

**LAKE CARES, INC  
MOUNT DORA, FLORIDA  
DECEMBER 31, 2016**

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## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Directors  
Lake Cares, Inc.  
Mount Dora, Florida 32757

We have reviewed the accompanying financial statements of Lake Cares, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2016, and the related statements of activities, 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 Organization 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.

### Accountant's 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.

### Accountant's 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 conformity with accounting principles generally accepted in the United States of America.

*Greenlee, Kurras, Rice, Brown & Garner CPAs*

Mount Dora, Florida  
May 4, 2017

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FLORIDA INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

LAKE CARES, INC.  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2016

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|                                      |                  |                                |
|--------------------------------------|------------------|--------------------------------|
| ASSETS                               |                  |                                |
| Cash                                 | \$ 126,000       |                                |
| Receivables                          | 22,375           |                                |
| Inventory                            | 83,578           |                                |
| Prepaid expenses                     | -                |                                |
| Refundable deposits                  | 830              |                                |
| Certificates of deposit              | 20,198           |                                |
| Property and equipment (net)         | <u>803,604</u>   |                                |
| <br>TOTAL ASSETS                     |                  | <br><u><u>\$ 1,056,585</u></u> |
| <br>LIABILITIES                      |                  |                                |
| Payroll taxes                        | \$ 3,112         |                                |
| Vehicle loan payable                 | <u>25,915</u>    |                                |
| Total Liabilities                    | <u>29,027</u>    |                                |
| <br>NET ASSETS                       |                  |                                |
| Unrestricted                         |                  |                                |
| Undesignated                         | <u>1,027,558</u> |                                |
| <br>TOTAL LIABILITIES AND NET ASSETS |                  | <br><u><u>\$ 1,056,585</u></u> |

See the accompanying notes and the independent accountants' review report.



LAKE CARES, INC  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2016

|                                    | Program<br>Services | General<br>and<br>Administrative | Fund<br>Raising  | Total<br>Expenses |
|------------------------------------|---------------------|----------------------------------|------------------|-------------------|
| Personnel Services:                |                     |                                  |                  |                   |
| Wages                              | \$ 88,078           | \$ 5,938                         | \$ 4,948         | \$ 98,964         |
| Payroll taxes                      | 7,531               | 508                              | 422              | 8,461             |
| Advertising and printing           | 2,112               | ...                              | ...              | 2,112             |
| Communications                     | 1,408               | 1,408                            | ...              | 2,816             |
| Donor recognition                  | 2,140               | ...                              | ...              | 2,140             |
| Food distribution                  | 359,955             | ...                              | ...              | 359,955           |
| Food purchases                     | 173,430             | ...                              | ...              | 173,430           |
| Personal item purchases            | 14,272              | ...                              | ...              | 14,272            |
| Insurance                          | 8,296               | 800                              | ...              | 9,096             |
| Professional fees                  | 2,843               | 3,745                            | ...              | 6,588             |
| Miscellaneous                      | 4,246               | 5,244                            | 2,831            | 12,321            |
| Office and postage                 | ...                 | 6,871                            | ...              | 6,871             |
| Repairs and maintenance            | 6,841               | 560                              | ...              | 7,401             |
| Social media                       | 7,980               | ...                              | ...              | 7,980             |
| Transportation/travel              | 1,602               | ...                              | ...              | 1,602             |
| Utilities                          | 14,119              | 743                              | ...              | 14,862            |
| Special events                     | ...                 | ...                              | 37,466           | 37,466            |
| Total Expenses Before Depreciation | <u>694,853</u>      | <u>25,817</u>                    | <u>45,667</u>    | <u>766,337</u>    |
| Depreciation                       | <u>25,688</u>       | <u>1,352</u>                     | <u>...</u>       | <u>27,040</u>     |
| Total Functional Expenses          | <u>\$ 720,541</u>   | <u>\$ 27,169</u>                 | <u>\$ 45,667</u> | <u>\$ 793,377</u> |

See the accompanying notes and the independent accountants' review report.

LAKE CARES, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2016

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CASH FLOWS FROM OPERATING ACTIVITIES:

|  |                |           |
|--|----------------|-----------|
| Increase in net assets   | \$ 19,900      |           |
| Adjustments to Reconcile Decrease in Net Assets<br>to Net Cash Used by Operating Activities: |                |           |
| Depreciation   | 27,040         |           |
| (Increase) decrease in receivables   | (860)          |           |
| (Increase) decrease in prepaid expenses  | 2,566          |           |
| (Decrease) increase in payroll taxes payable   | 1,486          |           |
| (Increase) decrease in inventory   | <u>(8,065)</u> |           |
| Net Cash Provided by Operating Activities  |                | \$ 42,067 |

