

**LOAVES AND FISHES FOR  
ST. LOUIS, INC.**

**DECEMBER 31, 2023**

# **LOAVES AND FISHES FOR ST. LOUIS, INC.**

FINANCIAL STATEMENTS  
with  
INDEPENDENT AUDITORS' REPORT

YEARS ENDED DECEMBER 31, 2023 AND 2022

## CONTENTS

---

	Page
Independent Auditors' Report	1
<b>Financial Statements</b>	
Statements of financial position	3
Statements of activities	4
Statement of functional expenses – 2023	5
Statement of functional expenses – 2022	6
Statements of cash flows	7
Notes to financial statements	8



12101 Woodcrest Executive Dr., Ste. 300  
St. Louis, MO 63141-5047  
Tel: 314-205-2510  
Fax: 314-205-2605  
[www.connerash.com](http://www.connerash.com)

An independent member of BKR International

## INDEPENDENT AUDITORS' REPORT

---

Board of Directors  
Loaves and Fishes for St. Louis, Inc.  
St. Louis, Missouri

### Opinion

We have audited the accompanying financial statements of Loaves and Fishes for St. Louis, Inc. (a nonprofit organization or the "Organization"), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2023 and 2022, and the changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management 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 and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Conner Ash P.C.*

St. Louis, Missouri  
August 28, 2024

# LOAVES AND FISHES FOR ST. LOUIS, INC.

## STATEMENTS OF FINANCIAL POSITION

December 31, 2023 and 2022

	2023	2022
<b>ASSETS</b>		
Cash	\$ 395,190	\$ 437,267
Grants receivable	293,298	235,386
Prepaid assets	22,321	8,926
Other current assets	-	1,027
<b>TOTAL CURRENT ASSETS</b>	<b>710,809</b>	<b>682,606</b>
Property and equipment, held for sale	90,000	-
Property and equipment, less accumulated depreciation	951,441	790,541
Right-of-use asset-operating leases, net of accumulated amortization	347,012	359,312
Deposit on leased property	3,534	3,534
<b>TOTAL ASSETS</b>	<b>\$ 2,102,796</b>	<b>\$ 1,835,993</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 41,065	\$ 108,270
Accrued expenses	37,436	15,448
Accrued payroll	24,610	34,590
Lease liability-operating, current	38,150	-
Note payable, current	8,972	8,621
<b>TOTAL CURRENT LIABILITIES</b>	<b>150,233</b>	<b>166,929</b>
Lease liability-operating, noncurrent	344,767	338,416
Note payable, noncurrent	99,579	108,485
<b>TOTAL LIABILITIES</b>	<b>594,579</b>	<b>613,830</b>
<b>NET ASSETS</b>		
Without donor restrictions	1,508,217	1,222,163
<b>TOTAL NET ASSETS</b>	<b>1,508,217</b>	<b>1,222,163</b>
	<b>\$ 2,102,796</b>	<b>\$ 1,835,993</b>

See notes to financial statements.

# LOAVES AND FISHES FOR ST. LOUIS, INC.

## STATEMENTS OF ACTIVITIES

Years Ended December 31, 2023 and 2022

	2023	2022
<b>WITHOUT DONOR RESTRICTIONS</b>		
<b>REVENUES AND OTHER SUPPORT</b>		
Grants	\$ 1,549,544	\$ 1,233,011
Contributions - cash	628,410	535,484
Contributions of nonfinancial assets - food and supplies	1,531,750	1,611,473
Other income	76	27,892
Loss on disposal of fixed assets	(28,310)	-
Impairment loss on held for sale assets	(237,500)	-
<b>TOTAL REVENUES AND SUPPORT</b>	<b>3,443,970</b>	<b>3,407,860</b>
<b>EXPENSES</b>		
Program services	2,829,690	2,886,777
Support services	328,226	253,477
<b>TOTAL EXPENSES</b>	<b>3,157,916</b>	<b>3,140,254</b>
<b>INCREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<b>286,054</b>	<b>267,606</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b>1,222,163</b>	<b>954,557</b>
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 1,508,217</b>	<b>\$ 1,222,163</b>

See notes to financial statements.

