

The Food Group
New Hope, Minnesota

Financial Statements
Auditor's Report
For the Years Ended
September 30, 2015 and 2014

Carpenter *Evert*
Certified Public Accountants



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Independent Auditor's Report

Board of Directors
The Food Group
New Hope, Minnesota

Carpenter Evert

Certified Public Accountants

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We have audited the accompanying financial statements of The Food Group as of September 30, 2015 and 2014, which comprise the statements of financial position and the related statements of activities and changes in net assets, functional expense, 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 on our audits. We conducted our audits 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Food Group as of September 30, 2015 and 2014, 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.

Carpenter Evert and Associates, LTD.

Certified Public Accountants

Minneapolis, Minnesota
January 27, 2016

EXHIBIT A

THE FOOD GROUP

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

	2015			2014		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Support and Revenue:						
Contributions	\$ 1,869,892	\$ 68,000	\$ 1,937,892	\$ 1,827,739	\$ 249,606	\$ 2,077,345
In-Kind Contributions	2,192,505	-	2,192,505	3,033,026	-	3,033,026
United Way	165,022	-	165,022	192,103	-	192,103
Government Grants	345,990	-	345,990	309,766	-	309,766
Sales Revenue	3,456,685	-	3,456,685	2,994,298	-	2,994,298
Special Event (Net of Direct Expense of \$40,920 in 2015 and \$29,711 in 2014)	84,009	-	84,009	60,594	-	60,594
Investment Income	315	-	315	277	-	277
Miscellaneous	8,696	-	8,696	8,097	-	8,097
Loss on Disposal of Property and Equipment	-	-	-	(19,596)	-	(19,596)
Net Assets Released from Restrictions:						
Satisfaction of Capital Restrictions	12,000	(12,000)	-	40,365	(40,365)	-
Satisfaction of Program Restrictions	65,000	(65,000)	-	224,544	(224,544)	-
Total Support and Revenue	8,200,114	(9,000)	8,191,114	8,671,213	(15,303)	8,655,910
Expense:						
Program Services	7,217,156	-	7,217,156	7,670,400	-	7,670,400
Support Services:						
Management and General	362,576	-	362,576	362,009	-	362,009
Fundraising	429,671	-	429,671	460,122	-	460,122
Total Support Services	792,247	-	792,247	822,131	-	822,131
Total Expense	8,009,403	-	8,009,403	8,492,531	-	8,492,531
Change in Net Assets	190,711	(9,000)	181,711	178,682	(15,303)	163,379
Net Assets - Beginning of Year	2,641,932	65,000	2,706,932	2,463,250	80,303	2,543,553
Net Assets - End of Year	\$ 2,832,643	\$ 56,000	\$ 2,888,643	\$ 2,641,932	\$ 65,000	\$ 2,706,932

The accompanying Notes to Financial Statements are an integral part of these statements.

THE FOOD GROUP
STATEMENT OF FUNCTIONAL EXPENSE
FOR THE YEAR ENDED SEPTEMBER 30, 2015 WITH COMPARATIVE TOTALS FOR 2014

	2015				2014	
	Program Services	Management & General	Fund-raising	Total Support Services	Total All Services	Total All Services
Salaries	\$ 1,001,976	\$ 81,241	\$ 203,103	\$ 284,344	\$ 1,286,320	\$ 1,315,815
Employee Benefits	133,885	10,856	27,139	37,995	171,880	172,435
Payroll Taxes	118,074	9,574	23,934	33,508	151,582	157,813
Total Personnel Costs	1,253,935	101,671	254,176	355,847	1,609,782	1,646,063
Food Costs	3,232,694	-	-	-	3,232,694	2,784,171
In-Kind Food	2,111,685	-	-	-	2,111,685	2,971,130
Occupancy	192,383	12,600	31,501	44,101	236,484	263,232
Professional Fees	1,250	203,631	8,999	212,630	213,880	229,853
Office Expenses	50,601	11,359	99,362	110,721	161,322	184,535
Travel, Transportation and Shipping	110,810	540	1,705	2,245	113,055	99,770
Miscellaneous	31,252	11,560	25,142	36,702	67,954	68,654
Program Supplies	49,768	-	-	-	49,768	37,957
Non-food In-kind Expenses	46,869	-	-	-	46,869	61,895
Staff and Volunteer	4,256	16,661	4,342	21,003	25,259	22,158
Fundraising Expense	-	-	2,650	2,650	2,650	-
Depreciation and Amortization	131,653	4,554	1,794	6,348	138,001	123,113
Total Expense	\$ 7,217,156	\$ 362,576	\$ 429,671	\$ 792,247	\$ 8,009,403	\$ 8,492,531

The accompanying Notes to Financial Statements are an integral part of this statement.