CASH FLOWS FROM INVESTING ACTIVITIES:

|                                       |             |          |
|---------------------------------------|-------------|----------|
| Fixed asset purchases                 | (35,780)    |          |
| Certificate of deposit purchase       | <u>(45)</u> |          |
| Net Cash Used by Investing Activities |             | (35,825) |

CASH FLOWS FROM FINANCING ACTIVITIES:

|   |              |        |
|---|--------------|--------|
| Vehicle loan proceeds                     | 26,700       |        |
| Certificate of deposit purchase           | <u>(785)</u> |        |
| Net Cash Provided by Financing Activities |              | 25,915 |

|                         |  |                          |
|-------------------------|--|--------------------------|
| CASH, December 31, 2015 |  | <u>93,843</u>            |
| CASH, December 31, 2016 |  | <u><u>\$ 126,000</u></u> |

Non cash donated in-kind goods and services totaled \$360,099

LAKE CARES, INC.  
MOUNT DORA, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016

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**1. Summary of Significant Accounting Policies**

Lake Cares, Inc. is a Florida nonprofit corporation chartered in 2009. Its purpose is to serve as a strategic resource to support the needs of hungry families in Mount Dora, Florida and surrounding communities. Lake Cares, Inc.'s goal is to feed the body, educate the mind and lift the spirit of all individuals.

Lake Cares, Inc. is not a private foundation and the income derived from its exempt purpose is exempt from Federal income tax as an organization described in Section 501 (c)(3) of the Internal Revenue Code.

The financial statements of the Lake Cares, Inc. are prepared on the accrual basis. The significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.

*Estimates* - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affected the reported amounts of assets and liabilities and 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 those estimates.

*Cash and Cash Equivalents* - For purposes of the statement of cash flows, cash equivalents include bank accounts, time deposits and all highly liquid debt instruments with original maturities of three months or less.

*Contributed Goods and Services and Inventory* – Lake Care, Inc. receives donations of time and effort from volunteers to further the organization's purpose. The value of these services is not reflected in the financial statements. The donated food supplies are valued at \$1.67 per pound according to the Feeding America study.

*Fixed Assets and Depreciation* - It is Lake Care's policy to capitalize property and equipment over \$500. Lesser amounts are expensed. Property and equipment are recorded at cost or at their estimated fair market value at date of donation. Depreciation is provided using the straight-line method over the following estimated useful lives.

|                            |               |
|----------------------------|---------------|
| Buildings and improvements | 10 - 39 years |
| Equipment and furniture    | 5 - 7 years   |

*Financial Statement Presentation* – Lake Care, Inc. reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the organization is required to present a statement of cash flows. Amounts that are restricted by the donor are



LAKE CARES, INC.  
MOUNT DORA, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016

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reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized.

*Subsequent Events* - The Center has evaluated subsequent events through May 4, 2017, the date the financial statements were available to be issued.

**2. Fixed Assets and Depreciation**

Depreciation is provided using the straight-line method over the useful lives and ranges from 5-39 years. The current depreciation charge for this year is \$22,991. Fixed assets include:

|                                |                   |
|--------------------------------|-------------------|
| Building and land              | \$ 816,420        |
| Improvements                   | 34,568            |
| Equipment                      | 40,617            |
| Vehicles                       | 41,575            |
| Less: Accumulated depreciation | <u>(129,576)</u>  |
| Net Fixed Assets               | <u>\$ 803,604</u> |

**3. Allocation of Expenses**

Certain costs for personnel and occupancy have been allocated among the programs and supporting services based on hours of work performed and space occupied.

**4. Volunteers**

Lake Care, Inc. relies upon volunteers to help achieve its purpose of collecting and distributing food. For the fiscal year ended December 31, 2016, 14,800 hours were contributed by 175 active volunteers. These volunteers boxed food supplies for distribution.

**5. Uncertain Tax Positions**

The Organization follows the reporting and disclosure guidance for uncertainty in income taxes as defined in FASB ASC 740. The financial statement effects of a tax position taken or expected to be taken are recognized in the financial statements when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. As of December 31, 2016, the Organization had no uncertain tax positions that qualify for recognition or disclosure in the financial statements. Generally, the Internal Revenue Service may review the returns for the past three years.

LAKE CARES, INC.  
MOUNT DORA, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
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**6. Vehicle Loan Payable**

The Organization's long term debt consists of a note payable to a financial institution for a refrigerated truck. The loan matures November, 2021. The monthly installments are \$505 which includes interest at a rate of 5%.

Future scheduled maturities of this loan are as follows:

| Years ending |                  |
|--------------|------------------|
| 2017         | \$ 4,348         |
| 2018         | 5,095            |
| 2019         | 5,356            |
| 2020         | 5,630            |
| 2021         | <u>5,486</u>     |
| Total        | <u>\$ 25,915</u> |