

The Food Group
New Hope, Minnesota

Financial Statements
Auditor's Report
For the Years Ended
September 30, 2017 and 2016



CERTIFIED PUBLIC ACCOUNTANTS

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Carpenter, Evert & Associates

Certified Public Accountants

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Independent Auditor's Report

Board of Directors
The Food Group
New Hope, Minnesota

We have audited the accompanying financial statements of The Food Group as of September 30, 2017 and 2016, 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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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, 2017 and 2016, 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 24, 2018

EXHIBIT A

THE FOOD GROUP
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED SEPTEMBER 30, 2017 AND 2016

	2017		2016	
	Unrestricted	Temporarily Restricted	Total	Total
Support and Revenue:				
Contributions	\$ 1,751,050	\$ 205,115	\$ 1,956,165	\$ 1,825,674
In-Kind Contributions	4,116,855	-	4,116,855	3,399,742
United Way	150,727	-	150,727	163,980
Government Grants	843,537	-	843,537	689,469
Sales Revenue	3,669,288	-	3,669,288	3,599,899
Special Event (Net of Direct Expense of \$60,325 in 2017 and \$65,133 in 2016)	116,805	-	116,805	86,243
Investment Income	386	-	386	287
Miscellaneous	13,912	-	13,912	13,022
Net Assets Released from Restrictions:				
Satisfaction of Time Restrictions	30,000	(30,000)	-	53,250
Satisfaction of Program Restrictions	115,550	(115,550)	-	-
Total Support and Revenue	10,808,110	59,565	10,867,675	9,831,566
Expense:				
Program Services	9,580,062	-	9,580,062	8,577,131
Support Services:				
Management and General Fundraising	622,049	-	622,049	412,384
	386,931	-	386,931	396,772
Total Support Services	1,008,980	-	1,008,980	809,156
Total Expense	10,589,042	-	10,589,042	9,386,287
Change in Net Assets	219,068	59,565	278,633	445,279
Net Assets - Beginning of Year	3,277,922	132,750	3,410,672	2,832,643
Net Assets - End of Year	\$ 3,496,990	\$ 192,315	\$ 3,689,305	\$ 3,277,922
				\$ 132,750
				\$ 9,908,316

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, 2017 WITH COMPARATIVE TOTALS FOR 2016

	2017				2016	
	Program Services	Management & General	Fund-raising	Total Support Services	Total All Services	Total All Services
Salaries	\$ 1,208,314	\$ 256,764	\$ 195,633	\$ 452,397	\$ 1,660,711	\$ 1,428,033
Employee Benefits	182,276	38,733	29,512	68,245	250,521	215,207
Payroll Taxes	121,955	25,915	19,745	45,660	167,615	166,057
Total Personnel Costs	1,512,545	321,412	244,890	566,302	2,078,847	1,809,297
In-Kind Food	3,937,071	-	-	-	3,937,071	3,079,461
Food Costs	3,284,436	-	-	-	3,284,436	3,345,556
Professional Fees	80,984	219,919	350	220,269	301,253	286,242
Occupancy	207,743	33,952	25,868	59,820	267,563	219,918
Travel, Transportation and Shipping	200,532	2,833	928	3,761	204,293	124,621
Office Expenses	55,400	19,359	74,039	93,398	148,798	155,025
Non-food In-kind Expenses	86,120	-	-	-	86,120	58,128
Miscellaneous	44,507	7,664	18,727	26,391	70,898	68,316
Program Supplies	54,235	-	-	-	54,235	68,196
Staff and Volunteer	11,465	8,394	840	9,234	20,699	31,152
Fundraising Expense	-	-	-	-	-	2,171
Depreciation and Amortization	105,024	8,516	21,289	29,805	134,829	138,204
Total Expense	\$ 9,580,062	\$ 622,049	\$ 386,931	\$ 1,008,980	\$ 10,589,042	\$ 9,386,287