# LOAVES AND FISHES FOR ST. LOUIS, INC.

## STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2023

	Program Services	Support Services			Total
	Community services	Management and general	Fund- raising	Total	
Salaries	\$ 586,395	\$ 68,988	\$ 34,494	\$ 103,482	\$ 689,877
Payroll taxes	44,084	5,186	2,593	7,779	51,863
Retirement plan benefits	9,683	1,139	570	1,709	11,392
<b>Total salaries and related expenses</b>	<b>640,162</b>	<b>75,313</b>	<b>37,657</b>	<b>112,970</b>	<b>753,132</b>
Specific assistance to individuals	1,773,407	-	-	-	1,773,407
Accounting and other professional fees	-	134,425	-	134,425	134,425
Events and other fundraising expenses	-	-	17,285	17,285	17,285
Office expense	56,817	6,684	3,342	10,026	66,843
Education and conferences	5,700	-	-	-	5,700
Telephone	3,608	424	212	636	4,244
Occupancy	33,849	1,047	-	1,047	34,896
Travel	34,797	530	-	530	35,327
Insurance	26,733	3,145	1,573	4,718	31,451
Advertising	9,046	1,064	532	1,596	10,642
Interest	3,904	459	230	689	4,593
Building repairs and maintenance	89,715	10,555	5,277	15,832	105,547
Computer and technology	44,438	5,228	2,614	7,842	52,280
Bank fees	-	1,657	-	1,657	1,657
<b>Total expenses before depreciation</b>	<b>2,722,176</b>	<b>240,531</b>	<b>68,722</b>	<b>309,253</b>	<b>3,031,429</b>
Depreciation	107,514	12,649	6,324	18,973	126,487
<b>Total expenses</b>	<b>\$ 2,829,690</b>	<b>\$ 253,180</b>	<b>\$ 75,046</b>	<b>\$ 328,226</b>	<b>\$ 3,157,916</b>

See notes to financial statements.



# LOAVES AND FISHES FOR ST. LOUIS, INC.

## STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2022

	Program Services	Support Services			Total
	Community services	Management and general	Fund- raising	Total	
Salaries	\$ 418,846	\$ 49,276	\$ 24,638	\$ 73,914	\$ 492,760
Payroll taxes	30,801	3,624	1,812	5,436	36,237
Retirement plan benefits	10,886	1,281	640	1,921	12,807
<b>Total salaries and related expenses</b>	<b>460,533</b>	<b>54,181</b>	<b>27,090</b>	<b>81,271</b>	<b>541,804</b>
Specific assistance to individuals	2,138,716	-	-	-	2,138,716
Accounting and other professional fees	-	121,803	-	121,803	121,803
Events and other fundraising expenses	-	-	5,691	5,691	5,691
Office expense	24,113	2,837	1,418	4,255	28,368
Telephone	4,203	494	247	741	4,944
Occupancy	27,017	836	-	836	27,853
Travel	21,860	333	-	333	22,193
Insurance	19,741	2,323	1,161	3,484	23,225
Advertising	6,789	799	399	1,198	7,987
Interest	2,214	261	130	391	2,605
Building repairs and maintenance	105,590	12,422	6,212	18,634	124,224
Computer and technology	30,076	3,538	1,770	5,308	35,384
Bank fees	-	1,428	-	1,428	1,428
<b>Total expenses before depreciation</b>	<b>2,840,852</b>	<b>201,255</b>	<b>44,118</b>	<b>245,373</b>	<b>3,086,225</b>
Depreciation	45,925	5,403	2,701	8,104	54,029
<b>Total expenses</b>	<b>\$ 2,886,777</b>	<b>\$ 206,658</b>	<b>\$ 46,819</b>	<b>\$ 253,477</b>	<b>\$ 3,140,254</b>

See notes to financial statements.

