

**Audited Financial Statements**  
**Mobile Loaves & Fishes, Inc.**  
*Year Ended December 31, 2009*  
*with Report of Independent Auditors*

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Mobile Loaves & Fishes, Inc.

Audited Financial Statements

*Year Ended December 31, 2009*

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# Reynolds & Franke, PC

CERTIFIED PUBLIC ACCOUNTANTS

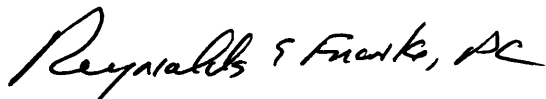
## Report of Independent Auditors

To the Board of Directors  
Mobile Loaves & Fishes, Inc.

We have audited the accompanying statement of financial position of Mobile Loaves & Fishes, Inc. as of December 31, 2009, 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. 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 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 audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mobile Loaves & Fishes, Inc. as of December 31, 2009, and the results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.



May 21, 2010

Mobile Loaves & Fishes, Inc.

Statement of Financial Position  
December 31, 2009

**Assets**

Current assets:

|                                 |                |
|---------------------------------|----------------|
| Cash and cash equivalents       | \$ 462,008     |
| Restricted cash                 | 83,831         |
| Pledges receivable – restricted | 3,500          |
| Other receivables               | 26,458         |
| Inventory                       | 31,254         |
| Notes receivable – current      | 6,564          |
| Prepaid expenses                | 13,979         |
| Total current assets            | <u>627,594</u> |

|   |              |
|---|--------------|
| Property and equipment, less accumulated<br>depreciation of \$650,042 | 439,897      |
| Security deposit  | 2,700        |
| Notes receivable – non-current  | <u>7,000</u> |

Total assets \$ 1,077,191

**Liabilities and Net Assets**

Current liabilities:

|                                       |                |
|---------------------------------------|----------------|
| Accounts payable and accrued expenses | \$ 90,345      |
| Line of credit                        | <u>99,511</u>  |
| Total current liabilities             | <u>189,856</u> |

Total liabilities 189,856

Net Assets:

|                                   |                |
|-----------------------------------|----------------|
| Unrestricted net assets           | 800,004        |
| Temporarily restricted net assets | <u>87,331</u>  |
| Total net assets                  | <u>887,335</u> |

Total liabilities and net assets \$ 1,077,191

*See accompanying notes to the financial statements.*

Mobile Loaves & Fishes, Inc.

Statement of Activities  
For the year ended December 31, 2009

|  | Unrestricted      | Temporarily<br>Restricted | Total             |
|--|-------------------|---------------------------|-------------------|
| Public support:                        |                   |                           |                   |
| Contributions from public – restricted | \$ -              | \$ 237,463                | \$ 237,463        |
| Unrestricted contributions             | 1,310,446         | -                         | 1,310,446         |
| In-kind contributions                  | 28,603            | 825                       | 29,428            |
| Fundraising events                     | 296,230           | 9,418                     | 305,648           |
| Rent income                            | 7,625             | -                         | 7,625             |
| Other income                           | 98                | -                         | 98                |
| Total public support                   | <u>1,643,002</u>  | <u>247,706</u>            | <u>1,890,708</u>  |
| Other income:                          |                   |                           |                   |
| Interest income                        | 662               | -                         | 662               |
| Total other income                     | <u>662</u>        | <u>-</u>                  | <u>662</u>        |
| Net assets released from restrictions  | 236,679           | (236,679)                 | -                 |
| Total income and reclassifications     | <u>1,880,343</u>  | <u>11,027</u>             | <u>1,891,370</u>  |
| Expenses:                              |                   |                           |                   |
| Program services                       | 1,576,993         | -                         | 1,576,993         |
| Fundraising                            | 248,611           | -                         | 248,611           |
| Management and general                 | 109,000           | -                         | 109,000           |
| Total expenses                         | <u>1,934,604</u>  | <u>-</u>                  | <u>1,934,604</u>  |
| Total change in net assets             | <u>(54,261)</u>   | <u>11,027</u>             | <u>(43,234)</u>   |
| Net assets:                            |                   |                           |                   |
| Beginning of year                      | 854,265           | 76,304                    | 930,569           |
| Net assets, end of year                | <u>\$ 800,004</u> | <u>\$ 87,331</u>          | <u>\$ 887,335</u> |

See accompanying notes to the financial statements.

