

A CHILDS' FEEDING FUND

*FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT*

September 30, 2012

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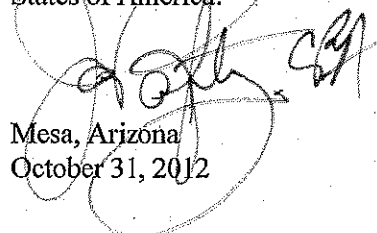
INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
A Childs' Feeding Fund
Mesa, AZ

I have audited the accompanying statement of financial position of A Childs' Feeding Fund, an Arizona nonprofit organization, as of September 30, 2012, and the related statements of activities, functional expenses, and cash flows 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.

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 financial position of A Childs' Feeding Fund as of September 30, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.



Mesa, Arizona
October 31, 2012

A CHILDS' FEEDING FUND
STATEMENT OF FINANCIAL POSITION
September 30, 2012

ASSETS

<i>Current Assets</i> - Cash	<u>\$ 61</u>
	<u><u>\$ 61</u></u>

NET ASSETS

<i>Net Assets</i> - Unrestricted	<u>\$ 61</u>
	<u><u>\$ 61</u></u>

See accompanying notes to financial statements

A CHILDS' FEEDING FUND
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2012

Unrestricted Net Assets

Revenue and Other Support	
Gifts-in-kind	\$ 1,054,064
Contributions	<u>18,450</u>
 Total Revenue and Other Support	 1,072,514
 Program services	 1,071,564
Management services	<u>889</u>
 Total Expenses	 <u>1,072,453</u>
 Increase in Unrestricted Net Assets	 61
 <i>Net Assets, Beginning of Year</i>	 <u>-</u>
 <i>Net Assets, End of Year</i>	 <u><u>\$ 61</u></u>

See accompanying notes to financial statements

A CHILDS' FEEDING FUND
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended September 30, 2012

	Program Services	<u>Supporting Services</u> Management	Totals
Gifts-in-kind	\$ 1,054,064	\$ -	\$ 1,054,064
Contributions	17,500	-	17,500
Licenses and fees	-	850	850
Office expenses	-	19	19
Bank fees	-	20	20
	<u>\$ 1,071,564</u>	<u>\$ 889</u>	<u>\$ 1,072,453</u>

See accompanying notes to financial statements

A CHILDS' FEEDING FUND
STATEMENT OF CASH FLOWS
For the Year Ended September 30, 2012

<i>Cash Flows from Operating Activities:</i>	
Cash received from donors and grantors	\$ 18,450
Cash paid to suppliers and grantees	<u>(18,389)</u>
Net Cash Provided By Operating Activities	<u>61</u>
Net Increase in Cash	61
<i>Beginning Cash</i>	<u>-</u>
<i>Ending Cash</i>	<u><u>\$ 61</u></u>

See accompanying notes to financial statements

A CHILDS' FEEDING FUND
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A Childs' Feeding Fund, the "Organization," reports in accordance with the American Institute of Certified Public Accountants Industry Audit Guide, Audits of Voluntary Health and Welfare Organizations. The Organization reports adhere to the following accounting policies:

Corporate Organization

The Organization is a nonprofit organization incorporated September 26, 2011 in the State of Arizona. The Organization mission is to provide worldwide relief and aid to reduce human suffering as a result of hunger, poverty, disease, war, natural disasters, and other circumstances creating widespread human need.

The Organization provided nourishment for families and individuals in need and supported feeding programs through direct contributions to like-minded Organizations in the United States and internationally.

The Organization provided nourishment through both direct client contact and by participation with other Organizations in Market on the Move events. Market on the Move is a food rescue program that networks with churches and other civic organizations and agents to host weekly events that provide semi-truck loads of nutritious produce to be distributed to help those in need. Without this distribution network, high quality, nutritious produce would be destined for the landfill. Last year our participation in these programs improved the quality of life of impoverished people and allowed us to provide approximately 702,709 pounds of food to feed an estimated 14,054 people.