EXHIBIT C

THE FOOD GROUP
STATEMENT OF FUNCTIONAL EXPENSE
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Support Services</u>				
	<u>Program</u> <u>Services</u>	<u>Management</u> <u>& General</u>	<u>Fund-</u> <u>raising</u>	<u>Total</u> <u>Support</u> <u>Services</u>	<u>Total</u> <u>All</u> <u>Services</u>
Salaries	\$ 1,034,888	\$ 75,265	\$ 205,662	\$ 280,927	\$ 1,315,815
Employee Benefits	135,620	9,863	26,952	36,815	172,435
Payroll Taxes	124,120	9,027	24,666	33,693	157,813
Total Personnel Costs	<u>1,294,628</u>	<u>94,155</u>	<u>257,280</u>	<u>351,435</u>	<u>1,646,063</u>
Food Costs	2,781,066	-	3,105	3,105	2,784,171
In-Kind Food	2,971,130	-	-	-	2,971,130
Occupancy	217,059	12,370	33,803	46,173	263,232
Professional Fees	3,603	212,795	13,455	226,250	229,853
Office Expenses	50,981	15,115	118,439	133,554	184,535
Travel, Transportation and Shipping	97,481	552	1,737	2,289	99,770
Miscellaneous	28,566	12,149	27,939	40,088	68,654
Program Supplies	37,957	-	-	-	37,957
Non-food In-kind Expenses	61,895	-	-	-	61,895
Staff and Volunteer	8,584	10,810	2,764	13,574	22,158
Depreciation and Amortization	117,450	4,063	1,600	5,663	123,113
Total Expense	<u>\$ 7,670,400</u>	<u>\$ 362,009</u>	<u>\$ 460,122</u>	<u>\$ 822,131</u>	<u>\$ 8,492,531</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

THE FOOD GROUP
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2015 AND 2014

<u>ASSETS</u>	<u>2015</u>	<u>2014</u>
Current Assets:		
Cash	\$ 453,705	\$ 470,309
Investments	1,907	30,658
Accounts Receivable	141,636	149,259
Grants Receivable	72,332	52,119
Prepaid Expense	28,866	28,339
Inventory	615,282	445,353
Total Current Assets	<u>1,313,728</u>	<u>1,176,037</u>
Property and Equipment - Net	3,066,191	3,140,694
Intangible Assets - Net	<u>148</u>	<u>1,920</u>
 TOTAL ASSETS	 <u>\$ 4,380,067</u>	 <u>\$ 4,318,651</u>
 <u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Notes Payable - Short Term	\$ 1,240,963	\$ 144,936
Accounts Payable	77,310	68,329
Accrued Salaries and Vacation	82,437	74,231
Accrued Expenses	17,978	11,226
Total Current Liabilities	<u>1,418,688</u>	<u>298,722</u>
Long-Term Liabilities:		
Notes Payable	<u>72,736</u>	<u>1,312,997</u>
Total Liabilities	<u>1,491,424</u>	<u>1,611,719</u>
Net Assets:		
Unrestricted	2,832,643	2,641,932
Temporarily Restricted	56,000	65,000
Total Net Assets	<u>2,888,643</u>	<u>2,706,932</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 4,380,067</u>	 <u>\$ 4,318,651</u>

The accompanying Notes to Financial Statements
are an integral part of these statements.

THE FOOD GROUP
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

<u>Increase (Decrease) in Cash</u>	<u>2015</u>	<u>2014</u>
Cash Flows from Operating Activities:		
Change in Net Assets	\$ 181,711	\$ 163,379
Total Adjustments	<u>(66,305)</u>	<u>122,408</u>
Net Cash Provided by Operating Activities	115,406	285,787
Cash Flows from Investing Activities:		
Purchases of Property and Equipment	(27,776)	(230,071)
Purchases of Investments	(11,250)	(18,828)
Proceeds from Sale of Contributed Investments	<u>51,250</u>	<u>18,827</u>
Net Cash Provided (Used) by Investing Activities	12,224	(230,072)
Cash Flows from Financing Activities:		
Proceeds from Issuance of Note Payable	-	98,000
Repayment of Note Payable	<u>(144,234)</u>	<u>(143,598)</u>
Net Cash (Used) by Financing Activities	<u>(144,234)</u>	<u>(45,598)</u>
Net Increase (Decrease) in Cash	(16,604)	10,117
Cash - Beginning of Year	<u>470,309</u>	<u>460,192</u>
Cash - End of Year	<u>\$ 453,705</u>	<u>\$ 470,309</u>

Supplemental Disclosure of Cash Flow Information

Cash Paid for:		
Interest	<u>\$ 63,670</u>	<u>\$ 66,048</u>

The accompanying Notes to Financial Statements
are an integral part of these statements.

