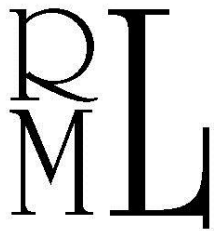


**FOOD SECURITY FOR AMERICA, INC.
AUDITED FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT
FOR THE YEARS ENDED
DECEMBER 31, 2014 AND 2015**

R. Michael LaBounty & Associates, P.C.
Certified Public Accountants
2750 Buford Highway, Suite 247
Atlanta, Georgia 30324

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1
STATEMENT OF FINANCIAL POSITION	3
STATEMENT OF ACTIVITIES	4
STATEMENT OF FUNCTIONAL EXPENSES	5
STATEMENT OF CASH FLOWS	6
NOTES TO THE FINANCIAL STATEMENTS	7



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Food Security for America, Inc.
4203 Harrogate Drive NW
Atlanta, GA 30327

Report on the Financial Statements

We have audited the accompanying financial statements of Food Security for America, Inc. (the Organization), which comprise the statements of financial position as of December 31, 2014 and 2015, and the related statements of activities, functional expenses and cash flows 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 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based upon our audits. 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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend upon the auditor's judgment, including the 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
Food Security for America, Inc.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Food Security for America, Inc. as of December 31, 2014 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

R MICHAEL LaBOUNTY & ASSOCIATES, PC

Atlanta, Georgia
April 4, 2016

**FOOD SECURITY FOR AMERICA, INC.
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2014 AND 2015**

	2014	2015
ASSETS		
CURRENT ASSETS:		
Cash	\$ <u>9,202</u>	\$ <u>5,073</u>
Total assets	\$ <u><u>9,202</u></u>	\$ <u><u>5,073</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	\$ <u>2,510</u>	\$ <u>3,614</u>
Total current liabilities	<u>2,510</u>	<u>3,614</u>
NET ASSETS:		
Unrestricted	<u>6,692</u>	<u>1,459</u>
Total liabilities and net assets	\$ <u><u>9,202</u></u>	\$ <u><u>5,073</u></u>

SEE INDEPENDENT AUDITORS' REPORT AND ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

FOOD SECURITY FOR AMERICA, INC.
STATEMENT OF ACTIVITIES
AS OF DECEMBER 31, 2014 AND 2015

	2014	2015
CHANGES IN UNRESTRICTED NET ASSETS		
REVENUES & SUPPORT:		
Contributions	\$ 150,938	\$ 137,551
Member fees	-	12,115
Other income	5,977	2,666
Donations in-kind	394,959	478,401
	<u>551,874</u>	<u>630,733</u>
Total revenues & support		
EXPENSES:		
Program expenses	531,950	616,593
Fundraising expenses	2,514	2,191
General & administrative expenses	15,242	17,182
	<u>549,706</u>	<u>635,966</u>
Total expenses		
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	2,168	(5,233)
NET ASSETS - BEGINNING OF YEAR	<u>4,524</u>	<u>6,692</u>
NET ASSETS - END OF YEAR	<u>\$ 6,692</u>	<u>\$ 1,459</u>

SEE INDEPENDENT AUDITORS' REPORT AND ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

FOOD SECURITY FOR AMERICA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2015

	Program Expenses	Fundraising Expenses	General & Administrative Expenses	Total
December 31, 2015				
Food expense	\$ 509,586	\$ -	\$ -	\$ 509,586
Personnel	92,085	2,024	7,083	101,192
Transportation	13,922	-	-	13,922
Professional fees	-	-	8,200	8,200
Supplies	1,000	167	500	1,667
Insurance	-	-	1,399	1,399
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total expenses	<u>\$ 616,593</u>	<u>\$ 2,191</u>	<u>\$ 17,182</u>	<u>\$ 635,966</u>
December 31, 2014				
Food expense	\$ 421,251	\$ -	\$ -	\$ 421,251
Personnel	99,686	2,435	7,304	109,425
Transportation	10,535	-	-	10,535
Professional fees	-	-	7,700	7,700
Supplies	478	79	238	795
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total expenses	<u>\$ 531,950</u>	<u>\$ 2,514</u>	<u>\$ 15,242</u>	<u>\$ 549,706</u>