# LOAVES AND FISHES FOR ST. LOUIS, INC.

## STATEMENTS OF CASH FLOWS

Years Ended December 31, 2023 and 2022

	2023	2022
<b>OPERATING ACTIVITIES</b>		
Increase in net assets	\$ 286,054	\$ 267,606
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	126,487	54,029
Loss on disposition of property and equipment	28,310	-
Impairment loss	237,500	-
Noncash operating lease expense	56,801	(20,896)
Effects of changes in:		
Grants receivable	(57,912)	68,437
Prepaid assets	(13,395)	(3,084)
Other current assets	1,027	499
Deposits on leased property	-	(3,534)
Accrued expenses	21,988	(1,974)
Accrued payroll	(9,980)	23,044
Accounts payable	(67,205)	35,296
<b>Net cash provided by operating activities</b>	<b>609,675</b>	<b>419,423</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(643,197)	(438,352)
<b>Net cash used by investing activities</b>	<b>(643,197)</b>	<b>(438,352)</b>
<b>FINANCING ACTIVITIES</b>		
Repayment of note payable	(8,555)	(9,446)
<b>Net cash used by financing activities</b>	<b>(8,555)</b>	<b>(9,446)</b>
<b>NET DECREASE IN CASH</b>	<b>(42,077)</b>	<b>(28,375)</b>
<b>BEGINNING CASH</b>	<b>437,267</b>	<b>465,642</b>
<b>ENDING CASH</b>	<b>\$ 395,190</b>	<b>\$ 437,267</b>

### SUPPLEMENTAL DISCLOSURES

Cash paid during the year for interest	\$ 4,593	\$ 2,605
Noncash financing and investing activities:		
Right-of-use asset acquired through operating lease obligation	\$ 21,788	\$ 375,886

See notes to financial statements.

# LOAVES AND FISHES FOR ST. LOUIS, INC.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022

---

### 1. ORGANIZATION AND PURPOSE

Loaves and Fishes for St. Louis, Inc. (the "Organization") is a Missouri not-for-profit that provides uplifting and supportive services that empower individuals to become financially secure and with a stable home in the Greater St. Louis area. The organization achieves this goal by providing homeless and prevention services that help break the cycle of homelessness and offer hope for a better tomorrow. Cash, clothing, food, and other contributions are received from churches, other tax-exempt organizations, individuals, businesses, and governmental agencies.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Financial statement presentation

The financial statements are prepared in accordance with the American Institute of Certified Public Accountants Audit and Accounting Guide for Not-for-Profit Organizations. The Organization uses the accrual method of accounting for its operations.

The Organization reports its information regarding financial position and activities according to two classes of net assets depending upon the existence or nature of any donor restriction. The following is a description of these classes of net assets:

**Net assets without donor restrictions** - Those resources over which the Board of Directors has discretionary control. Designated amounts represent those revenues that the Board has set aside for a particular purpose.

**Net assets with donor restrictions** - Those resources subject to donor-imposed restrictions that will be satisfied by actions of the Organization or the passage of time, or the Organization will maintain in perpetuity.

#### Cash

Cash consists of commercial checking accounts maintained in financial institutions, which provide Federal Deposit Insurance Corporation ("FDIC") coverage on the first \$250,000 at each bank. There was \$150,951 and \$137,041 in excess of FDIC coverage at December 31, 2023 and 2022, respectively.

#### Grants receivable

Grants receivable are reported at the amount management expects to collect on balances outstanding at year-end. Based on management's assessment of collection history, it has concluded that realized losses on balances outstanding at year-end will be immaterial. All receivables are collectable within one year.

# LOAVES AND FISHES FOR ST. LOUIS, INC.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022

---

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

#### Revenue recognition

Revenues and expenses are recorded on an accrual basis. Donations are recognized as revenues in the period received. Grants are recognized in the period in which the service has been performed. The Organization records increases in net assets with donor restrictions whose restrictions are met in the same period as increases in net assets without donor restriction. There were no net assets with donor restrictions for the years ended December 31, 2023 and 2022.

#### Income taxes

Loaves and Fishes for St. Louis, Inc. is tax-exempt under Section 501(c)(3) of the Internal Revenue Code. The Organization can only be taxed on the income from any activities unrelated to its charitable purposes. There was no unrelated business taxable income for the years ended December 31, 2023 and 2022; therefore, the statements do not include any provision for income taxes.

Management believes that tax positions taken by the Organization regarding its tax-exempt status and unrelated business income meet the "more likely than not" criteria of GAAP. Management does not anticipate any significant changes in its tax positions in the near term.

The Organization files annual information returns in the U.S. Federal jurisdiction. The Federal information returns of the Organization are subject to examination by the IRS, generally for three years after the statutory due dates of the returns.