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

THE FOOD GROUP
STATEMENT OF FUNCTIONAL EXPENSE
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Support Services				
	Program Services	Management & General	Fund-raising	Total Support Services	Total All Services
Salaries	\$ 1,146,889	\$ 80,327	\$ 200,817	\$ 281,144	\$ 1,428,033
Employee Benefits	172,838	12,105	30,264	42,369	215,207
Payroll Taxes	133,364	9,341	23,352	32,693	166,057
Total Personnel Costs	1,453,091	101,773	254,433	356,206	1,809,297
In-Kind Food	3,079,461	-	-	-	3,079,461
Food Costs	3,345,556	-	-	-	3,345,556
Professional Fees	30,073	255,419	750	256,169	286,242
Occupancy	186,168	9,643	24,107	33,750	219,918
Travel, Transportation and Shipping	122,477	1,022	1,122	2,144	124,621
Office Expenses	60,215	12,459	82,351	94,810	155,025
Non-food In-kind Expenses	58,128	-	-	-	58,128
Miscellaneous	32,853	10,071	25,392	35,463	68,316
Program Supplies	68,196	-	-	-	68,196
Staff and Volunteer	9,067	17,436	4,649	22,085	31,152
Fundraising Expense	-	-	2,171	2,171	2,171
Depreciation and Amortization	131,846	4,561	1,797	6,358	138,204
Total Expense	\$ 8,577,131	\$ 412,384	\$ 396,772	\$ 809,156	\$ 9,386,287

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

THE FOOD GROUP
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2017 AND 2016

<u>ASSETS</u>	<u>2017</u>	<u>2016</u>
Current Assets:		
Cash	\$ 860,217	\$ 986,839
Investments	7,660	5,651
Accounts Receivable	144,845	116,529
Grants Receivable	346,066	70,148
Prepaid Expense	35,329	28,897
Inventory	699,507	588,609
Total Current Assets	2,093,624	1,796,673
Property and Equipment - Net	3,437,489	2,988,558
TOTAL ASSETS	\$ 5,531,113	\$ 4,785,231
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Notes Payable - Short Term	\$ 125,062	\$ 113,929
Capital Lease - Short Term	90,859	-
Accounts Payable	67,781	51,716
Accrued Salaries and Vacation	125,682	107,447
Accrued Expenses	20,640	17,566
Deferred Revenue	8,659	-
Total Current Liabilities	438,683	290,658
Long-Term Liabilities:		
Capital Lease	450,604	-
Notes Payable	952,521	1,083,901
Total Liabilities	1,841,808	1,374,559
Net Assets:		
Unrestricted	3,496,990	3,277,922
Temporarily Restricted	192,315	132,750
Total Net Assets	3,689,305	3,410,672
TOTAL LIABILITIES AND NET ASSETS	\$ 5,531,113	\$ 4,785,231

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, 2017 AND 2016

<u>Increase (Decrease) in Cash</u>	<u>2017</u>	<u>2016</u>
<u>Cash Flows from Operating Activities:</u>		
Change in Net Assets	\$ 278,633	\$ 522,029
Total Adjustments	<u>(98,660)</u>	<u>166,322</u>
Net Cash Provided by Operating Activities	179,973	688,351
<u>Cash Flows from Investing Activities:</u>		
Purchases of Property and Equipment	(55,570)	(56,244)
Proceeds from Sale of Property and Equipment	-	17,000
Purchases of Investments	(2,009)	(3,843)
Proceeds from Sale of Contributed Investments	<u>2,009</u>	<u>3,739</u>
Net Cash (Used) by Investing Activities	(55,570)	(39,348)
<u>Cash Flows from Financing Activities:</u>		
Repayment of Note Payable	(120,247)	(115,869)
Repayment of Capital Lease Liability	<u>(130,778)</u>	<u>-</u>
Net Cash Provided (Used) by Financing Activities	<u>(251,025)</u>	<u>(115,869)</u>
Net Increase (Decrease) in Cash	(126,622)	533,134
Cash - Beginning of Year	<u>986,839</u>	<u>453,705</u>
Cash - End of Year	<u>\$ 860,217</u>	<u>\$ 986,839</u>
<u>Supplemental Disclosure of Cash Flow Information</u>		
<u>Cash Paid for:</u>		
Interest	<u>\$ 59,996</u>	<u>\$ 44,742</u>
<u>Non-Cash Investing Activities</u>		
Addition of Property and Equipment	<u>\$ (672,241)</u>	<u>\$ -</u>
<u>Non-Cash Financing Activities</u>		
Addition of Capital Lease	<u>\$ 629,165</u>	<u>\$ -</u>

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

THE FOOD GROUP
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017 AND 2016

1. Summary of Significant Accounting Policies

Organizational Purpose

The Food Group (the Organization) is a local nonprofit organization focused on providing healthy food to the community. The mission of the Organization is: Fighting Hunger. Nourishing our Community.

