

FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY



Consolidated Financial Statements
(Together with Independent Auditors' Report)

Years Ended June 30, 2016 and 2015

M A R K S P A N E T H

ACCOUNTANTS & ADVISORS

FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY

**CONSOLIDATED FINANCIAL STATEMENTS
(Together with the Independent Auditors' Report)**

YEARS ENDED JUNE 30, 2016 AND 2015

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Food Bank For New York City and Subsidiary

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Food Bank For New York City and Subsidiary (collectively, "Food Bank For NYC"), which comprise the consolidated statements of financial position as of June 30, 2016 and 2015, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain 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 principles 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Food Bank For New York City and Subsidiary at June 30, 2016 and 2015, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information (shown on pages 21-22) as of and for the years ended June 30, 2016 and 2015 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and changes in net assets and cash flows of the individual companies and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Marks Paneth LLP

New York, NY
January 23, 2017

**FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and cash equivalents (Notes 2C and 17)	\$ 4,817,633	\$ 3,092,654
Investments (Notes 2E, 2F, 3 and 4)	2,823,518	5,360,541
Government grants receivable (Notes 2I and 7)	4,223,176	5,301,131
Contributions receivable (Notes 2D and 5)	1,404,712	1,083,894
Accounts receivable, net (Note 2D)	250,102	132,787
Property and equipment, net (Notes 2G and 6)	4,233,388	4,200,905
Prepaid expenses and other assets	179,663	234,942
Purchased products inventory (Notes 2K and 8)	298,999	761,072
Donated products inventory (Notes 2J, 2L and 8)	1,451,457	1,439,489
Investment in Hunts Point Cooperative Market, Inc. (HPMC), net (Notes 9 and 16B)	183,166	207,217
Mortgage costs, net (Note 10)	<u>53,315</u>	<u>59,368</u>
TOTAL ASSETS	<u>\$ 19,919,129</u>	<u>\$ 21,874,000</u>
LIABILITIES		
Accounts payable and accrued expenses	\$ 4,373,208	\$ 3,627,292
Contract advances (Note 2I)	291,120	574,063
Deferred rent (Notes 2M and 16B)	733,040	705,444
Mortgage loan payable (Note 10)	<u>2,018,350</u>	<u>2,135,924</u>
TOTAL LIABILITIES	<u>7,415,718</u>	<u>7,042,723</u>
COMMITMENTS AND CONTINGENCIES (Note 16)		
NET ASSETS (Note 2B)		
Unrestricted :		
Operations	3,485,361	4,643,113
Board-designated (Note 12)	4,650,000	4,650,000
Invested in property and equipment	<u>2,398,204</u>	<u>2,272,198</u>
Total unrestricted	10,533,565	11,565,311
Temporarily restricted (Notes 11 and 12)	1,919,846	3,215,966
Permanently restricted (Note 12)	<u>50,000</u>	<u>50,000</u>
TOTAL NET ASSETS	<u>12,503,411</u>	<u>14,831,277</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 19,919,129</u>	<u>\$ 21,874,000</u>

**FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

	Year Ended June 30, 2016				Year Ended June 30, 2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	2016 Consolidated Total	Unrestricted	Temporarily Restricted	Permanently Restricted	2015 Consolidated Total
PUBLIC SUPPORT AND REVENUE:								
Foundations and corporations (includes in-kind contributions and donated services of \$381,404 in 2016 and \$295,104 in 2015) (Notes 2H and 2L)	\$ 4,255,424	\$ 3,936,905	\$ -	\$ 8,192,329	\$ 4,680,722	\$ 3,715,558	\$ -	\$ 8,396,280
Individuals (Notes 2H and 2L)	7,648,065	177,774	-	7,825,839	6,612,371	1,590,765	-	8,203,136
Special events (net of direct expenses of \$722,970 and \$483,013 in 2016 and 2015, respectively) (Notes 2N and 13)	1,911,062	-	-	1,911,062	1,875,706	100,000	-	1,975,706
Net assets released from restrictions (Notes 2B and 11)	5,410,799	(5,410,799)	-	-	5,434,611	(5,434,611)	-	-
Total public support	<u>19,225,350</u>	<u>(1,296,120)</u>	<u>-</u>	<u>17,929,230</u>	<u>18,603,410</u>	<u>(28,288)</u>	<u>-</u>	<u>18,575,122</u>
Government contracts (Notes 2I, 7 and 16A)	21,864,207	-	-	21,864,207	24,199,138	-	-	24,199,138
Donated food received (Notes 2J and 8)	42,625,454	-	-	42,625,454	42,889,419	-	-	42,889,419
Shared maintenance	197,674	-	-	197,674	141,384	-	-	141,384
Sale of food and paper products	1,538,059	-	-	1,538,059	1,412,649	-	-	1,412,649
Investment activity (Notes 2E and 3)	18,605	-	-	18,605	46,011	270	-	46,281
Other income	139,743	-	-	139,743	111,407	-	-	111,407
Total revenue	<u>66,383,742</u>	<u>-</u>	<u>-</u>	<u>66,383,742</u>	<u>68,800,008</u>	<u>270</u>	<u>-</u>	<u>68,800,278</u>
TOTAL PUBLIC SUPPORT AND REVENUE	<u>85,609,092</u>	<u>(1,296,120)</u>	<u>-</u>	<u>84,312,972</u>	<u>87,403,418</u>	<u>(28,018)</u>	<u>-</u>	<u>87,375,400</u>
EXPENSES (Note 2O):								
Program services:								
Distribution and storage food	62,679,437	-	-	62,679,437	63,052,499	-	-	63,052,499
Research and policy	451,556	-	-	451,556	806,468	-	-	806,468
Nutrition services and education	3,264,668	-	-	3,264,668	5,437,227	-	-	5,437,227
Community kitchen and pantry	2,468,521	-	-	2,468,521	2,503,995	-	-	2,503,995
Income policy	7,357,637	-	-	7,357,637	6,908,410	-	-	6,908,410
Benefit access	2,060,225	-	-	2,060,225	2,125,848	-	-	2,125,848
Total program services	<u>78,282,044</u>	<u>-</u>	<u>-</u>	<u>78,282,044</u>	<u>80,834,447</u>	<u>-</u>	<u>-</u>	<u>80,834,447</u>
Supporting services:								
Management and general	5,417,383	-	-	5,417,383	5,707,695	-	-	5,707,695
Fundraising	2,941,411	-	-	2,941,411	3,412,911	-	-	3,412,911
Total supporting services	<u>8,358,794</u>	<u>-</u>	<u>-</u>	<u>8,358,794</u>	<u>9,120,606</u>	<u>-</u>	<u>-</u>	<u>9,120,606</u>
TOTAL EXPENSES	<u>86,640,838</u>	<u>-</u>	<u>-</u>	<u>86,640,838</u>	<u>89,955,053</u>	<u>-</u>	<u>-</u>	<u>89,955,053</u>
CHANGE IN NET ASSETS	(1,031,746)	(1,296,120)	-	(2,327,866)	(2,551,635)	(28,018)	-	(2,579,653)
Net assets - beginning of year	11,565,311	3,215,966	50,000	14,831,277	14,116,946	3,243,984	50,000	17,410,930
NET ASSETS - END OF YEAR	<u>\$ 10,533,565</u>	<u>\$ 1,919,846</u>	<u>\$ 50,000</u>	<u>\$ 12,503,411</u>	<u>\$ 11,565,311</u>	<u>\$ 3,215,966</u>	<u>\$ 50,000</u>	<u>\$ 14,831,277</u>

The accompanying notes are an integral part of these consolidated financial statements

FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2016
(With Comparative Totals for June 30, 2015)