## Mobile Loaves & Fishes, Inc.

### Statement of Functional Expenses For the year ended December 31, 2009

|                                    | Program<br>Services | Fundraising | Management &<br>General | Total        |
|------------------------------------|---------------------|-------------|-------------------------|--------------|
| Advertising                        | \$ 271              | \$ -        | \$ -                    | \$ 271       |
| Annual appeal expense              | 35,421              | 35,422      | -                       | 70,843       |
| Automobile expense                 | 69,955              | -           | 97                      | 70,052       |
| Background check                   | 941                 | -           | -                       | 941          |
| Bank service charge                | -                   | -           | 849                     | 849          |
| Bus passes                         | 3,428               | -           | -                       | 3,428        |
| Marketing                          | 19,858              | -           | 257                     | 20,115       |
| Charitable donations               | 4,121               | -           | -                       | 4,121        |
| Continuing education & training    | 6,025               | -           | 630                     | 6,655        |
| Contract labor                     | 52,038              | -           | 997                     | 53,035       |
| Credit card and bank fees          | 13,154              | -           | -                       | 13,154       |
| Supplies                           | 49,056              | 867         | 5,204                   | 55,127       |
| Dues and subscriptions             | 763                 | 500         | 916                     | 2,179        |
| Facilities expense                 | 32,276              | -           | -                       | 32,276       |
| Food distributed                   | 459,571             | -           | -                       | 459,571      |
| Fundraising costs                  | -                   | 146,092     | -                       | 146,092      |
| Postage and delivery               | -                   | -           | 236                     | 236          |
| Professional fees                  | 13,000              | 3,000       | 10,572                  | 26,572       |
| IT expenses                        | 50,771              | -           | -                       | 50,771       |
| Insurance                          | 44,742              | -           | -                       | 44,742       |
| Payroll expenses                   | 408,450             | 61,061      | 86,868                  | 556,379      |
| Printing and reproduction          | 5,307               | -           | -                       | 5,307        |
| Telephone                          | 11,162              | 1,669       | 2,374                   | 15,205       |
| Travel, meals, and entertainment   | 7,767               | -           | -                       | 7,767        |
| Trailer expenses                   | 55,586              | -           | -                       | 55,586       |
| License & taxes                    | 4,373               | -           | -                       | 4,373        |
| Rent expense                       | 51,488              | -           | -                       | 51,488       |
| Miscellaneous expenses             | 16,176              | -           | -                       | 16,176       |
| Promotion expense                  | 3,826               | -           | -                       | 3,826        |
| Total expenses before depreciation | 1,419,526           | 248,611     | 109,000                 | 1,777,137    |
| Depreciation expense               | 157,467             | -           | -                       | 157,467      |
| Total expenses                     | \$ 1,576,993        | \$ 248,611  | \$ 109,000              | \$ 1,934,604 |
| Percentage of total expenses       | 81%                 | 13%         | 6%                      | 100.0%       |

Mobile Loaves & Fishes, Inc.

Statement of Cash Flows

For the year ended December 31, 2009

|  |             |
|--|-------------|
| <b>Cash flows from operating activities:</b>   |             |
| Change in net assets   | \$ (43,234) |
| Adjustments to reconcile change in net assets to net cash flows from operating activities: |             |
| Depreciation   | 157,467     |
| Loss on repossession of property and equipment   | 6,108       |
| Decrease in pledges receivable   | 68,400      |
| Increase in other receivables  | (24,158)    |
| Increase in inventory  | (23,924)    |
| Increase in prepaid expenses   | (5,537)     |
| Increase in security deposit   | (900)       |
| Increase in accounts payable and accrued expenses  | 40,867      |
|  | <hr/>       |
| Net cash provided by operating activities  | 175,089     |
|  | <hr/>       |
| <b>Cash flows from investing activities:</b>   |             |
| Issuance of notes receivable   | (2,543)     |
| Collections on notes receivable  | 7,220       |
| Purchase of property and equipment   | (122,783)   |
| Increase in restricted cash  | (79,427)    |
|  | <hr/>       |
| Net cash used in investing activities  | (197,533)   |
|  | <hr/>       |
| <b>Cash flows from financing activities:</b>   |             |
| Proceeds from line of credit   | 99,500      |
| Repayments on line of credit   | (60,489)    |
|  | <hr/>       |
| Net cash provided by financing activities  | 39,011      |
|  | <hr/>       |
| Change in cash and cash equivalents  | 16,567      |
| Cash and cash equivalents, beginning of year   | 445,441     |
|  | <hr/>       |
| Cash and cash equivalents, end of year   | \$ 462,008  |
|  | <hr/>       |
| <b>Supplemental disclosures of cash flow information:</b>                                  |             |
| Interest paid  | \$ 2,328    |
|  | <hr/>       |
| Non-cash investing transaction:  |             |
| Writedown of note receivable and repossession of trailer                                   | \$ 4,217    |
|  | <hr/>       |