For more than 40 years the Organization has worked to provide good foods to those who need it most in our community. We focus on local food access, equity, and nutrition issues related to food and hunger in more than 21 counties in Minnesota and Wisconsin.

The Organization works on both ends of the food system from production to distribution. Working towards building a better local food system for all, we focus on breaking down barriers to growing good food locally and breaking down barriers to getting good food to those who need it most. Our programs include:

Food Shelf Support

We partner with 170 food shelves and meal programs to offer distribution of donated food, bulk purchasing (supplements the variety and quantity of donated food they receive), TEFAP food distribution (a government commodities program), nutrition education and resources, capacity building support, and culturally equitable food and resources.

Fare For All

We operate a traveling nutritious grocery store, which makes monthly stops at 37 distribution sites across the Twin Cities and greater MN to offer fresh produce and quality meats. We break down barriers for families seeking to stretch their food purchasing power and achieve self-sufficiency by offering discounts up to 30 percent off retail prices.

Big River Farms

Our newest programming offers organic and sustainable agriculture training for local immigrant and historically underserved farmers. It also creates market opportunities for the participating farmers (via a CSA, farmer's markets, and wholesale markets), provides educational programming on sustainable agriculture to children and community members, and hosts an annual Emerging Farmers Conference.

THE FOOD GROUP
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017 AND 2016

1. Summary of Significant Accounting Policies (continued):

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.

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.

THE FOOD GROUP
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017 AND 2016

1. Summary of Significant Accounting Policies (continued):

Deferred Revenue

The Organization defers recognition of revenue when it has received a payment for services, but has not fulfilled its contract commitments.

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.

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, 2014 and later remain subject to examination by the Internal Revenue Service.

THE FOOD GROUP
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017 AND 2016

1. 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 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 24, 2018, 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, 2017 and 2016, the Organization held funds at a local financial institution in excess of federally insured limits.

3. Investments

The Organization held the following investments as of:

	September 30,			
	2017		2016	
	Cost	Fair Value	Cost	Fair Value
Money Market	\$ 7,660	\$ 7,660	\$ 5,651	\$ 5,651

The Organization had realized losses of \$73 and \$100 and interest income of \$459 and \$387 for the years ending September 30, 2017 and 2016, respectively.

THE FOOD GROUP
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017 AND 2016

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, 2017:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money Market	<u>\$ 7,660</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,660</u>

September 30, 2016:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money Market	<u>\$ 5,651</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,651</u>

5. Grants Receivable

The outstanding balance of grants receivable at September 30, 2017 is expected to be collected over the following fiscal years:

<u>Due in the Year Ending September 30,</u>	
2018	<u>\$ 346,066</u>

THE FOOD GROUP
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017 AND 2016

6. Property and Equipment

The Organization owned the following as of:

	<u>September 30,</u>		<u>Estimated Useful Lives</u>
	<u>2017</u>	<u>2016</u>	
Land	\$ 1,115,960	\$ 1,115,960	
Buildings and Building Improvements	2,479,951	2,469,937	5-39 years
Furniture and Equipment	633,477	607,022	5 years
Capital Lease - Trucks	672,241	-	7 years
Vehicles	<u>349,404</u>	<u>364,693</u>	5 years
	5,251,033	4,557,612	
Less Accumulated Depreciation	<u>1,813,544</u>	<u>1,569,054</u>	
	<u>\$ 3,437,489</u>	<u>\$ 2,988,558</u>	

Depreciation expense of \$278,880 and \$138,056 was recorded for the years ended September 30, 2017 and 2016, respectively. For the year ended September 30, 2017 \$144,051 of depreciation is included in the "Travel, Transportation and Shipping" expense.

