ASSETS:		
Cash and cash equivalents	\$ 298,214	\$ 238,009
Property and equipment, net	<u>623,143</u>	<u>651,365</u>
Total assets	<u>\$ 921,357</u>	<u>\$ 889,374</u>
<u>LIABILITIES AND NET ASSETS</u>		
LIABILITIES:		
Conditional promises to give	<u>\$ 500,000</u>	<u>\$ 500,000</u>
Total liabilities	<u>500,000</u>	<u>500,000</u>
NET ASSETS:		
Unrestricted	381,552	364,532
Temporarily restricted	<u>39,805</u>	<u>24,842</u>
Total net assets	<u>421,357</u>	<u>389,374</u>
Total liabilities and net assets	<u>\$ 921,357</u>	<u>\$ 889,374</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, 2010 AND 2009

	2010		2009		
	Unrestricted	Temporarily Restricted	Total	Temporarily Restricted	Total
PUBLIC SUPPORT AND REVENUE:					
Donated goods	\$ 1,287,586	-	\$ 1,287,586	\$ -	\$ 994,744
Contributions	5,959	-	5,959	-	2,923
Corporate donations	8,618	-	8,618	-	10,278
Grants	77,221	30,000	107,221	135,000	188,814
Individual donations	124,239	-	124,239	-	104,351
Annual fundraiser	95,542	12,420	107,962	-	90,546
Church donations	16,127	-	16,127	-	13,098
Gain on sale of fixed asset	-	-	-	-	901
Miscellaneous income	50	-	50	-	100
Interest income	6,562	-	6,562	-	7,249
Total public support and revenue	1,621,904	42,420	1,664,324	135,000	1,413,004
RECLASSIFICATIONS:					
Net assets released upon satisfaction of purpose restrictions	27,457	(27,457)	-	(134,565)	-
PROGRAM EXPENSES:					
Donated goods	1,287,586	-	1,287,586	-	994,744
Food and sundry purchases	94,409	-	94,409	-	86,944
Educational and supportive services	12,449	-	12,449	-	15,970
Payroll expenses	110,979	-	110,979	-	77,853
Dues and subscriptions	3,121	-	3,121	-	2,376
Supplies	1,666	-	1,666	-	1,868
Total program expenses	1,510,210	-	1,510,210	-	1,179,755

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, 2010 AND 2009

	2010			2009		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
GENERAL AND ADMINISTRATIVE EXPENSES:						
Depreciation expense	\$ 32,621	\$ -	\$ 32,621	\$ 27,544	\$ -	\$ 27,544
Fundraising supplies	14,871	-	14,871	12,232	-	12,232
Industrial park dues	4,400	-	4,400	4,400	-	4,400
Insurance	3,070	-	3,070	3,138	-	3,138
Licenses and fees	75	-	75	130	-	130
Meetings and seminars	43	-	43	115	-	115
Miscellaneous expense	4,583	-	4,583	3,251	-	3,251
Office supplies	6,064	-	6,064	5,468	-	5,468
Repairs and maintenance	5,545	-	5,545	5,361	-	5,361
Telephone and utilities	14,628	-	14,628	12,980	-	12,980
Vehicle expense	9,757	-	9,757	6,374	-	6,374
Postage and delivery	5,065	-	5,065	5,208	-	5,208
Printing and reproduction	2,108	-	2,108	3,091	-	3,091
Professional fees	7,623	-	7,623	6,540	-	6,540
Rental property expenses	11,678	-	11,678	7,136	-	7,136
Total general and administrative expenses	122,131	-	122,131	102,968	-	102,968
Total expenses	1,632,341	-	1,632,341	1,282,723	-	1,282,723
CHANGES IN NET ASSETS						
NET ASSETS, Beginning of year	17,020	14,963	31,983	129,846	435	130,281
NET ASSETS, End of year	364,532	24,842	389,374	234,686	24,407	259,093
	\$ 381,552	\$ 39,805	\$ 421,357	\$ 364,532	\$ 24,842	\$ 389,374

The accompanying notes are an integral part of this statement.

WEST SUBURBAN COMMUNITY PANTRY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Activities -

West Suburban Community Pantry, Inc. (the "Organization") was incorporated in 1992 as Woodridge Community Pantry, Inc. to serve the community by feeding the hungry and sharing resources to improve the quality of life. The Organization seeks to eradicate hunger within families and individuals, and to serve other unmet human needs of the community. The Organization amended its articles of incorporation in 2010 to change to its new name.

The financial statements were available to be issued on September 30, 2010, 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 accounting principles generally accepted in the United States of America, 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, 2010 and 2009, 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. 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 2006. 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.

(2) PROPERTY AND EQUIPMENT:

Property and equipment consisted of the following:

	<u>2010</u>	<u>2009</u>
Building and building improvements	\$ 505,520	\$ 505,520
Equipment	98,271	93,871
Land	105,000	105,000
Vehicles	<u>51,330</u>	<u>51,330</u>
	760,121	755,721
Less - Accumulated depreciation	<u>(136,978)</u>	<u>(104,356)</u>
Property and equipment, net	<u>\$ 623,143</u>	<u>\$ 651,365</u>

Depreciation expense for the fiscal years ended June 30, 2010 and 2009 was \$32,621 and \$27,544, 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, 2010 and 2009, approximately 961,700 and 744,600 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 \$1.60 and \$1.49 a pound for the years ended June 30, 2010 and 2009, respectively. For the years ended June 30, 2010 and 2009, the Organization received approximately \$1,275,686 and \$994,744 in donated food and grocery products, respectively. Of these amounts, approximately \$132,000 and \$69,000 were received and valued by the federal government for the years ended June 30, 2010 and 2009, respectively.

In addition, the Organization received approximately 17,800 hours of volunteer time from the Director of Operations and many others for program services and fundraising.

(5) LEASE COMMITMENTS:

The Organization leased a warehouse facility for \$2,750 per month with the option to purchase it at the end of its term. During the year ended June 30, 2009, the Organization acquired the facility. In April, 2010, the Organization signed a new lease for additional warehouse storage. The lease term is May 1, 2010 to October 31, 2011 with monthly rent of \$1,600. Rent expense for the years ended June 30, 2010 and 2009 was \$8,800 and \$10,083, respectively.

(6) CONCENTRATION OF REVENUE:

For the year ended June 30, 2009, approximately 25% of the total revenue for the Organization was derived from one grant. There were no concentrations for the year ended June 30, 2010.

During the year ended June 30, 2010, the Organization entered into another lease expiring October 31, 2011 for additional space. The lease calls for monthly rental payments of \$1,600.