THE FOOD GROUP
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015 AND 2014

1. Summary of Significant Accounting Policies

Organizational Purpose

The Food Group (the Organization) is a nonprofit organization incorporated under the laws of the state of Minnesota. The mission of the Organization is to be an innovative food bank dedicated to serving the hunger needs of our changing communities. The Organization provides services primarily through the following programs:

Bulk Food Program

The Food Group buys food staples and hygiene items in bulk and partner agencies can order weekly at below retail cost. Bulk purchasing offerings include fresh produce, frozen meats, culturally specific food items, and other necessities. The Food Group is committed to offering quality food items with a focus on nutrition.

Culturally Specific Initiatives

The Food Group partners with agency partners to distribute culturally appropriate food to our diverse communities. Culturally Specific Initiatives programming provides foods that are not only nutritious, but also familiar and enjoyed by the families receiving them.

Fresh Produce Programming

This area of work focuses on partnerships to increase access to free and high quality produce. Our Harvest for the Hungry program partners with local farms to provide their produce to food shelf partners while, Lost Harvest and our food rescue programs partner locally and out of state to ensure produce that would otherwise go unused gets into the hands of those who need it.

Nutritional Outreach

The Food Group has a full time registered dietitian on staff who provides nutrition education and consulting to partner agencies and the people they serve. These services include recipe creation, food demonstrations, product merchandising, and technical support in creating healthy food policies. The dietitian also provides nutritional analysis to all of The Food Group's programs.

Fare For All

The Fare For All program purchases fruits, vegetables and frozen meat in bulk and offers them for sale at 31 sites across the metro. By buying in bulk, food is available at up to 40% off grocery store prices. Community-supported and open to everyone, Fare for All's structure means the more people who participate, the more buying power we have, and the lower the overall price is for the customer.

THE FOOD GROUP
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015 AND 2014

1. Summary of Significant Accounting Policies (continued):

Kid Pack

The Food Group partners with schools, faith organizations, and other community groups to provide small packages of food that school aged kids can take home over the weekend. For many students who qualify for free lunch at school, finding enough food to get through the weekend can be a real challenge. The Food Group's dietician helps ensure that each kid pack contains a good balance of protein, dairy, fruit, vegetable, and whole grain snacks to give children the nutrients they need to be successful.

Mobile Food Shelf

A significant number of low-income individuals and families have trouble accessing emergency food from traditional food shelves due to lack of transportation, limited mobility, social stigma, or cultural reservations. The Food Group's Mobile Food Shelf is a partnership with 26 public and subsidized housing complexes. The program delivers a three-to-four day supply of free supplemental food directly to housing complexes in the Twin Cities.

Fund Accounting

In order to observe the limitation and restrictions placed on resources available to the Organization, the accounts are maintained in accordance with the principles of fund accounting. This is the procedure whereby resources are classified for accounting and reporting purposes into net asset groupings established according to their nature and restrictions. A description of the groupings is as follows:

Unrestricted Net Assets – Net assets which are neither permanently nor temporarily restricted by donor-imposed stipulations. These net assets include both board designated and undesignated amounts. Property and equipment is reported as unrestricted net assets.

Temporarily Restricted Net Assets – The part of net assets of the Organization and its resulting from contributions and other inflows of assets whose use is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions pursuant to those stipulations

Investments

The Organization carries its investments at fair value.

Accounts Receivable and Doubtful Accounts

The Organization extends credit to its customers on terms it establishes for individual customers. Receivables are recorded at amounts billed and are generally due when billed. Amounts outstanding for more than 30 days are considered delinquent. Accounts receivable are generally uncollateralized and the Organization does not charge interest on accounts receivable balances. The Organization reviews receivable balances on a periodic basis and writes off delinquent receivables when they are considered uncollectible. No allowance for doubtful accounts has been provided as receivables are considered collectable.

THE FOOD GROUP
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015 AND 2014

1. Summary of Significant Accounting Policies (continued):

Inventory

Inventory consists of canned, frozen and fresh foods and hygiene products used in various programs. Inventory is valued at the average cost, determined on a first-in first-out basis (FIFO).

Property and Equipment

All major expenditures for property and equipment over \$2,500 are capitalized at cost. Depreciation is provided through the use of the straight-line method.