#### Contributed goods and services

The Organization recognized revenues and expenses in the financial statements for contributed food and supplies for its homeless shelter and food pantry of \$1,531,750 and \$1,611,473 for the years ended December 31, 2023 and 2022, respectively. The value of food items is calculated at \$1.92 per pound, which is dictated by St. Louis Community Food Warehouse. The food and supplies would need to be purchased if not provided by donation if the program were to continue. The policy related to gifts-in-kind is to utilize the assets given to carry out the mission of the Organization.

The Organization was also the recipient of services from food pantry volunteers valued at \$73,185 and \$49,188 for the years ended December 31, 2023 and 2022, respectively, which did not meet the criteria for inclusion in the accompanying financial statements but without which certain programs could not be operated. In addition, the Organization received goods from the general public that were distributed to the needy. The value of these donated goods is not recorded in the financial statements.

#### Use of estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with U.S. generally accepted accounting standards. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Actual results could vary from the estimates that were used.

# LOAVES AND FISHES FOR ST. LOUIS, INC.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022

---

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

#### **Property and equipment**

Purchased property and equipment is stated at cost and donated assets are recorded at fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Major additions and improvements are capitalized, while maintenance and repairs are expensed as incurred. When assets are sold or otherwise disposed of, the related cost and accumulated depreciation are removed from the accounts. Any gain or loss arising from such disposition is included as income or loss in the year of disposition. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

#### **Allocated expenses**

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. These expenses require allocation on a reasonable basis that is consistently applied. Expenses by function have been allocated among program and support classifications on the basis of estimates by the Organization's management. Compensation and benefits are allocated on the basis of estimates of time and effort. Depreciation, occupancy, and utilities are allocated on a square footage basis.

#### **Leases**

##### *General*

The determination of whether an arrangement is a lease is made at the lease's inception. Under Topic 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

##### *Lessee accounting*

The Organization leases its office space under an operating lease with an unrelated party. Right-of-use (ROU) assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Organization uses the risk-free interest rate for all leases due to the implicit rate not being readily determinable. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Organization's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise the option.

# LOAVES AND FISHES FOR ST. LOUIS, INC.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022

### 3. PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2023 and 2022 is as follows:

	Cost	Life-Years	2023	
			Accumulated depreciation	Book Value
Vehicles	\$ 106,222	5	\$ 52,990	\$ 53,232
Computer equipment	9,431	3	9,431	-
Furniture and equipment	298,794	5-10	63,030	235,764
Building improvements	412,386	5-30	69,032	343,354
Leasehold improvements	206,943	5-10	42,703	164,240
Buildings	415,648	30	337,797	77,851
Land	77,000	-	-	77,000
	<u>\$ 1,526,424</u>		<u>\$574,983</u>	<u>\$ 951,441</u>

  

	Cost	Life-Years	2022	
			Accumulated depreciation	Book Value
Vehicles	\$ 106,222	5	\$ 37,410	\$ 68,812
Computer equipment	9,431	3	9,431	-
Furniture and equipment	236,106	5-10	70,840	165,266
Building improvements	328,044	5-30	147,229	180,815
Leasehold improvements	206,943	5-10	-	206,943
Buildings	415,648	30	323,943	91,705
Land	77,000	-	-	77,000
	<u>\$ 1,379,394</u>		<u>\$ 588,853</u>	<u>\$ 790,541</u>

Depreciation expense for the years ended December 31, 2023 and 2022 was \$126,487 and \$54,029, respectively.

# LOAVES AND FISHES FOR ST. LOUIS, INC.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022

### 4. NOTE PAYABLE

The organization has a note payable with St. Louis Bank with monthly payments of \$1,096, including principal and interest at 4%, and a final lump sum payment of the remaining balance due in June 2026. The note is secured by the property of the Organization.

Scheduled maturities are as follows:

2024	\$ 8,972
2025	9,338
2026	90,241
	<u>\$ 108,551</u>

### 5. CONCENTRATIONS

One in-kind, food donor accounted for approximately 31% and 32% of total revenue for the years ended December 31, 2023 and 2022, respectively.

St. Louis County grants accounted for approximately 39% and 35% of total revenue for the years ended December 31, 2023 and 2022, respectively.

### 6. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of December 31, 2023 and 2022, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year or amounts set aside by the Board for future use.