See accompanying notes to the financial statements.

# Mobile Loaves & Fishes, Inc.

## Notes to Financial Statements

*December 31, 2009*

### **Note 1 – Purpose of Organization**

Mobile Loaves & Fishes, Inc. (MLF) is a social outreach ministry to the homeless and working poor. MLF's mission is "We provide food, clothing and dignity to our brothers and sisters in need". The mission is accomplished primarily through the daily distribution of meals, personal care items, and clothing to people in need throughout the Central Texas, New Orleans, Louisiana, Providence, Rhode Island, Nashville, Tennessee, and Minneapolis, Minnesota communities. Volunteers drive MLF's trucks, all of which have been outfitted as catering vehicles, to specific areas around their respective communities distributing food, clothing and personal care items. It is the goal of MLF to expand its truck operations to every city throughout the United States that has a homeless and working poor population. MLF has a powerful set of tools that allow it to manage a large organization with few staff. These tools, the MLF Volunteer Management and Mapping System, are located at [www.mlfnow.org](http://www.mlfnow.org) and are accessible by the thousands of volunteers who serve.

Additionally, MLF has developed a revolutionary new housing initiative called Habitat on Wheels where gently used travel trailers are purchased and placed in RV Parks for the chronically homeless. This affordable, sustainable and permanent housing model is designed on a Housing First model. MLF currently has plans to develop its own community, based on the RV community model.

### **Note 2 – Summary of Significant Accounting Policies**

#### **Basis of Accounting**

The financial statements of MLF are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

#### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.



Mobile Loaves & Fishes, Inc.

Notes to Financial Statements (continued)

December 31, 2009

**Note 2 – Summary of Significant Accounting Policies (continued)**

**Income Taxes**

Mobile Loaves and Fishes, Inc. is a non-profit corporation exempt from federal income taxes under Internal Revenue Code Section 501(c)(3), except to the extent of unrelated business income, if any. In addition, under IRC Section 509(a)(1), MLF is a public charity and, thus, donations to MLF qualify for the maximum allowable charitable deduction.

**Basis of Presentation**

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Financial statement presentation follows the recommendation of the *Not-for-Profit Entities* Topic of the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC 958).

Net assets of MLF and changes therein are classified and reported as follows:

Unrestricted net assets – These types of net assets are not subject to donor-imposed stipulations. This also includes Board-designated net assets for specific purposes, since these restrictions may be reversed by the Board at anytime in the future.

Temporarily restricted net assets – These types of net assets are subject to donor-imposed stipulations, which limit their use by MLF to a specific purpose and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets – These types of net assets are subject to donor-imposed stipulations, which require them to be maintained permanently by MLF. Generally, the donors of these assets permit MLF to use all or part of the income earned on any related investments for general or specific use.

MLF did not have any permanently restricted net assets as of December 31, 2009.

# Mobile Loaves & Fishes, Inc.

## Notes to Financial Statements (continued)

*December 31, 2009*

### **Note 2 – Summary of Significant Accounting Policies (continued)**

#### **Fair Value of Financial Instruments**

Mobile Loaves and Fishes follows ASC 820 *Fair Value Measurements and Disclosures*, (formerly SFAS 157), as amended by FASB Financial Staff Position (FSP) No. 157-2, on the effective date of FASB Statement No. 157. Those provisions relate to the Organization's financial assets and liabilities carried at fair value and the Organization's fair value disclosures related to financial assets and liabilities. ASC 820 defines fair value, expands related disclosure requirements and specifies a hierarchy of valuation techniques based on the nature of the inputs used to develop the fair value measures. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

There are three levels of inputs to fair value measurements - Level 1, meaning the use of quoted prices for identical instruments in active markets; Level 2, meaning the use of quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in markets that are not active or are directly or indirectly observable; and Level 3, meaning the use of unobservable inputs.