Intangible Assets

Purchased intangible assets are stated at cost less accumulated amortization. Amortization is computed using straight-line method over the economic lives of the respective assets, generally 1-7 years.

Contributions

Contributions are recorded when received and recognized as support in the period received. If donor-imposed restrictions accompany the contribution, the amount is recorded as temporarily or permanently restricted until the donor-imposed restrictions expire or are fulfilled. Temporarily restricted net assets are reclassified to unrestricted in the period donor-imposed restrictions expire or are fulfilled, and are reported in the Statements of Activities under the Support and Revenue Category – Net Assets Released from Restrictions except when the receipt and expiration occur in the same period in which case the contribution is shown as unrestricted.

Contributions other than cash are recorded at their estimated market value.

Promises-To-Give (Pledges Receivable)

Unconditional promises-to-give are recognized in the period the promises are made. Conditional promises-to-give are recognized when the conditions on which they depend are substantially met, that is, when the conditional promise becomes unconditional.

Functional Allocation of Expense

Salaries and related expenses are recorded in programs based on time and activity reports. Expenses, other than salaries and related expenses, which are not directly identifiable by program or supporting service, are allocated based on the best estimates of management.

THE FOOD GROUP
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015 AND 2014

1. Summary of Significant Accounting Policies (continued):

Income Tax

The Organization has a tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and has adopted *Accounting for Uncertainty in Income Taxes*, ASC 740-10. The Organization's policy is to evaluate uncertain tax positions, at least annually, for the potential for income tax exposure from unrelated business income or from loss of nonprofit status. The Organization continues to operate consistent with its original exemption application and each year takes the necessary actions to maintain its exempt status. It has been classified as an organization that is not a private foundation under the Internal Revenue Code and charitable contributions by donors are tax deductible. In compliance with its exempt status, The Organization annually files an Return of Organization Exempt From Income Tax (Form 990). The returns for the years ending September 30, 2012 and later remain subject to examination by the Internal Revenue Service.

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 that affect the reported amounts of 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.

Reclassifications

Certain amounts in prior year comparative totals have been reclassified to conform with the presentation in the current year financial statements.

Subsequent Events

The Organization has evaluated the effect that subsequent events would have on the financial statements through January 27, 2016, which is the date financial statements were available to be issued.

2. Significant Concentrations of Credit Risk

The Organization provides services within Minnesota. Grants and contributions receivable are from local governments or institutions.

Concentrations of Credit Risk Arising from Cash Deposits in Excess of Insured Limits

At September 30, 2015 and 2014, the Organization held funds at a local financial institution in excess of federally insured limits.

THE FOOD GROUP
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015 AND 2014

3. Investments

The Organization held the following investments as of:

	September 30,			
	2015		2014	
	Cost	Fair Value	Cost	Fair Value
Money Market	\$ 1,907	\$ 1,907	\$ 30,658	\$ 30,658

The Organization had realized losses of (\$70) and (\$467) and investment income of \$385 and \$744 for the years ending September 30, 2015 and 2014, respectively.

4. Fair Value

The Organization adopted Financial Accounting Standards Board Accounting Standards Codification Topic 820 Fair Value Measurements and Disclosures (ASC 820). In accordance with ASC 820, "fair value" is defined as the price that an organization would receive upon selling an investment in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment. Various inputs are used in determining the value of investments. ASC 820 established a three-tier hierarchy of inputs to establish a classification of fair value measurements for disclosure purposes. The three-tier hierarchy of inputs is summarized in the three broad levels listed below:

- Level 1 – Quoted prices in active markets for identical investments.
- Level 2 – Other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 – Significant unobservable inputs.

The following is a summary of the inputs used to determine the fair values of the investments at:

September 30, 2015:

	Level 1	Level 2	Level 3	Total
Money Market	\$ 1,907	\$ -	\$ -	\$ 1,907

September 30, 2014:

	Level 1	Level 2	Level 3	Total
Money Market	\$ 30,658	\$ -	\$ -	\$ 30,658

5. Grants Receivable

The outstanding balance of grants receivable at September 30, 2015 is expected to be collected over the following fiscal years:

<u>Due in the Year Ending September 30,</u>	
2016	\$ 72,332

THE FOOD GROUP
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015 AND 2014

6. Property and Equipment

The Organization owned the following as of:

	<u>September 30,</u>		<u>Estimated Useful Lives</u>
	<u>2015</u>	<u>2014</u>	
Land	\$ 1,108,561	\$1,108,561	
Buildings and Building Improvements	2,469,937	2,469,937	5-39 years
Furniture and Equipment	549,080	506,332	5 years
Vehicles	<u>565,681</u>	<u>565,681</u>	5 years
	4,693,259	4,650,511	
Less Accumulated Depreciation	<u>1,627,068</u>	<u>1,509,817</u>	
	<u>\$ 3,066,191</u>	<u>\$ 3,140,694</u>	

Depreciation expense of \$136,229 and \$121,342 was recorded for the years ended September 30, 2015 and 2014, respectively.