Fair Values of Financial Instruments

The following methods and assumptions were used by the Organization in estimating its fair value disclosures for financial instruments:

Cash: The carrying amounts reported in the statement of financial position approximate fair values because of the nature of this instrument.

The estimated fair value of the Organization's instrument, none of which is held for trading purposes, is as follows:

	<u>Carrying Amount</u>		<u>Fair Value</u>
Cash	\$ 61	\$	61

The Organization estimates that the fair value of the financial instrument at September 30, 2012, does not differ materially from the aggregate carrying value of its financial instrument recorded in the accompanying Statement of Financial Position.

A CHILDS' FEEDING FUND
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its statement of Accounting Standards Codification (ASC). Under the Standards for the Financial Statements of Not-For-Profit Organizations, the Organization is required to report 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. The Organization had no temporarily or permanently restricted net assets at September 30, 2012.

Revenue and Support Recognition

Support restricted by the donor, grantor, or other outside party for particular operating purposes are deemed to be earned and reported as revenues of the current restricted fund when the Organization has incurred expenditures in compliance with the specific restrictions. Such amounts received but not yet expended are reported as temporarily or permanently restricted net assets, depending on the existence and/or nature of any donor restrictions. The Organization received no temporarily or permanently restricted funds during the year ended September 30, 2012.

The Organization recognizes pledges as revenue under FASB ASC, Not-For-Profit Entities: Revenue Recognition. Under the FASB ASC, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily or permanently restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting, and accordingly, reflect all significant receivables, payables, and other liabilities.

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with initial maturity dates of less than three months.

Income Taxes

The Organization is a public charity, nonprofit organization as defined in the Internal Revenue Code Section 501(c)(3) and is therefore exempt from federal and state income taxes.

A CHILDS' FEEDING FUND
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Functional Expenses

The costs of providing 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 program and support services benefited as estimated by the Organization's management.

Date of Management's Review

In preparing these financial statements, the Organization's management has evaluated events and transactions for potential recognition or disclosure through October 31, 2012, the date the financial statements were available for issuance.

Fair Value Measurement

The Organization measures its gifts-in-kind revenue and expenses in accordance with FASB ASC, Fair Value Measurements and Disclosures. The standard provides a hierarchy for prioritizing inputs to valuation techniques:

- Level 1 - inputs are unadjusted quoted prices in active markets.
- Level 2 - inputs are observable market data, generally other than quoted prices.
- Level 3 - inputs are significant unobservable data.

Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Gifts-in-Kind

The Organization records donated produce in accordance with industry standards, which is in compliance with generally accepted accounting principles. The Organization records the income from donated materials upon receipt at estimated fair market value (generally wholesale or less). The Organization records the expense upon distribution of the goods for charitable purposes. The Organization reports all such donations as increases in unrestricted net assets as the donor has not restricted the donated asset to a specific purpose and has given the Organization unilateral power to redirect the goods to another beneficiary.

A CHILDS' FEEDING FUND
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Gifts-in-Kind (Cont'd)

Donated materials received for the year ended September 30, 2012 were \$1,054,064.

Gifts-in-kind is measured at wholesale fair value using level 3 inputs obtained from independent studies. There were no gains or losses for the year ended September 30, 2012 for level 3 assets due to changes in valuation techniques.

For the year ended September 30, 2012, the Organization distributed approximately 702,709 pounds of donated produce, respectively, to member agencies. The distributed produce is valued at \$1.50 per pound, which amounted to \$1,054,064 in donated produce.

The Organization had no inventory on hand at September 30, 2012.

NOTE B - CONCENTRATIONS

The Organization received 99% of its cash contributions for the year ended September 30, 2012 from three non-profit organizations. Total cash contributions received from these entities in 2012 were \$18,350.

The Organization received 100% of its non-cash contributions for the year ended September 30, 2012 from one non-profit organization. Total non-cash contributions received from this entity in 2012 were \$1,054,064.

If this support does not continue in the future, there might be substantial doubt about the Organization's ability to continue as a going concern. Management believes this support will continue in the future, and if not, the support can be replaced from other sources.