The Organization's financial instruments consist principally of cash and cash equivalents, other receivables, inventory, fixed assets, accounts payable and accrued expenses, and a line of credit. MLF believes all of the financial instruments' recorded values approximate current market values.

#### **Subsequent Events Review**

These financial statements considered subsequent events through May 21, 2010, the date the financial statements were available to be issued.

#### **Cash Equivalents**

MLF considers all liquid investments with a maturity of three months or less when purchased to be cash equivalents. In addition, MLF considers donated investments which will be sold immediately to be cash equivalents.

Mobile Loaves & Fishes, Inc.

Notes to Financial Statements (continued)

*December 31, 2009*

**Note 2 – Summary of Significant Accounting Policies (continued)**

**Inventory**

Inventory consists of donated kitchen appliances and vehicles that are being sold on consignment. This inventory is recorded and valued at the expected sales price. Inventory also includes donated grocery gift cards that may be purchased or given away. Grocery gift cards are recorded at their redemption value.

**Property and Equipment**

Property and equipment items in excess of \$1,500 are capitalized at cost, including costs of significant improvements. Donated fixed assets are recorded at estimated fair value of the date of receipt. Depreciation is computed on a straight-line basis using estimated useful lives of three, five, and seven years for the following categories: vehicles, computer equipment, kitchen and other equipment, and website design.

**Donations and Contributions Receivable**

Contributions, including promises to give, are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. When donor restrictions expire, that is, when a stipulated time restriction ends or restricted purpose is accomplished, the related temporarily restricted net assets are reclassified to unrestricted net assets. This is reported in the statement of activities as net assets released from restrictions. As of December 31, 2009, MLF had received a promise to give of \$25,000, conditional upon the return of a signed grant agreement. This is not reflected as a receivable or as revenue for the year ended December 31, 2009.

**Contributions of Food, Clothing, and Other Non-cash Items**

Contributions of food, clothing, and other non-cash items for use in assistance programs that meet the criteria for recognition are recorded at fair value. However, MLF receives a significant volume of these types of contributions from the general public, which are not recorded in the financial statements because fair value of the contributions cannot be readily determined.

Mobile Loaves & Fishes, Inc.

Notes to Financial Statements (continued)

*December 31, 2009*

**Note 2 – Summary of Significant Accounting Policies (continued)**

**Contributed Services**

Generally, when fair value of contributed professional services can be readily determined, a contribution received is recognized with an equal amount for expense incurred. Contributed services in the amount of \$38,084 meet the criteria for recognition in the financial statements for the year ended December 31, 2009. In addition, countless individuals volunteer their time and perform a variety of tasks that are essential to MLF in providing its program services, but these services do not meet the criteria for recognition as contributed services and are, therefore, not reflected in the financial statements. MLF receives hundreds of volunteer hours each week and MLF estimates that approximately 12,768 volunteers contributed their time during 2009.

**Functional Allocation of Expenses**

The costs of providing the various promotional programs and other activities of the organization have been summarized on a functional basis in the statement of activities and changes in net assets. Accordingly, certain costs have been allocated among programs and supporting services benefited. Overhead costs have been allocated based on periodic time and expense studies. General and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of MLF.

During 2009, MLF made purchases of property and equipment totaling \$122,783. All the property and equipment is used 100% on program services. The allocation of the property and equipment is reflected in the Statement of Functional Expenses through depreciation expense, which recognizes the cost of the property and equipment over their useful lives.

Mobile Loaves & Fishes, Inc.

Notes to Financial Statements (continued)

December 31, 2009

**Note 3 – Notes Receivable**

Through the Habitat on Wheels program, MLF created four promissory notes due to MLF for four participants in the Habitat on Wheels program. MLF maintains a security interest in all four of the travel trailers/fifth wheels. Notes receivable at December 31, 2009 consists of the following:

Date of note: 3/11/05, amount of note: \$6,000, interest 0%, payment terms are \$25 a month starting April 1, 2005 ending February 1, 2010, then one payment of \$4,525 on March 1, 2010. \$ 4,575