For the Year Ended June 30, 2016

	Program Services						Supporting Services					Total Supporting Services	Total 2016	Total 2015
	Distribution and Food Storage	Research and Policy	Nutrition Services and Education	Community Kitchen and Pantry	Income Policy	Benefit Access	Total Program Services	Management and General - FB	Management and General - CFRC	Management and General	Fund Raising			
Salaries	\$ 3,499,063	\$ 206,487	\$ 1,045,313	\$ 796,532	\$ 869,400	\$ 1,219,189	\$ 7,635,984	\$ 1,448,191	\$ -	\$ 1,448,191	\$ 905,159	\$ 2,353,350	\$ 9,989,334	\$ 10,324,624
Payroll taxes and employee benefits (Notes 14 and 15)	1,378,054	57,569	343,534	253,512	293,234	415,790	2,741,693	833,033	-	833,033	290,528	1,123,561	3,865,254	3,762,228
Temporary labor	-	-	-	555	-	-	555	13,765	-	13,765	-	13,765	14,320	278,530
Total salaries and related costs	<u>4,877,117</u>	<u>264,056</u>	<u>1,388,847</u>	<u>1,050,599</u>	<u>1,162,634</u>	<u>1,634,979</u>	<u>10,378,232</u>	<u>2,294,989</u>	<u>-</u>	<u>2,294,989</u>	<u>1,195,687</u>	<u>3,490,676</u>	<u>13,868,908</u>	<u>14,365,382</u>
Donated food distributed (Notes 2J and 8)	42,461,684	-	-	-	-	-	42,461,684	-	-	-	-	-	42,461,684	42,800,503
Warehouse	138,277	-	99	13,610	-	-	151,986	345	-	345	-	345	152,331	187,535
Food delivery costs	2,728,880	-	-	115	-	-	2,728,995	76,395	-	76,395	-	76,395	2,805,390	2,777,353
Incoming freight	1,232,588	-	-	-	-	-	1,232,588	11,332	-	11,332	-	11,332	1,243,920	1,186,855
Value-added product costs	2,325,351	-	-	-	-	-	2,325,351	-	-	-	-	-	2,325,351	1,369,174
Occupancy costs (Note 16B)	1,373,201	120,651	315,919	116,498	128,241	135,430	2,189,940	613,437	-	613,437	93,263	706,700	2,896,640	2,824,794
Food purchased for distribution (Note 8)	6,415,499	-	26,477	-	-	-	6,441,976	-	-	-	-	-	6,441,976	8,318,601
Insurance	-	-	3,118	-	1,750	-	4,868	179,266	-	179,266	-	179,266	184,134	168,199
Interest (Note 10)	-	-	-	99,920	-	-	99,920	-	-	-	-	-	99,920	104,980
Direct mail	-	-	-	-	-	-	-	-	-	-	1,062,088	1,062,088	1,062,088	1,090,703
Consultant and professional fees	1,428	42,900	4,100	120,246	16,769	24,155	209,598	669,693	-	669,693	135,845	805,538	1,015,136	1,677,255
Media and design services	-	1,762	2,369	-	-	-	4,131	98,083	-	98,083	9,119	107,202	111,333	133,357
Annual conference	157,378	-	-	-	-	-	157,378	-	-	-	-	-	157,378	168,927
Professional development	17,533	15,412	2,857	913	7,436	1,413	45,564	28,410	-	28,410	5,969	34,379	79,943	146,075
Site monitoring and local travel	17,804	-	-	-	25,773	42	43,619	2,647	-	2,647	62	2,709	46,328	31,897
Computer and website maintenance	18,281	-	1,184	2,075	23,250	9,421	54,211	273,734	-	273,734	7,848	281,582	335,793	273,313
Media outreach	-	-	32,664	-	171,036	13,286	216,986	-	-	110,557	-	-	216,986	1,375,367
Participant incentives	12,208	-	293,870	90	2,101,757	6,507	2,414,432	-	-	58,234	-	-	2,414,432	1,990,430
Cooking equipment and curriculum materials	2,767	-	445,282	2,075	-	-	450,124	-	-	-	-	-	450,124	1,100,581
Capacity grants	457,113	-	-	-	146,586	96,250	699,949	-	-	-	-	-	699,949	664,663
Other program expenses	173,916	2,950	592,799	860,777	162,133	8,214	1,800,789	257,070	-	88,279	59,572	316,642	2,117,431	1,593,513
Temporary and seasonal services directly funded programs	-	-	3,224	-	3,307,375	554	3,311,153	-	-	-	-	-	3,311,153	3,171,268
Dues and subscriptions	32,744	273	-	-	5,354	-	38,371	22,498	-	22,498	118,621	141,119	179,490	155,878
Office expenses	2,636	150	(942)	3,194	7,981	900	13,919	291,473	-	291,473	994	292,467	306,386	384,129
Telephone and communication	600	-	6,304	4,458	3,582	1,102	16,046	210,411	-	210,411	-	210,411	226,457	299,968
Printing and postage	15,081	2,403	2,638	-	7,202	10	27,334	55,807	-	55,807	66,796	122,603	149,937	143,849
Repairs and maintenance	18,727	-	-	62,037	8,600	-	89,364	21,230	-	21,230	-	21,230	110,594	109,142
Bad Debt	-	-	-	-	-	-	-	44,136	-	44,136	-	44,136	44,136	-
Expensed equipment (Note 2G)	18,477	-	210	17,991	7,258	4,565	48,501	91,748	-	91,748	-	91,748	140,249	290,529
Other expenses	4,859	999	19	2,148	39,134	-	47,159	336,130	(241,215)	94,915	91,881	186,796	233,955	213,731
Total expenses before depreciation and amortization and excluding donated food	<u>62,504,149</u>	<u>451,556</u>	<u>3,121,038</u>	<u>2,356,746</u>	<u>7,333,851</u>	<u>1,936,828</u>	<u>77,704,168</u>	<u>5,578,834</u>	<u>(241,215)</u>	<u>5,337,619</u>	<u>2,847,745</u>	<u>8,185,364</u>	<u>85,889,532</u>	<u>89,117,951</u>
Depreciation and amortization (Notes 2G and 6)	<u>175,288</u>	<u>-</u>	<u>143,630</u>	<u>111,775</u>	<u>23,786</u>	<u>123,397</u>	<u>577,876</u>	<u>79,764</u>	<u>-</u>	<u>79,764</u>	<u>93,666</u>	<u>173,430</u>	<u>751,306</u>	<u>837,102</u>
TOTAL EXPENSES	<u>\$ 62,679,437</u>	<u>\$ 451,556</u>	<u>\$ 3,264,668</u>	<u>\$ 2,468,521</u>	<u>\$ 7,357,637</u>	<u>\$ 2,060,225</u>	<u>\$ 78,282,044</u>	<u>\$ 5,658,598</u>	<u>\$ (241,215)</u>	<u>\$ 5,417,383</u>	<u>\$ 2,941,411</u>	<u>\$ 8,358,794</u>	<u>\$ 86,640,838</u>	<u>\$ 89,955,053</u>

The accompanying notes are an integral part of these consolidated financial statements.

**FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2015**

For the Year Ended June 30, 2015

	Program Services						Supporting Services			Total 2015	
	Distribution and Food Storage	Research and Policy	Nutrition Services and Education	Community Kitchen and Pantry	Income Policy	Benefit Access	Total Program Services	Management and General	Fund Raising		Total Supporting Services
Salaries	\$ 3,257,377	\$ 317,511	\$ 1,317,316	\$ 740,107	\$ 927,501	\$ 1,091,536	\$ 7,651,348	\$ 1,376,075	\$ 1,297,201	\$ 2,673,276	\$ 10,324,624
Payroll taxes and employee benefits (Notes 14 and 15)	1,315,394	80,726	411,188	274,263	328,048	431,619	2,841,238	591,871	329,119	920,990	3,762,228
Temporary labor	8,452	-	143,544	56,468	10,052	57,388	275,904	2,626	-	2,626	278,530
Total salaries and related costs	<u>4,581,223</u>	<u>398,237</u>	<u>1,872,048</u>	<u>1,070,838</u>	<u>1,265,601</u>	<u>1,580,543</u>	<u>10,768,490</u>	<u>1,970,572</u>	<u>1,626,320</u>	<u>3,596,892</u>	<u>14,365,382</u>
Donated food distributed (Notes 2J and 8)	42,799,210	-	1,293	-	-	-	42,800,503	-	-	-	42,800,503
Warehouse	175,754	-	-	7,689	1,899	-	185,341	2,194	-	2,194	187,535
Food delivery costs	2,754,901	-	385	-	-	-	2,755,286	22,067	-	22,067	2,777,353
Incoming freight	1,178,209	-	-	-	-	-	1,178,209	8,646	-	8,646	1,186,855
Value-added product costs	1,369,174	-	-	-	-	-	1,369,174	-	-	-	1,369,174
Occupancy costs (Note 16B)	758,084	171,523	404,034	85,917	128,278	332,513	1,880,349	713,131	231,314	944,445	2,824,794
Food purchased for distribution (Note 8)	8,275,867	-	42,602	132	-	-	8,318,601	-	-	-	8,318,601
Insurance	62,213	-	12,199	1,829	12,199	12,879	101,319	64,440	2,440	66,880	168,199
Interest (Note 10)	-	-	-	104,980	-	-	104,980	-	-	-	104,980
Direct mail	-	-	-	-	2,515	-	2,515	23,635	1,064,553	1,088,188	1,090,703
Consultant and professional fees	32,835	217,722	193,348	16,088	45,817	1,309	507,119	861,792	308,344	1,170,136	1,677,255
Media and design services	643	-	-	-	2,898	-	3,541	129,801	15	129,816	133,357
Annual conference	2,557	-	-	-	-	-	2,557	166,370	-	166,370	168,927
Professional development	17,628	14,106	45,349	-	3,944	4,920	85,947	51,780	8,347	60,128	146,075
Site monitoring and local travel	19,413	54	2,395	-	9,218	172	31,252	553	92	645	31,897
Computer and website maintenance	746	200	1,080	-	18,486	720	21,232	251,605	476	252,081	273,313
Media outreach	14,488	-	920,422	-	230,321	18,781	1,184,012	190,904	451	191,355	1,375,367
Participant incentives	31,704	-	160,424	314	1,786,662	11,326	1,990,430	-	-	-	1,990,430
Cooking equipment and curriculum materials	927	-	1,096,168	3,486	-	-	1,100,581	-	-	-	1,100,581
Capacity grants	562,315	-	-	11,922	74,420	16,006	664,663	-	-	-	664,663
Other program expenses	64,625	1,770	503,783	999,079	510	2,244	1,572,011	21,210	292	21,502	1,593,513
Temporary and seasonal services directly funded programs	253	-	-	-	3,170,755	-	3,171,008	260	-	260	3,171,268
Dues and subscriptions	57,304	95	-	-	20	-	57,419	58,103	40,356	98,459	155,878
Office expenses	26,449	450	13,531	4,322	32,074	2,154	78,980	302,681	2,468	305,149	384,129
Telephone and communication	-	-	-	-	16,912	1,575	18,487	281,481	-	281,481	299,968
Printing and postage	5,168	2,154	99	1,672	945	-	10,038	120,205	13,606	133,811	143,849
Repairs and maintenance	43,832	-	-	48,964	2,428	-	95,224	13,918	-	13,918	109,142
Expensed equipment (Note 2G)	9,520	-	-	20,164	45,346	717	75,747	212,847	1,935	214,782	290,529
Other expenses	8,837	122	5,320	8,365	29,946	168	52,758	155,171	5,802	160,973	213,731
Total expenses before depreciation and amortization and excluding donated food	<u>62,853,879</u>	<u>806,434</u>	<u>5,274,479</u>	<u>2,385,760</u>	<u>6,881,194</u>	<u>1,986,027</u>	<u>80,187,773</u>	<u>5,623,367</u>	<u>3,306,811</u>	<u>8,930,178</u>	<u>89,117,951</u>
Depreciation and amortization (Notes 2G and 6)	<u>198,620</u>	<u>34</u>	<u>162,748</u>	<u>118,235</u>	<u>27,216</u>	<u>139,821</u>	<u>646,674</u>	<u>84,328</u>	<u>106,100</u>	<u>190,428</u>	<u>837,102</u>
TOTAL EXPENSES	<u>\$ 63,052,499</u>	<u>\$ 806,468</u>	<u>\$ 5,437,227</u>	<u>\$ 2,503,995</u>	<u>\$ 6,908,410</u>	<u>\$ 2,125,848</u>	<u>\$ 80,834,447</u>	<u>\$ 5,707,695</u>	<u>\$ 3,412,911</u>	<u>\$ 9,120,606</u>	<u>\$ 89,955,053</u>

The accompanying notes are an integral part of these consolidated financial statements.

**FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (2,327,866)	\$ (2,579,653)
Adjustments to reconcile change in net assets to net cash provided by (used in) provided by operating activities:		
Depreciation and amortization	751,306	837,102
Amortization of mortgage costs	6,053	6,052
Net realized and unrealized gain on investments	4,169	(3,069)
Bad debts	44,136	-
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Government grants receivable	1,077,955	(23,976)
Contributions receivable	(320,818)	(574,941)
Accounts receivable	(161,451)	15,936
Prepaid expenses and other assets	55,279	1,651
Purchased products inventory	462,073	(338,932)
Donated products inventory	(11,968)	(153,102)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	745,916	866,994
Contract advances	(282,943)	191,491
Deferred rent	27,596	83,669
Net Cash Provided by (Used in) Provided by Operating Activities	69,437	(1,670,778)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investments	4,816,381	4,667,889
Purchase of investments	(2,283,527)	(4,781,316)
Purchases of property and equipment	(759,738)	(567,195)
Net Cash Provided by (Used in) Investing Activities	1,773,116	(680,622)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of mortgage payable	(117,574)	(117,574)
Net Cash Used in Financing Activities	(117,574)	(117,574)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,724,979	(2,468,974)
Cash and Cash Equivalents - beginning of year	3,092,654	5,561,628
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 4,817,633	\$ 3,092,654
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for interest	\$ 99,920	\$ 104,980

**FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

Food Bank For New York City (“Food Bank For NYC”) was incorporated in the State of New York in 1983 pursuant to the Not-for-Profit Corporation Law. Food Bank For NYC was determined to be a publicly supported organization by the Internal Revenue Service (IRS) and is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC). Incorporated in New York State in 2000, Community Food Resources Center Property, Inc. (“CFRC”) is a wholly owned subsidiary of Food Bank For NYC. CFRC is a Section 501(c)(2) organization whose purpose is to hold title to property and turn over all of its earnings, less expenses, to Food Bank For New York City and, accordingly, is exempt from Federal and state income taxes. Collectively, these two entities are referred to as “Food Bank For NYC”.

Food Bank For NYC solicits, collects, stores, and distributes surplus and donated food products to qualified tax-exempt organizations that provide free food to the poor, ill, needy, homeless, or homebound. It advocates for improved government policies and programs, while its programs and services promote access to nutritious food and adequate income for all New Yorkers. Food Bank For NYC is funded substantially through grants and contracts awarded by government agencies, private foundations, corporations, and individuals.

Food Bank For NYC is a member of Feeding America, the Nation’s Food Bank Network, and the Food Bank Association of New York State. Food Bank For NYC utilizes the information provided by Feeding America in determining the value of its donated inventory (see Note 8).

The mission of Food Bank For NYC is to end hunger by organizing food, information, and support for community survival and dignity. In addition to its established food sourcing, warehousing, and distribution operation, Food Bank For NYC conducts the following programs and services:

Community Kitchen and Food Pantry: Opened in 1984, the Community Kitchen and Food Pantry of West Harlem (the Kitchen) is a resource and service center for the community of West Harlem. The Kitchen operates five innovative programs: a five days-per-week congregate meal program; a consumer choice food pantry; the Positive Living Program for people with HIV/AIDS; a community-supported agriculture program; and, a program connecting individuals and families to income support programs, including food stamps, health care enrollment, financial counseling, tax assistance, and rent, mortgage and utility assistance.