7. Capital Leases

The Organization leases trucks under a capital lease. The economic substance of the lease is that the Organization is financing the acquisition of the assets through the lease, and, accordingly, it is recorded in the Organization's assets and liabilities.

The following is an analysis of the leased assets included in Property and Equipment as of:

	<u>September 30,</u>		<u>Estimated Useful Lives</u>
	<u>2017</u>	<u>2016</u>	
Trucks	\$ 672,241	\$ -	7 years
Less Accumulated Depreciation	<u>144,051</u>	<u>-</u>	
Net Book Value	<u>\$ 528,190</u>	<u>\$ -</u>	

Payments required under the lease together with their present value.

<u>Due in the Year Ending September 30,</u>	
2018	\$ 110,352
2019	110,352
2020	110,352
2021	110,352
2022	110,352
2023 and thereafter	<u>55,176</u>
Total Minimum Lease Payments	606,936
Less Amount Representing Interest	<u>65,473</u>
Present Value of Minimum Lease Payments	<u>\$ 541,463</u>

THE FOOD GROUP
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017 AND 2016

8. Line of Credit

The Organization maintains a \$200,000 line-of-credit with MidWestOne Bank, maturing March 14, 2018. The interest rate at September 30, 2017 was 5.25%. Line-of-credit was not used and had no balance for both years ended September 30, 2017 and 2016. Secured by land and building.

9. Notes Payable

The breakdown of notes payable is as follows:

	<u>September 30,</u>	
	<u>2017</u>	<u>2016</u>
3.45% mortgage payable to Central Bank. Payable in monthly amounts of \$10,111 including interest with the last payment due October 2025. Secured by land and building.	\$ 853,623	\$ 943,271
3.45% mortgage payable on demand to Central Bank. If no demand is made, mortgage is payable in monthly amounts of \$1,942 including interest with the last payment due October 2025. Secured by land and building.	164,633	181,823
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.	<u>59,327</u>	<u>72,736</u>
	1,077,583	1,197,830
Less Portion Due Within One (1) Year	<u>125,062</u>	<u>113,929</u>
Long-term Portion	<u>\$ 952,521</u>	<u>\$ 1,083,901</u>

Principal payments required are as follows:

<u>Due in the Year Ending September 30,</u>	
2018	\$ 125,062
2019	129,525
2020	134,148
2021	138,936
2022	127,522
2023 and thereafter	<u>422,390</u>
Total	<u>\$ 1,077,583</u>

THE FOOD GROUP
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017 AND 2016

10. Temporarily Restricted Net Assets

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

	<u>September 30,</u>	
	<u>2017</u>	<u>2016</u>
Capital Needs and Improvements	\$ 159,115	\$ -
Fresh Produce Program	30,000	30,000
Employee Engagement	3,200	-
Measuring the Healthful	-	90,000
General Operations	-	10,000
Kid Pack	-	2,750
	<u>\$ 192,315</u>	<u>\$ 132,750</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>2017</u>	<u>2016</u>
Foods	\$ 4,030,735	\$ 3,326,802
Non-Food Items	86,120	72,940
	<u>\$ 4,116,855</u>	<u>\$ 3,399,742</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 \$34,925 and \$31,808 were made in the years ended September 30, 2017 and 2016, respectively.

THE FOOD GROUP
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017 AND 2016

13. Cash Flow Operating Adjustments

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

	<u>September 30,</u>	
	<u>2017</u>	<u>2016</u>
Depreciation and Amortization	\$ 278,880	\$ 138,204
Contributed Securities	(2,082)	(3,739)
Donated Property	-	(14,813)
Realized Loss on Investment	73	100
(Gain) on Disposal of Property and Equipment	-	(6,367)
Increases (Decreases) in Current Liabilities:		
Accounts Payable	16,065	(25,594)
Deferred Revenue	8,659	-
Accrued Expenses	21,309	24,598
Decreases (Increases) in Current Assets:		
Accounts Receivable	(28,316)	25,107
Grants Receivable	(275,918)	2,184
Prepaid Expense	(6,432)	(31)
Inventory	(110,898)	26,673
Total Adjustments	<u>\$ (98,660)</u>	<u>\$ 166,322</u>