	2023	2022
Financial assets at year-end		
Cash	\$395,190	\$437,267
Grants receivable	293,298	235,386
Other current assets	-	1,027
Total financial assets	688,488	673,680
Less amounts not available to be used within one year:	-	-
Financial assets available to meet cash needs for general expenditures within one year.	<u>\$688,488</u>	<u>\$673,680</u>

As part of the Organization's liquidity management, it has a policy to structure financial assets to be available for general expenditures, liabilities, and other obligations as they become due.

# LOAVES AND FISHES FOR ST. LOUIS, INC.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022

### 7. LEASE COMMITMENTS

In July 2022, the Organization entered into an operating lease with an unrelated party for its administration offices and food pantry with a termination date of September 2032. The lease provides an option to extend five years past the initial term. The option to extend would be based on fair value lease rates at the time of renewal. Management is reasonably certain they will exercise the renewal option. The risk-free discount rate of 2.88% and five year renewal period were included in the calculation of the Right of Use Asset and Lease Liability. In 2023, the Organization received a \$25,000 cash allowance to offset leasehold improvement costs, which resulted in a net increase of cash flows.

In August 2023, the Organization entered into an operating lease with an unrelated party for the use of office printers with a termination date of July 2028. The implicit rate was not stated, so the risk-free discount rate of 4.38% was used in the calculation.

The Organization recognized the following activity associated with their leases:

	2023	2022
Lease expense recognized		
Operating lease expense	\$ 44,841	\$ 21,408
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flow from operating leases	\$ (11,960)	\$ 42,303
Non-cash investing and finance activities:		
ROU assets obtained from operating leases	\$ 21,788	\$ 375,886
Weighted average remaining lease term		
Operating leases	8.53 years	9.75 years
Weighted average discount rate		
Operating leases	2.96%	2.88%

Future payments for the operating lease are as follows:

2024	\$ 48,850
2025	50,185
2026	51,567
2027	52,603
2028	50,578
Thereafter	179,036
	<hr/>
	432,819
Less imputed interest	(49,902)
	<hr/>
	\$ 382,917



# LOAVES AND FISHES FOR ST. LOUIS, INC.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022

---

### 8. RETIEMENT PLAN

Full time employees of the Organization may participate in an Internal Revenue Code section 401(k) retirement savings plan, established in 2022. The Organization contributes matching funds to eligible employees at year end. Contributed matching funds are subject to a six-year graded vesting schedule. The percentage of matching contributions is at the discretion of the Organization and varies from year to year. Contribution expenses for the years ended December 31, 2023 and 2022 were \$11,392 and \$12,807, respectively, in addition to the elective deferrals made by employees.

### 9. INSURANCE PROCEEDS

On July 26, 2022, the Organization experienced a flood that damaged the shelter basement. The Organization recognized approximately \$29,632 in damages related to the clean-up and repairs. Upon the consummation of negotiations with its insurer, the Organization received insurance proceeds of \$27,629 which was recorded as other income. This resulted in a net decrease to change in net assets of \$2,003.

### 10. PROPERTY AND EQUIPMENT – HELD FOR SALE

The Organization purchase a customized vehicle in 2023 to meet homeless needs for \$327,500. The vehicle was not completed to the required specifications, and the vendor subsequently went out of business. The Organization intends to sell the vehicle and estimates it could receive \$90,000. The Organization recognized an impairment loss of \$237,500 in 2023 based on their estimate.

### 11. SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through August 28, 2024, the date on which the financial statements were available to be issued.



12101 Woodcrest Executive Dr., Ste. 300  
St. Louis, MO 63141-5047  
Tel: 314-205-2510  
Fax: 314-205-2505  
www.connerash.com

An independent member of BKR International

## REPORT ON MATTERS RELATED TO INTERNAL CONTROL

---

Board of Directors and Management  
Loaves and Fishes for St. Louis, Inc.  
St. Louis, Missouri

In planning and performing our audit of the financial statements of Loaves and Fishes for St. Louis, Inc. (the "Organization") as of and for the year ended December 31, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of management, Board of Directors, and others within the Organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