Date of note: 5/17/05, amount of note: \$15,500, interest 0%, payment terms are \$25 a month starting June 1, 2005 ending April 1, 2010, then one payment of \$14,525 on May 1, 2010. During the year ended December 31, 2007, there was a write down of this note of \$4,000 due to exchange of trailer. During the year ended December 31, 2009, this note was completely written off and the trailer repossessed. -

Date of note: 11/18/05, amount of note: \$11,500, interest 0%, payment terms are \$200 a month starting January 1, 2006 ending August 1, 2011, then one payment of \$100 on September 1, 2011. During the year ended December 31, 2009, this note was completely paid off. -

Date of note: 12/9/05, amount of note: \$7,500, interest 0%, payment terms are \$25 a month starting January 1, 2006 ending December 1, 2010, then one payment of \$6,000 on January 1, 2011. 6,325

|                      |                 |
|----------------------|-----------------|
| Total                | 10,900          |
| Less current portion | (4,900)         |
| Non-current portion  | <u>\$ 6,000</u> |

Future minimum payments to be received from notes receivable - HOW are as follows:

|                          |                  |
|--------------------------|------------------|
| Year ending December 31, |                  |
| 2010                     | \$ 4,900         |
| 2011                     | 6,000            |
| Total                    | <u>\$ 10,900</u> |

Mobile Loaves & Fishes, Inc.

Notes to Financial Statements (continued)

December 31, 2009

**Note 3 – Notes Receivable (continued)**

MLF created two promissory notes due to MLF for two participants who purchased a vehicle. Notes receivable at December 31, 2009 consists of the following:

|   |                 |
|---|-----------------|
| Date of note: 12/9/2008, amount of note: \$1,920, interest 0%, payment terms are \$100 a month starting January 15, 2009 ending September 15, 2009, then one payment of \$20 on October 15, 2009 and one payment of \$1,000 on September 15, 2011. On 9/24/09, note balance was increased by \$1,543, and payment terms changed to one payment of \$150 on 9/30/10, semi-monthly payments of \$100 beginning on 10/15/09 and continuing through 8/15/10, one payment of \$43 on 8/31/10, and one final payment of \$1,000 on 8/31/11. | \$ 2,543        |
| Date of note: 2/11/2008, amount of note: \$921, interest 0%. Payment terms are \$100 a month starting March 11, 2008 and thereafter until the note balance is paid off.   | 121             |
| Total   | <u>2,664</u>    |
| Less current portion  | <u>(1,664)</u>  |
| Non-current portion   | <u>\$ 1,000</u> |

Future minimum payments to be received from notes receivable - vehicles are as follows:

|                          |                 |
|--------------------------|-----------------|
| Year ending December 31, |                 |
| 2010                     | \$ 1,664        |
| 2011                     | 1,000           |
| Total                    | <u>\$ 2,664</u> |

**Note 4 – Line of Credit**

On October 24, 2009, MLF renewed a line of credit for \$100,000 from a bank to expire on October 24, 2010. Interest is due monthly on the outstanding balance and is charged at the Wall Street Journal Prime Floating Rate (5.5% as of December 31, 2009). There is an outstanding balance of \$99,511 as of December 31, 2009.

Mobile Loaves & Fishes, Inc.

Notes to Financial Statements (continued)

December 31, 2009

**Note 5 – Property and Equipment**

At December 31, 2009, property and equipment consisted of the following:

|                                |                   |
|--------------------------------|-------------------|
| Vehicles                       | \$ 641,814        |
| Trailers                       | 318,416           |
| Computer equipment             | 34,437            |
| Computer software              | 2,700             |
| Storage unit                   | 2,045             |
| Furniture and equipment        | 9,771             |
| Kitchen and other equipment    | 56,919            |
| Website design                 | 23,837            |
| Total cost                     | <u>1,089,939</u>  |
| Less: accumulated depreciation | <u>(650,042)</u>  |
| Property and equipment, net    | <u>\$ 439,897</u> |

Total depreciation expense was \$157,467 for the year ended December 31, 2009.

**Note 6 – Related Party Transactions**

St. John Nuemann Catholic Church (SJM) of Austin, Texas began a ministry program of providing food, clothing, and personal care items to the needy in the Austin community in 1998. This program grew through the generous volunteer efforts of SJM parishioners resulting in the formal organization of MLF in 2000 as a non-profit corporation under the laws of the State of Texas. SJM has also provided additional funds and non-cash contributions of food and clothing since MLF's formal beginning of operation. The church is expected to play a vital role in MLF's continued funding and other support.