Food and Benefits Access: Food Bank For NYC provides services to inform and educate low-income New Yorkers about government food assistance programs and to help communities move toward more sustainable solutions to combat food poverty. It also conducts Food Stamp Program training and provides technical assistance on eligibility screening for community-based organizations. In addition, its services are provided directly to thousands of clients annually.

Food and Nutrition Services and Education: Food Bank For NYC provides nutrition education for children, teens, and adults, encourages the development of healthy diets, and promotes healthy eating in low-income communities using social marketing and media. Food Bank For NYC’s core nutrition education program is CookShop, which reaches approximately 30,000 low-income children, teens, and adults across New York City. This program includes: CookShop Classroom, a set of nutrition education curricula being taught in more than 1,300 classrooms in public elementary schools and after-school programs citywide; CookShop for Adults, a complementary curriculum that brings nutrition education to parents and caregivers at participating CookShop schools; CookShop for Teens, or EATWISE (Educated and Aware Teens Who Inspire Smart Eating), a peer-based nutrition education and leadership development program targeting high school-age youth; and CookShop Social Marketing, which uses diverse media in schools and communities to reach more than 125,000 teens with messages promoting healthy food choices.

Income Policy: An essential part of Food Bank For NYC’s income efforts, the Income Policy Program, provides low- to moderate-income New Yorkers with free tax preparation services, as well as information on how to access the various credits of which they are entitled. As evidenced by the Earned Income Tax Credit (EITC) program, which alone can be worth up to thousands of dollars for families, Food Bank For NYC’s free and low-cost tax services for the working poor can be a significant step up from food poverty and enable individuals to begin creating a viable financial future.

**FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. **Basis of Accounting** – Food Bank For NYC adheres to accounting principles generally accepted in the United States of America (“U.S. GAAP”) and prepares its consolidated financial statements using the accrual method of accounting. The accompanying consolidated financial statements consist of the accounts of Food Bank For NYC and CFRC (collectively, Food Bank For NYC). All inter-company transactions are eliminated. In presenting the operating activity, the receipt and distribution of donated food is reported separately. Its non-operating activities include funds received for capital projects or software development and its income from investments.
- B. **Net Asset Classification** – Food Bank For NYC maintains its net assets under the following three classes:
- Unrestricted:
 - Operating - this represents resources received that have not been restricted by the donor and that have no time restrictions. Such resources are available for support of Food Bank For NYC’s operations over which the Board of Directors has discretionary control.
 - Board Designated Fund - consists of funds designated by the Board of Directors which represents a portion of Food Bank For NYC’s unrestricted net assets as an operating reserve for extraordinary events and any governmental funding reductions that may cause hardship for Food Bank For NYC. The operating reserve may also be used to expand, purchase, and lease equipment and warehouse space. The Board reviews the amount of the operating reserve annually. The operating reserve is not credited or charged with Food Bank For NYC’s investment results.
 - Invested in property and equipment – includes property and equipment, investment in Hunts Point Cooperative Market, Inc. and mortgage loan payable.
 - Temporarily Restricted – resources received with donor stipulations that limit the use of the donated assets or that have time restrictions placed on their use. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities as net assets released from restrictions.
 - Permanently Restricted – represents assets subject to donor-imposed stipulations that the corpus be maintained permanently by Food Bank For NYC.
- C. **Cash and Cash Equivalents** – Food Bank For NYC considers money market fund investments and all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.
- D. **Contributions and Accounts Receivables** – Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows if deemed material to the consolidated financial statements. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met. Food Bank For NYC’s management evaluates the need for an allowance for doubtful accounts applicable to its contributions and accounts receivable based on a combination of factors such as management’s estimate of the creditworthiness of its donors, a review of individual accounts outstanding, and the aged basis of the receivables, current economic conditions and historical experience. As of June 30, 2016 and 2015, Food Bank For NYC determined that an allowance of approximately \$44,000 and \$0, respectively, was necessary for its accounts receivable.
- E. **Investments** – Investments are carried at fair value. Net appreciation/(depreciation) in the fair value of investments, which includes realized and unrealized gains and losses, interest and dividends on those investments, is reported in the statements of activities as increases and decreases in unrestricted net assets, unless their use is restricted by explicit donor stipulations or by law. Cost basis is determined on the date of purchase. Securities received as gifts are recorded at fair value at the date of the gift. Investment securities are exposed to various risks such as interest rate, market, and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in value of investment securities, it is at least possible that changes in risks in the near term could materially affect investment balances.

**FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- F. **Fair Value Measurements** – Investments are stated at fair value. Fair value measurements are based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three levels, as reported in Note 4.
- G. **Property and Equipment** – Property and equipment, including leasehold improvements, are recorded at cost less accumulated depreciation and amortization. These amounts do not purport to represent replacement or realizable values. Depreciation and amortization are provided on a straight-line basis and, relative to leasehold improvements, over the shorter of the term of the lease or the estimated useful lives of the assets. Food Bank For NYC capitalizes property and equipment with cost of \$5,000 or more with a useful life of greater than two years. Upon retirement or disposal, the asset cost and related accumulated depreciation and amortization are eliminated from the respective accounts and the resulting gain or loss is included in the changes in net assets for the period.
- H. **Support and Revenue** – Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulations or law. Expenses are reported as decreases in unrestricted net assets. Contributions with donor-imposed restrictions, such as time or purpose restrictions, are recorded as temporarily restricted net assets. When donor-imposed time restrictions expire, or a donor-imposed purpose restriction is fulfilled, the temporarily restricted net assets are released to unrestricted net assets.

Investment income and net realized and unrealized gain (loss) on investments of temporarily and permanently restricted net assets are reported as follows:

- As increases (decreases) in temporarily restricted net assets if the terms of the gift impose restrictions on the current use of the investment income and unappropriated earnings from endowment funds.
- As increases (decreases) in unrestricted net assets in all other cases.

- I. **Government Grants and Contracts** – Revenue from cost reimbursement-based government contracts is recognized when reimbursable costs are incurred under the terms of the contracts. Revenue from performance-based government contracts is recognized when performance objectives pursuant to the contract have been accomplished. Funds are received in either predetermined installments or in increments based on estimated or actual expenditures for the period. Accordingly, grant income under these awards is recognized in amounts equal to actual expenditures incurred. Contract payments received in advance of the qualified cost or performance are accounted for as contract advances.
- J. **Government-provided Products** – Food Bank For NYC receives food commodities for distribution to designated recipients under The Emergency Food Assistance Program (“TEFAP”), granted by New York State, and under the Emergency Food Assistance Program (“EFAP”), granted by New York City. These commodities are considered pass-through products and are not included in the accompanying consolidated financial statements. Food Bank For NYC is responsible for safekeeping government food products held in inventory. Food Bank For NYC receives reimbursement from the State of New York and New York City for administrative costs incurred in the receipt, storage, and distribution of these food products.
- K. **Purchased Products Inventory** – Purchased products inventory consists of food and food service supplies used to fulfill obligations under certain government contracts and for resale to member organizations. Inventory is stated at the lower of cost or market using the first-in, first-out method.

Reimbursements received for products delivered under government contracts and proceeds from sales to member organizations are recognized as revenue, while related costs are included in program services as distribution and food storage.

**FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- L. **Donated Goods and Services** – Donated food, financial instruments, and other non-cash items are recorded as contributions at fair value at the time of receipt. The fair value of donated food is calculated by utilizing the approximate average wholesale value of one pound of donated product at the national level (see Note 8). Donated services are reported as contributions when the services create or enhance nonfinancial assets, would be purchased if they had not been provided by contribution, require specialized skills and are provided by individuals possessing those skills. Members of the Board of Directors and a substantial number of volunteers have made significant contributions of their time in support of Food Bank For NYC. The value of this contributed time is not reflected in these consolidated financial statements since these services do not meet the criteria for recognition.

Food Bank For NYC recognized contributed services, primarily legal services amounting to approximately \$381,404 and \$295,104, as in-kind contributions in the accompanying consolidated statement of activities for the years ended June 30, 2016 and 2015, respectively.