7. Intangible Assets

The Organization owned the following as of:

	<u>September 30,</u>		<u>Estimated Useful Lives</u>
	<u>2015</u>	<u>2014</u>	
Loan Closing Costs	\$ 11,035	\$ 11,035	7-10 years
Less Accumulated Amortization	<u>10,887</u>	<u>9,115</u>	
	<u>\$ 148</u>	<u>\$ 1,920</u>	

Amortization expense of \$1,772 and \$1,771 was recorded for the years ended September 30, 2015 and 2014, respectively.

8. Line of Credit

The Organization maintains a \$200,000 line-of-credit with Central Bank, maturing October 1, 2016. The interest rate at September 30, 2015 was 5%. Line-of-credit was not used and had no balance on the years ended September 30, 2015 and 2014. Secured by land and building.

THE FOOD GROUP
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015 AND 2014

9. Notes Payable

The breakdown of notes payable is as follows:

	September 30,	
	2015	2014
4.125% mortgage payable to Central Bank. Payable in monthly amounts of \$12,870 including interest with the last payment due October 2015. Secured by land and building.	\$ 1,031,743	\$ 1,140,687
7% mortgage payable on demand to Central Bank. If no demand is made, mortgage is payable in monthly amounts of \$1,600 including interest with the last payment due October 2015. Secured by land and building.	196,336	201,404
4% note payable to St. Paul Port Authority. Payable in monthly amounts of \$1,340 including interest with the last payment due October 1, 2021. Secured by purchased equipment.	85,620	98,000
5.0% note payable to Sunrise Bank. Payable in monthly amounts \$3,018 including interest with last payment due March 2015. Secured by all business assets.	-	17,842
	1,313,699	1,457,933
Less Portion Due Within One (1) Year	1,240,963	144,936
Long-term Portion	\$ 72,736	\$ 1,312,997

Principal payments required are as follows:

<u>Due in the Year Ending September 30,</u>	
2016	1,240,963
2017	13,409
2018	13,955
2019	14,524
2020 and thereafter	30,848
Total	\$ 1,313,699

The two notes outstanding at year end with Central Bank were refinanced on 10/15/15.

THE FOOD GROUP
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015 AND 2014

10. Temporarily Restricted Net Assets

Temporarily restricted net assets consisted of amounts from the following as of:

	<u>September 30,</u>	
	<u>2015</u>	<u>2014</u>
Lost Harvest	\$ 40,000	\$ 40,000
Kid Pack	16,000	-
Baskets of Hope	-	25,000
	<u>\$ 56,000</u>	<u>\$ 65,000</u>

11. In-kind Contributions

The Organization records in-kind contributions at fair market value at date of donation. In kind contributions include the following as of:

	<u>September 30,</u>	
	<u>2015</u>	<u>2014</u>
Foods	\$ 2,111,685	\$ 2,971,131
Non-Food Items	<u>80,820</u>	<u>61,895</u>
	<u>\$ 2,192,505</u>	<u>\$ 3,033,026</u>

12. Pension Plan

The Organization contributes up to three percent of an eligible employee's annual compensation to a 401(k) plan. Contributions of \$26,862 and \$27,160 were made in the years ended September 30, 2015 and 2014, respectively.

THE FOOD GROUP
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015 AND 2014

13. Cash Flow Operating Adjustments

Adjustments to reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities were as follows as of:

	<u>September 30,</u>	
	<u>2015</u>	<u>2014</u>
Depreciation and Amortization	\$ 138,001	\$ 123,113
Contributed Securities	(11,319)	(19,293)
Donated Property	(33,950)	-
Realized Loss on Investment	70	467
Loss on Disposal of Property and Equipment	-	19,596
Increases (Decreases) in Current Liabilities:		
Accounts Payable	8,981	35,141
Accrued Expenses	14,958	(6,587)
Decreases (Increases) in Current Assets:		
Accounts Receivable	7,623	(29,718)
Grants Receivable	(20,213)	11,110
Prepaid Expense	(527)	907
Inventory	(169,929)	(12,328)
Total Adjustments	<u>\$ (66,305)</u>	<u>\$ 122,408</u>