SEE INDEPENDENT AUDITORS' REPORT AND ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

FOOD SECURITY FOR AMERICA, INC.
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2015

	2014	2015
CASH FLOWS PROVIDED BY (USED BY) OPERATING ACTIVITIES:		
Increase (decrease) in net assets	\$ 2,168	\$ (5,233)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used by) operating activities		
Increase in accounts payable	<u>2,510</u>	<u>1,104</u>
Net cash provided by (used by) operating activities	<u>4,678</u>	<u>(4,129)</u>
 NET INCREASE (DECREASE) IN CASH	 4,678	 (4,129)
 CASH, BEGINNING OF YEAR	 <u>4,524</u>	 <u>9,202</u>
 CASH, END OF YEAR	 \$ <u><u>9,202</u></u>	 \$ <u><u>5,073</u></u>
 SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
 Cash paid during the year for:		
Interest	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>
Income taxes	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

SEE INDEPENDENT AUDITORS' REPORT AND ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

FOOD SECURITY FOR AMERICA, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2015

Founded and incorporated in 2012, Food Security for America, Inc. (the Organization) is a non-profit corporation operating out of facilities in Atlanta, Georgia. The Organization provides food for those in need in a way that affirms dignity and builds community.

Note A – Summary of Significant Accounting Policies

The Organization's Summary of Significant Accounting Policies is presented to assist in understanding its financial statements. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the statements' preparation. The financial statements and notes are representations of the Organization's management, who are responsible for their integrity and objectivity.

Basis of Accounting and Presentation - The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities. Information regarding its financial position and activities is presented under three separate net asset classifications: unrestricted, temporarily restricted and permanently restricted net assets. As of December 31, 2014 and 2015, there were no permanently restricted net assets.

In-Kind Donations – Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. If those conditions are met, then a contribution and an expense of equal amounts are recognized. Other donations in-kind are recorded at their estimated fair value at the date of donation. During the years ending December 31, 2014 and 2015, the Organization recognized in-kind donations of \$394,959 and \$478,401, respectively as a result of food collected and distributed and services performed.

Restricted and Unrestricted Revenue – Donor-restricted contributions are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction expires or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending upon the nature of the restriction. 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.

Costs Allocated to Programs - The Organization applies formulas to certain groups of expenses to allocate them between programs, resource development and administration. The allocation formulas are derived from labor costs based upon personnel assignments and/or the space and resources assigned to personnel involved in an activity. In addition, there are analyses of time expended for certain activities. Allocation formulas are reevaluated annually or as material changes warrant.

Income Taxes - The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). Income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. For the years ended December 31, 2014 and 2015, the Organization did not have any unrelated business income and, accordingly, no unrelated business income tax. The Financial Accounting Standards Board has issued an Interpretation clarifying when an uncertainty in income taxes should be recognized or disclosed in the Organization's financial statements. The Organization has reviewed its tax positions and has determined that there are no tax uncertainties requiring recognition or disclosure for the years open to potential IRS examination (2012-2015).

FOOD SECURITY FOR AMERICA, INC.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2015

Note A – Summary of Significant Accounting Policies (continued)

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions affecting the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates.

Note B – Concentration of Credit Risks

The Organization maintains its cash at financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). The FDIC-insured limit is \$250,000 per account per financial institution. As of December 31, 2014 and 2015 the Organization's balances did not exceed these insured limits. Management believes that the FDIC backing and the quality of the financial institution with which these amounts are deposited minimizes any potential risk of material loss.

Note C – Subsequent Events

Management has evaluated events and transactions which occurred through April 4, 2016, which was the date the financial statements were available to be issued. As a result of this evaluation, management has determined that no events or transactions are required to be disclosed.