- M. **Deferred Rent** – Food Bank For NYC leases real property under operating leases expiring on various dates (see Note 16B) and the lease agreements contain scheduled future rent increases. U.S. GAAP requires that long-term leases, with scheduled rent increases, be accounted for by accelerating the impact of the future increases into the current periods, thereby smoothing the effects of the future increases in costs. This accounting treatment is commonly referred to as “straight-lining of rent”. The difference between rent expense, under this method, and the lower rental amounts actually paid to the landlord is reported as a “deferred rent” obligation in the accompanying consolidated statements of financial position. The change in the deferred rent liability is reflected as a non-operating item in the accompanying consolidated statements of activities. As of June 30, 2016 and 2015, Food Bank For NYC recorded an adjustment to rent expense to reflect its straight-line policy that amounted to approximately \$28,000 and \$84,000, respectively, as an decrease in expense.
- N. **Special Events Direct Costs** – The direct costs of special events include expenses for the benefit of the donor. For example, meals and facilities rental are considered direct costs of special events.
- O. **Functional Allocation of Expenses** – The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying consolidated statements of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited based on usage or other equitable bases established by management.
- P. **Use of Estimates** – The preparation of financial statements in conformity with U.S. GAAP requires Food Bank For NYC’s management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.
- Q. **Reclassifications** – Certain accounts in the June 30, 2015 financial information have been reclassified to conform to the June 30, 2016 presentation. Such reclassifications did not change the total net assets.

**FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE 3 – INVESTMENTS

Investments consist of the following as of June 30, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Certificates of deposit	\$ 2,818,560	\$ 5,354,745
Equities	4,958	5,796
	<u>\$ 2,823,518</u>	<u>\$ 5,360,541</u>

Investment activity consists of the following for the years ended June 30, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Interest income	\$ 22,910	\$ 43,550
Net realized (loss) gain on investments	(141)	979
Net unrealized (loss) gain on investments	(4,164)	1,752
	<u>\$ 18,605</u>	<u>\$ 46,281</u>

NOTE 4 – FAIR VALUE MEASUREMENTS

The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

Level 2 - Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the assets or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2016 and 2015.

Certificates of Deposit:

Certificates of deposit ("CD's") are valued at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the creditworthiness of the issuer. There is little difference between such calculation and cost. Accordingly, Food Bank For NYC carries its CD's at cost.

Equities:

Equities are valued at the closing price reported on the active market on which the individual securities are traded.

Financial assets carried at fair value at June 30, 2016 are classified as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>2016 Total</u>
Cash and cash equivalents	\$ -	\$ -	\$ -
Investments:			
Certificates of deposit	-	2,818,560	2,818,560
Equities	4,958	-	4,958
	<u>4,958</u>	<u>2,818,560</u>	<u>2,823,518</u>
Total assets carried at fair value	<u>\$ 4,958</u>	<u>\$ 2,818,560</u>	<u>\$ 2,823,518</u>

**FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE 4 – FAIR VALUE MEASUREMENTS (Continued)

Financial assets carried at fair value at June 30, 2015 are classified as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>2015 Total</u>
Cash and cash equivalents	\$ 271,970	\$ -	\$ 271,970
Investments:			
Certificates of deposit	-	5,354,745	5,354,745
Equities	5,796	-	5,796
	<u>5,796</u>	<u>5,354,745</u>	<u>5,360,541</u>
Total assets carried at fair value	<u>\$ 277,766</u>	<u>\$ 5,354,745</u>	<u>\$ 5,632,511</u>

NOTE 5 – CONTRIBUTIONS RECEIVABLE

Contributions receivable consist of the following, as of June 30, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Due less than one year	\$ 1,204,712	\$ 1,083,894
Due between one year and five years	200,000	-
	<u>\$ 1,404,712</u>	<u>\$ 1,083,894</u>

NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of June 30, 2016 and 2015:

	<u>2016</u>	<u>2015</u>	<u>Estimated Useful Lives</u>
Land	\$ 137,957	\$ 137,957	
Building	551,830	551,830	40 years
Building improvements	1,388,746	1,388,746	10-40 years
Office equipment and computers	1,325,173	2,462,388	5 years
Warehouse equipment	277,066	1,340,886	5 years
Vehicles	767,832	653,726	3-7 years
Leasehold improvements	4,830,234	4,912,557	3-30 years
Furniture, fixtures, and equipment	80,091	913,685	5 years
Construction in progress (see below)	156,321	-	
	<u>9,515,250</u>	<u>12,361,775</u>	
Less: Accumulated depreciation and amortization	<u>(5,281,862)</u>	<u>(8,160,870)</u>	
Net book value	<u>\$ 4,233,388</u>	<u>\$ 4,200,905</u>	

For the years ended June 30, 2016 and 2015, depreciation and amortization expense amounted to \$727,258 and \$813,052 respectively. During the year ended June 30, 2016, Food Bank for NYC wrote off fully depreciated assets amounting to \$3,606,266.

As of June 30, 2016, construction in progress consists of an installation project of several bay doors at Food Bank for NYC's warehouse which is located in the Bronx, New York. The project was completed in November 2016 and future costs was approximately \$42,000.

**FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE 7 – GOVERNMENT CONTRACTS

Revenue recognized from government contracts consists of the following as of June 30, 2016 and 2015:

	2016	2015
New York City Human Resources Administration:		
Emergency Food Assistance Program (City)		
Service fees	\$ 1,944,895	\$ 1,250,396
New York State Department of Health Division of Nutrition, Hunger Prevention Nutrition Assistance Program (Federal/State)		
Service fees	3,411,776	1,542,502
Food costs	2,241,080	2,790,357
State of New York Office of General Services, Division of Food Distribution and Warehousing, The Emergency Food Assistance Program (Federal)		
Service fees	2,952,268	2,667,977
State of New York Office of General Services, Division of Food Distribution and Warehousing, Emergency Food Assistance Program (Federal)		
Service fees	-	5,834
Food costs	-	355,776
New York City Human Resources Administration:		
City Council Discretionary Grant Program (City)		
Service fees	-	133,075
Food costs	-	1,166,883
New York City Human Resources Administration (HRA)	109,255	2,811,846
New York State Department of Health	70,000	69,677
New York City Department for the Aging	391,602	379,012
New York City Council	282,271	599,917
New York State Department of Health Social Services Block Grant	2,544,455	3,853,531
New York City Department of Consumer Affairs	2,007,340	1,699,800
United Way Targeted Food Stamp Outreach Program	313,061	372,701
U.S. Department of Health/Structured Employment Economic Development Corporation (SEEDCO)	112,611	187,822
U.S. Department of Homeland Security Emergency Food and Shelter National Board	288,465	-
New York State Office of Temporary and Disability Assistance (OTDA)	2,734,090	1,861,783
Mayor's Fund to Advance New York City	214,794	359,297
New York State Corporation for National and Community Service	10,275	33,647
New York City Center for Economic Opportunity	1,779,056	1,752,404
Internal Revenue Service	105,950	100,000
New York City HRA/ResCare Workforce Services	58,584	64,907
New York City Economic Development Corporation	206,178	139,994
New York City Department of Youth and Community Development	86,201	-
	\$ 21,864,207	\$ 24,199,138

Government contracts receivable amounted to \$4,223,176 and \$5,301,131 as of June 30, 2016 and 2015, respectively.

**FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE 8 – FOOD AND OTHER PRODUCTS DISTRIBUTION PROGRAM

Food and other products distributed by Food Bank For NYC are provided by various sources, such as donations from the food industry, public food drives, food purchases by Food Bank For NYC, and government-provided products. The total pounds and value of products distributed to more than 1,000 feeding programs for the years ended June 30, 2016 and 2015 were as follows:

	<u>2016</u>		<u>2015</u>	
	<u>Poundage</u>	<u>Value</u>	<u>Poundage</u>	<u>Value</u>
Donated food	24,384,598	\$ 42,461,684	24,525,789	\$ 42,800,503
Purchased food	10,590,053	6,441,976	12,036,768	8,318,601
Government programs	<u>39,988,281</u>	<u>28,576,940</u>	<u>39,905,655</u>	<u>27,202,925</u>
	<u>74,962,932</u>	<u>\$ 77,480,600</u>	<u>76,468,212</u>	<u>\$ 78,322,029</u>

The valuation of donated food received, donated food distributed, and donated food inventory is based on the approximate average wholesale value of one pound of donated product at the national level of \$1.67, \$1.70 and \$1.72 for the years ended December 31, 2016, 2015 and 2014, respectively, as calculated by Feeding America. Donated food inventory amounted to \$1,451,457 and \$1,439,489 at June 30, 2016 and 2015, respectively.