*Conner Ash P.C.*

St. Louis, Missouri  
August 28, 2024



12101 Woodcrest Executive Dr., Ste. 300  
St. Louis, MO 63141-5047  
Tel: 314-205-2510  
Fax: 314-205-2505  
www.connerash.com

An independent member of BKR International

## REPORT ON MATTERS RELATED TO INTERNAL CONTROL

---

Board of Directors and Management  
Loaves and Fishes for St. Louis, Inc.  
St. Louis, Missouri

In planning and performing our audit of the financial statements of Loaves and Fishes for St. Louis, Inc. (the "Organization") as of and for the year ended December 31, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of management, Board of Directors, and others within the Organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

*Conner Ash P.C.*

St. Louis, Missouri  
August 28, 2024

## REPORT TO THOSE CHARGED WITH GOVERNANCE

---

Board of Directors  
Loaves and Fishes for St. Louis, Inc.  
St. Louis, Missouri

We have audited the financial statements of Loaves and Fishes for St. Louis, Inc. (the "Organization") for the year ended December 31, 2023, and have issued our report thereon dated August 28, 2024. Professional standards require that we provide you with information about our responsibilities under U.S. generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 24, 2024. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Findings**

#### ***Qualitative Aspects of Accounting Practices***

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Organization are described in Note 2 to the financial statements. No new policies were adopted, and the application of existing policies was not changed during the year ending December 31, 2023. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of the allocation of expenses between program and support which is based on history of similar types of assets. We evaluated the key factors and assumptions used to develop the time estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosure of contributed goods and services in Note 2 to the financial statements which outlines the non-cash donations and services received during the year.

The disclosure of liquidity and availability of financial assets in Note 6 to the financial statements describes the Organization's ability to meet current obligations.

The disclosure of property and equipment, held for sale of financial assets in Note 10 to the financial statements which state the property and equipment, held for sale and the recognized impairment loss during the year.

The financial statement disclosures are neutral, consistent, and clear.

***Difficulties Encountered in Performing the Audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. All adjusting entries are attached to this letter.

***Disagreements with Management***

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

***Management Representations***

We have requested certain representations from management that are included in the management representation letter dated August 28, 2024.

***Management Consultations with Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

***Other Audit Findings or Issues***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors and management of Loaves and Fishes for St. Louis, Inc. and is not intended to be, and should not be, used by anyone other than these specified parties.

*Conner Ash P.C.*

St. Louis, Missouri  
August 28, 2024



12101 Woodcrest Executive Dr., Ste. 300  
St. Louis, MO 63141-5047  
Tel: 314-205-2510  
Fax: 314-205-2505  
www.connerash.com

An independent member of BKR International

## REPORT TO THOSE CHARGED WITH GOVERNANCE

---

Board of Directors  
Loaves and Fishes for St. Louis, Inc.  
St. Louis, Missouri

We have audited the financial statements of Loaves and Fishes for St. Louis, Inc. (the "Organization") for the year ended December 31, 2023, and have issued our report thereon dated August 28, 2024. Professional standards require that we provide you with information about our responsibilities under U.S. generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 24, 2024. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Findings**

#### ***Qualitative Aspects of Accounting Practices***

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Organization are described in Note 2 to the financial statements. No new policies were adopted, and the application of existing policies was not changed during the year ending December 31, 2023. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of the allocation of expenses between program and support which is based on history of similar types of assets. We evaluated the key factors and assumptions used to develop the time estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosure of contributed goods and services in Note 2 to the financial statements which outlines the non-cash donations and services received during the year.

The disclosure of liquidity and availability of financial assets in Note 6 to the financial statements describes the Organization's ability to meet current obligations.

The disclosure of property and equipment, held for sale of financial assets in Note 10 to the financial statements which state the property and equipment, held for sale and the recognized impairment loss during the year.

The financial statement disclosures are neutral, consistent, and clear.

***Difficulties Encountered in Performing the Audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. All adjusting entries are attached to this letter.

***Disagreements with Management***

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

***Management Representations***

We have requested certain representations from management that are included in the management representation letter dated August 28, 2024.

***Management Consultations with Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

***Other Audit Findings or Issues***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors and management of Loaves and Fishes for St. Louis, Inc. and is not intended to be, and should not be, used by anyone other than these specified parties.

*Conner Ash P.C.*

St. Louis, Missouri  
August 28, 2024