MLF operates in a separate facility that includes storage, food preparation space, and parking for vehicles owned and provided free of charge by SJM.

# Mobile Loaves & Fishes, Inc.

## Notes to Financial Statements (continued)

December 31, 2009

### Note 6 – Related Party Transactions (continued)

St. Thomas More Catholic Church (STM) of Austin, Texas, St. Louis Catholic Church (STL) of Austin, Texas, the Downtown Ministry of Churches (DAC) of Austin, Texas, Lake Hills Church (LHC) of Austin, Texas, Riverbend Church (RBC) of Austin, Texas, St. Margaret Mary (SMM) of Austin, Texas, St. Mark the Evangelist (SME) of San Antonio, Texas, Trinity Episcopal Church (NO) of New Orleans, Louisiana, St. Francis of Assisi (SFA) of San Antonio, Texas, Center of Contemplative Justice (CCJ) of Nashville, Tennessee, River United Methodist Communities (RIP) of Providence, Rhode Island, and St. Joan of Arc (SJA) of Minneapolis, Minnesota have also become involved in the ministry program of MLF. The parishioners of these churches help raise the funds necessary to outfit and operate additional catering trucks. These trucks run daily per the operating routine of MLF and are supported by a large volunteer base of STM, STL, DAC, LHC, RBC, SMM, SME, NO, SFA, CCJ, RIP and SJA parishioners. The churches are expected to continue to play a significant role in hosting MLF activities and volunteers from each church community are expected to continue to play a significant role in the continued funding and support of MLF.

### Note 7 – Temporarily Restricted Net Assets

MLF received the following temporarily restricted support during the reporting period:

|                                   | Beginning<br>Balance | Donations<br>Received | Released from<br>Restrictions | Ending<br>Balance |
|-----------------------------------|----------------------|-----------------------|-------------------------------|-------------------|
| Temporarily Restricted Donations: |                      |                       |                               |                   |
| Habitat on Wheels                 | \$ -                 | \$ 28,198             | \$ (28,198)                   | \$ -              |
| HOW Tenant Funds                  | 1,675                | 3,900                 | (3,828)                       | 1,747             |
| HOW Village Fund                  | 1,418                | 74,233                | (45,501)                      | 30,150            |
| HOW Development Fund              | -                    | 16,500                | (4,540)                       | 11,960            |
| Future Operations                 | 60,000               | -                     | (60,000)                      | -                 |
| Building M Fund                   | 11,900               | -                     | (8,400)                       | 3,500             |
| Maintenance Employee Fund         | -                    | 45,145                | (35,401)                      | 9,744             |
| Trucks - Consolidated             | -                    | 48,630                | (44,939)                      | 3,691             |
| Disaster Relief                   | -                    | 65                    | -                             | 65                |
| LIFT                              | -                    | 3,085                 | (1,750)                       | 1,335             |
| Micro-Enterprise Project          | -                    | 15,000                | (684)                         | 14,316            |
| Other Program Services            | 1,311                | 12,950                | (3,438)                       | 10,823            |
|                                   | <u>\$ 76,304</u>     | <u>\$ 247,706</u>     | <u>\$ (236,679)</u>           | <u>\$ 87,331</u>  |



Mobile Loaves & Fishes, Inc.

Notes to Financial Statements (continued)

December 31, 2009

**Note 8 – Employee Pension Plan**

In 2008, MLF initiated a qualified retirement plan. Employees were eligible for employer match immediately upon employment. MLF matched the employee's elective deduction up to 5% of gross salary through May 31, 2009, but suspended employer matching contributions effective June 1, 2009. Any matching contributions will vest 100% after an employee has completed three years of employment. Employer contributions for the year ended December 31, 2009 were \$4,133.

**Note 9 – Lease Commitments**

MLF has entered into a long-term lease agreement for office space with an expiration date of May 31, 2011. Future minimum lease payments at December 31, 2009 are as follows:

| Year ending December 31,     |                  |
|------------------------------|------------------|
| 2010                         | 13,200           |
| 2011                         | 5,500            |
| Total minimum lease payments | <u>\$ 18,700</u> |

Total facility expense for the year ended December 31, 2009 was \$37,200 and included in-kind donated space for trailer refurbishing of \$24,000.