Purchased food for the years ended June 30, 2016 and 2015 included 444,076 pounds and 312,318 pounds, respectively, of wholesale produce bought from New York State farms under the Wholesale Purchase Produce Program piloted by Food Bank For NYC.

Government-provided food commodities on hand as of June 30, 2016 and 2015 amounted to approximately \$2,304,000 and \$2,208,000, respectively. As discussed in Note 2J, these products are not included in the accompanying consolidated financial statements.

For its non-government-donated food program, Food Bank For NYC charged a shared maintenance fee (SMF), which ranges from \$0.05 to \$0.18 per pound, to its member agencies to partially defray its operating expenses. Many donated items—specifically fresh produce, bread, and food drive products—are distributed free of SMF charges. Certain agency distributions of donated food are covered by governmental and foundation grant support. Poundage of donated food distributions with and without SMFs was as follows:

	<u>2016</u>	<u>2015</u>
Donated food, except fresh produce:		
Pounds distributed subject to SMF	1,763,322	1,455,535
Pounds distributed free of SMF	<u>5,114,474</u>	<u>6,184,291</u>
	6,877,796	7,639,826
Fresh produce (not subject to SMF)	<u>17,507,162</u>	<u>16,885,963</u>
Total donated pounds distributed	<u>24,384,598</u>	<u>24,525,789</u>

NOTE 9 – INVESTMENT IN HUNTS POINT COOPERATIVE MARKET, INC.

Food Bank For NYC owns 8,361 shares of cooperative stock in Hunts Point Cooperative Market, Inc. (HPCM), which entitles it to occupy and use the warehouse and office premises in Hunts Point, New York City, under a sublease agreement with HPCM (see Note 16). The cost of the shares, which originally amounted to \$661,394, is amortized to expense on a straight-line basis over the life of the underlying lease at an annual rate of \$24,051.

**FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE 10 – MORTGAGE LOAN PAYABLE

On August 1, 2014, Food Bank For NYC refinanced, with a financial institution (Lender Bank), substantially all of the mortgage loan payable as of June 30, 2014 to a prior lender. The refinanced mortgage principal amounted to \$2,351,476, payable in 119 monthly principal amounts of \$9,798 commencing September 1, 2014 and a balloon principal payment of \$1,185,535 due on August 1, 2023. The new mortgage loan (the Loan) bears interest at 4.72% per year, payable monthly on the dates the principal installments are due, computed based on the actual number of elapsed days over 360 days. The Loan is collateralized by a security agreement that grants the Lender Bank a security interest in all present and future tangible and intangible assets of CFRC and a guarantee from Food Bank For NYC. Food Bank For NYC must comply with certain administrative and financial covenants which it has done.

Future annual principal payments for the years ending after June 30, 2016 are as follows:

2017	\$	117,574
2018		117,574
2019		117,574
2020		117,574
2021		117,574
Thereafter		<u>1,430,480</u>
	\$	<u>2,018,350</u>

Interest expense amounted to \$99,920 and \$104,980 for the years ended June 30, 2016 and 2015, respectively.

NOTE 11 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following as of June 30, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Available for donor-specified purposes:		
Food distribution	\$ 723,329	\$ 765,380
Renovation of facilities	296,900	1,143,843
Advocacy and education	399,726	132,993
Children's feeding and nutrition programs	164,621	894,429
Income policy	335,000	279,051
Unappropriated earnings from endowment	270	270
	<u>\$ 1,919,846</u>	<u>\$ 3,215,966</u>

Net assets were released from donor restrictions during the years ended June 30, 2016 and 2015, by incurring expenses satisfying the restricted purpose or occurrence specified by the donors and consists of the following:

	<u>2016</u>	<u>2015</u>
Food distribution	\$ 958,824	\$ 2,035,012
Income policy	1,814,510	1,951,303
Children's feeding and nutrition programs	1,210,332	843,980
Advocacy and education	313,266	490,933
Capacity building grant	-	87,732
Renovation of facilities	<u>1,113,867</u>	<u>25,651</u>
	<u>\$ 5,410,799</u>	<u>\$ 5,434,611</u>

**FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE 12 – NET ASSETS AND ENDOWMENTS

Endowment net assets consist of donor-restricted funds and a board designated endowment. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on existence or absence of donor imposed restrictions. See Note 2B for how Food Bank For NYC maintains its net assets.

Food Bank For NYC adheres to the New York Prudent Management of Institutional Funds Act (“NYPMIFA”). NYPMIFA creates a rebuttable presumption of imprudence if an organization appropriates more than 7% of a donor-restricted permanent endowment fund’s fair value (averaged over a period of not less than the preceding five years) in any year. Any unappropriated earnings that would otherwise be considered unrestricted by the donor will be reflected as temporarily restricted until appropriated, by the organization.

Food Bank For NYC’s Board has interpreted NYPMIFA as allowing Food Bank For NYC to appropriate for expenditure or accumulate so much of an endowment fund as Food Bank For NYC determines is prudent for the uses, benefits, purposes and duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument. Unless stated otherwise, the assets in a donor-restricted endowment fund shall be donor-restricted assets until appropriated for expenditure by the Board.

As a result of this interpretation, Food Bank For NYC has not changed the way permanently restricted net assets are classified. Food Bank For NYC records earnings as temporarily restricted net assets until appropriated for expenditure by the Board in a manner consistent with the standard of prudence described by NYPMIFA.

In accordance with U.S. GAAP, any deterioration of the fair value of assets associated with donor-restricted endowment funds that falls below the level the donor requires Food Bank For NYC to retain to perpetuity is to be reported in unrestricted net assets. Food Bank For NYC has not incurred such deficiencies in its endowment funds as of June 30, 2016 and 2015.

Food Bank For NYC has adopted investment policies whereby the endowment assets are invested in a manner intended to preserve the assets of donor-restricted funds that Food Bank For NYC must hold in perpetuity while assuming a low level of investment risk. Therefore, the investment objectives require disciplined and consistent management philosophies that accommodate all relevant, reasonable, and probable events. In addition, a periodic review of the total rate of return is required. The Board appropriates for expenditures such amounts it determines may be used to support Food Bank For NYC activities.

Changes in endowment net assets for the year ended June 30, 2016 were as follows:

	Unrestricted (Board- designated)	Temporarily Restricted	Permanently Restricted	2016 Total
Balance, at beginning of year	\$ 4,650,000	\$ 270	\$ 50,000	\$ 4,700,270
Investment income	-	18,605	-	18,605
Appropriated for expenditure	-	(18,605)	-	(18,605)
Endowment net assets, end of year	<u>\$ 4,650,000</u>	<u>\$ 270</u>	<u>\$ 50,000</u>	<u>\$ 4,700,270</u>

Changes in endowment net assets for the year ended June 30, 2015 were as follows:

	Unrestricted (Board- designated)	Temporarily Restricted	Permanently Restricted	2015 Total
Balance, at beginning of year	\$ 4,450,000	\$ -	\$ 50,000	\$ 4,500,000
Amount designated during the year	200,000	-	-	200,000
Investment income	-	46,281	-	46,281
Appropriated for expenditure	-	(46,011)	-	(46,011)
Endowment net assets, end of year	<u>\$ 4,650,000</u>	<u>\$ 270</u>	<u>\$ 50,000</u>	<u>\$ 4,700,270</u>

**FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE 13 – SPECIAL EVENTS

Food Bank For NYC hosts special events to raise funds. Net support from special events for the year ended June 30, 2016 was as follows:

	<u>Support</u>	<u>Direct Costs</u>	<u>2016 Special Events</u>
CAN Do Awards	\$ 2,203,466	\$ 564,380	\$ 1,639,086
Other special events	430,566	158,590	271,976
	<u>\$ 2,634,032</u>	<u>\$ 722,970</u>	<u>\$ 1,911,062</u>

Net support from special events for the year ended June 30, 2015 was as follows:

	<u>Support</u>	<u>Direct Costs</u>	<u>2015 Special Events</u>
CAN Do Awards	\$ 1,930,003	\$ 405,854	\$ 1,524,149
Other special events	528,716	77,159	451,557
	<u>\$ 2,458,719</u>	<u>\$ 483,013</u>	<u>\$ 1,975,706</u>

NOTE 14 – RETIREMENT PLAN

Food Bank For NYC has a 403(b) defined contribution retirement plan (the “Plan”). Employees become eligible to contribute to the Plan upon employment. Participating employees may contribute any amount, up to the maximum IRS annual contribution limit. After two years of service, Food Bank For NYC contributes annually, 10% of the employee’s compensation subject to the approval of the Board. The total retirement expense amounted to \$630,571 and \$596,497 for the years ended June 30, 2016 and 2015, respectively.

NOTE 15 – SUPPLEMENTARY HEALTH AND MEDICARE BENEFITS

In 2004, the Board committed to pay the future health insurance premiums for two former employees. The liability, which amounted to approximately \$137,219 and \$125,910 at June 30, 2016 and 2015, respectively, is determined based on estimated premiums over their respective remaining life expectancy and discounted at the rate of 4% per year. Such amounts are included in accounts payable and accrued expenses in the consolidated statements of financial position.

Additionally, in 2010, the Board committed to pay Medicare supplemental insurance premiums for an employee up to approximately \$50,000. The liability as of June 30, 2016 and 2015 amounted to \$37,689 and \$40,873, respectively. Such amounts are included in accrued salaries, vacation and benefits in the consolidated statements of financial position.

NOTE 16 – COMMITMENTS AND CONTINGENCIES

A. *Funding Source Audits*

Cost reimbursable contracts applicable to various programs conducted for, and on behalf of, New York State and New York City governmental agencies are subject to adjustments for disallowed costs, if any, based on the results of audits by the agencies. Management believes that the results of such audits would not have a material effect on the accompanying consolidated financial statements.

B. *Lease Commitments*

39 Broadway Office

Food Bank For NYC leases office space on the 10th floor of 39 Broadway (the Existing Premises) under a non-cancelable lease. The lease commenced on October 1, 1999 and was amended, effective April 1, 2011, extending the lease term to March 31, 2026 and providing for additional space on the 11th floor (the Expansion Premises) commencing on October 10, 2011 (the Expansion Premises Inclusion Date) through the third anniversary of the Expansion Premises Inclusion Date, with an option for Food Bank For NYC to extend through March 31, 2026.

**FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE 16 – COMMITMENTS AND CONTINGENCIES (Continued)

The lease was further amended in November 19, 2013, fixing the extended term for the 11th floor from October 10, 2014 to October 22, 2018 (the Extended Term). The lease, as amended (the Amended Lease), further provides for, among other things, a rent abatement on the Existing Premises for the month of April 2015 (in addition to rent abatements in certain months in prior years) and a rent abatement on the Expansion Premises for the initial 30 days of the Extended Term.

As of June 30, 2016 the future minimum lease payments required under the Amended Lease are as follows:

	<u>Existing Premises (10th Floor)</u>	<u>Expansion Premises (11th Floor)</u>
2017	\$ 498,143	\$ 76,683
2018	510,597	78,600
2019	523,362	26,688
2020	536,446	-
2021	558,513	-
Thereafter	2,977,401	-

Additional charges under the lease include real estate taxes and electricity.

Rent expense on the above lease, which is recorded on a straight-line basis, amounted to \$612,905 and \$620,779 for the years ended June 30, 2016 and 2015, respectively. The deferred rent liability, which represents the cumulative difference between the annual straight-line rent expense and the annual rent paid, amounted to \$733,040 and \$705,444 as of June 30, 2016 and 2015, respectively. The liability as of June 30, 2016 and 2015 included leasehold improvement costs amounting to \$211,125 reimbursed by the lessor to Food Bank For NYC pursuant to the terms of the lease, and is being amortized as a reduction to rent expense over the terms of the lease.

71 St. Nicholas Avenue Additional Space

On February 1, 2014, Food Bank For NYC entered into a lease for additional space at 71 St. Nicholas Avenue. The lease commenced on February 1, 2014 and expires on January 31, 2017.

As of June 30, 2015, the future minimum lease payments required under the lease are as follows:

2017	26,735
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Rent expense, which is recorded on a straight-line basis amounted to \$40,725 and \$44,508 for the years ended June 30, 2016 and 2015, respectively.

Food Bank, at its option, may extend and renew the lease for one additional two-year period from February 1, 2017 to January 31, 2019, at such terms as may be mutually agreed upon by the lessor and Food Bank For NYC.

Hunts Point Cooperative Market, Inc. Sublease

In conjunction with its ownership of 8,361 shares of HPCM cooperative stock (see Note 9), Food Bank For NYC entered into a sublease (the Sublease) with HPCM on December 1, 1999, for the occupancy and use of warehouse and office premises in Hunts Point, New York (Hunts Point Market). The Sublease expires on October 30, 2028, unless terminated sooner under its provisions.

HPCM holds a property interest in the Hunts Point Market under its master lease with the City of New York (the City). Under the Sublease, Food Bank pays HPCM annual rent, which represents Food Bank's share of HPCM's cash requirements, as defined and calculated under the Sublease. HPCM's cash requirements include, among other things, rent and other charges payable by HPCM to the City, taxes, assessments, water and sewer charges, security, utilities, refrigeration, garbage removal, and other operating expenses. The cash requirements and Food Bank's rent are established from time to time by HPCM's Board of Directors. Rent expense for HPCM's office and warehouse premises amounted to \$1,867,001 and \$1,862,211 for the years ended June 30, 2016 and 2015, respectively.

**FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE 16 – COMMITMENTS AND CONTINGENCIES (Continued)

C. *Income Tax*

During fiscal year 2014, the IRS incorrectly revoked the exemption of CRFC from federal income tax due to the lack of separately filed informational returns. On April 21, 2016, CRFC tax-exempt status was reinstated by the IRS.

Food Bank For NYC believes it has no uncertain income tax positions as of June 30, 2016 in accordance with Accounting Standards Codification (“ASC”) Topic 740 (“Income Taxes”), which provides standards for establishing and classifying any tax provisions for uncertain tax positions.

NOTE 17 – CONCENTRATION

Cash and cash equivalents that potentially subject Food Bank For NYC to a concentration of credit risk include cash accounts with various financial institutions that exceeded the Federal Deposit Insurance Corporation (“FDIC”) insurance limits by approximately \$3,936,000 and \$3,157,000 as of June 30, 2016 and 2015, respectively.

NOTE 18 – SUBSEQUENT EVENTS

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the consolidated statement of financial position through January 23, 2017, the date the consolidated financial statements were available to be issued.

	As of June 30, 2016				As of June 30, 2015			
	Food Bank NYC	CFRC	Consolidating Eliminations	2016 Consolidated Total	Food Bank NYC	CFRC	Consolidating Eliminations	2015 Consolidated Total
ASSETS								
Cash and cash equivalents	\$ 4,817,633	\$ -	\$ -	\$ 4,817,633	\$ 3,092,654	\$ -	\$ -	\$ 3,092,654
Investments	2,823,518	-	-	2,823,518	5,360,541	-	-	5,360,541
Government grants receivable	4,223,176	-	-	4,223,176	5,301,131	-	-	5,301,131
Contributions receivable	1,404,712	-	-	1,404,712	1,083,894	-	-	1,083,894
Accounts receivable, net	250,102	-	-	250,102	132,787	-	-	132,787
Property and equipment, net	3,182,527	1,050,861	-	4,233,388	3,086,707	1,114,198	-	4,200,905
Due from affiliate	-	-	-	-	241,215	-	(241,215)	-
Prepaid expenses and other assets	179,663	-	-	179,663	234,942	-	-	234,942
Purchased products inventory	298,999	-	-	298,999	761,072	-	-	761,072
Donated food inventory	1,451,457	-	-	1,451,457	1,439,489	-	-	1,439,489
Investment in Hunts Point Cooperative Market, Inc. (HPCM), net	183,166	-	-	183,166	207,217	-	-	207,217
Deferred mortgage costs	53,315	-	-	53,315	59,368	-	-	59,368
TOTAL ASSETS	\$ 18,868,268	\$ 1,050,861	\$ -	\$ 19,919,129	\$ 21,001,017	\$ 1,114,198	\$ (241,215)	\$ 21,874,000
LIABILITIES								
Accounts payable and accrued expenses	\$ 4,373,208	\$ -	\$ -	\$ 4,373,208	\$ 3,627,292	\$ -	\$ -	\$ 3,627,292
Contract advances and other liabilities	291,120	-	-	291,120	574,063	-	-	574,063
Due to affiliate	-	-	-	-	-	241,215	(241,215)	-
Deferred rent	733,040	-	-	733,040	705,444	-	-	705,444
Mortgage loan payable	2,018,350	-	-	2,018,350	2,135,924	-	-	2,135,924
TOTAL LIABILITIES	7,415,718	-	-	7,415,718	7,042,723	241,215	(241,215)	7,042,723
NET ASSETS								
Unrestricted:								
Operations	3,485,361	-	-	3,485,361	4,884,328	(241,215)	-	4,643,113
Board-designated	4,650,000	-	-	4,650,000	4,650,000	-	-	4,650,000
Invested in property and equipment	1,347,343	1,050,861	-	2,398,204	1,158,000	1,114,198	-	2,272,198
Total unrestricted	9,482,704	1,050,861	-	10,533,565	10,692,328	872,983	-	11,565,311
Temporarily restricted	1,919,846	-	-	1,919,846	3,215,966	-	-	3,215,966
Permanently restricted	50,000	-	-	50,000	50,000	-	-	50,000
TOTAL NET ASSETS	11,452,550	1,050,861	-	12,503,411	13,958,294	872,983	-	14,831,277
TOTAL LIABILITIES AND NET ASSETS	\$ 18,868,268	\$ 1,050,861	\$ -	\$ 19,919,129	\$ 21,001,017	\$ 1,114,198	\$ (241,215)	\$ 21,874,000

**FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY
CONSOLIDATING SCHEDULES OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

	Year Ended June 30, 2016						Year Ended June 30, 2015							
	Food Bank NYC			Total Food Bank NYC	Unrestricted CFRC	Eliminations	2016 Consolidated Total	Food Bank NYC			Total Food Bank NYC	Unrestricted CFRC	Eliminations	2015 Consolidated Total
	Unrestricted	Temporarily Restricted	Permanently Restricted					Unrestricted	Temporarily Restricted	Permanently Restricted				
PUBLIC SUPPORT AND REVENUE:														
Foundations and corporations (includes in-kind contributions and donated services of \$381,404 in 2016 and \$295,104 in 2015)	\$ 4,255,424	\$ 3,936,905	\$ -	\$ 8,192,329	\$ -	\$ -	\$ 8,192,329	\$ 4,680,722	\$ 3,715,558	\$ -	\$ 8,396,280	\$ -	\$ -	\$ 8,396,280
Individuals	7,648,065	177,774	-	7,825,839	-	-	7,825,839	6,612,371	1,590,765	-	8,203,136	-	-	8,203,136
Special events (net of direct expenses of \$722,970 and \$483,014 in 2016 and 2015, respectively)	1,911,062	-	-	1,911,062	-	-	1,911,062	1,875,706	100,000	-	1,975,706	-	-	1,975,706
Net assets released from restrictions	5,410,799	(5,410,799)	-	-	-	-	-	5,434,611	(5,434,611)	-	-	-	-	-
Total support	<u>19,225,350</u>	<u>(1,296,120)</u>	<u>-</u>	<u>17,929,230</u>	<u>-</u>	<u>-</u>	<u>17,929,230</u>	<u>18,603,410</u>	<u>(28,288)</u>	<u>-</u>	<u>18,575,122</u>	<u>-</u>	<u>-</u>	<u>18,575,122</u>
Government contracts	21,864,207	-	-	21,864,207	-	-	21,864,207	24,199,138	-	-	24,199,138	-	-	24,199,138
Donated food received	42,625,454	-	-	42,625,454	-	-	42,625,454	42,889,419	-	-	42,889,419	-	-	42,889,419
Shared maintenance	197,674	-	-	197,674	-	-	197,674	141,384	-	-	141,384	-	-	141,384
Sale of food and paper products	1,538,059	-	-	1,538,059	-	-	1,538,059	1,412,649	-	-	1,412,649	-	-	1,412,649
Investment activity	18,605	-	-	18,605	-	-	18,605	46,011	270	-	46,281	-	-	46,281
Other income	139,743	-	-	139,743	-	-	139,743	111,407	-	-	111,407	-	-	111,407
Total revenue	<u>66,383,742</u>	<u>-</u>	<u>-</u>	<u>66,383,742</u>	<u>-</u>	<u>-</u>	<u>66,383,742</u>	<u>68,800,008</u>	<u>270</u>	<u>-</u>	<u>68,800,278</u>	<u>-</u>	<u>-</u>	<u>68,800,278</u>
TOTAL PUBLIC SUPPORT AND REVENUE	<u>85,609,092</u>	<u>(1,296,120)</u>	<u>-</u>	<u>84,312,972</u>	<u>-</u>	<u>-</u>	<u>84,312,972</u>	<u>87,403,418</u>	<u>(28,018)</u>	<u>-</u>	<u>87,375,400</u>	<u>-</u>	<u>-</u>	<u>87,375,400</u>
EXPENSES:														
Program services:														
Distribution and storage food	62,679,437	-	-	62,679,437	-	-	62,679,437	63,052,499	-	-	63,052,499	-	-	63,052,499
Research and policy	451,556	-	-	451,556	-	-	451,556	806,468	-	-	806,468	-	-	806,468
Nutrition services and education	3,264,668	-	-	3,264,668	-	-	3,264,668	5,437,227	-	-	5,437,227	-	-	5,437,227
Community kitchen and pantry	2,405,184	-	-	2,405,184	63,337	-	2,468,521	2,440,658	-	-	2,440,658	63,337	-	2,503,995
Income policy	7,357,637	-	-	7,357,637	-	-	7,357,637	6,908,410	-	-	6,908,410	-	-	6,908,410
Benefit access	2,060,225	-	-	2,060,225	-	-	2,060,225	2,125,848	-	-	2,125,848	-	-	2,125,848
Total program services	<u>78,218,707</u>	<u>-</u>	<u>-</u>	<u>78,218,707</u>	<u>63,337</u>	<u>-</u>	<u>78,282,044</u>	<u>80,771,110</u>	<u>-</u>	<u>-</u>	<u>80,771,110</u>	<u>63,337</u>	<u>-</u>	<u>80,834,447</u>
Supporting services:														
Management and general	5,658,598	-	-	5,658,598	(241,215)	-	5,417,383	5,707,695	-	-	5,707,695	-	-	5,707,695
Fundraising	2,941,411	-	-	2,941,411	-	-	2,941,411	3,412,911	-	-	3,412,911	-	-	3,412,911
Total supporting services	<u>8,600,009</u>	<u>-</u>	<u>-</u>	<u>8,600,009</u>	<u>(241,215)</u>	<u>-</u>	<u>8,358,794</u>	<u>9,120,606</u>	<u>-</u>	<u>-</u>	<u>9,120,606</u>	<u>-</u>	<u>-</u>	<u>9,120,606</u>
TOTAL EXPENSES	<u>86,818,716</u>	<u>-</u>	<u>-</u>	<u>86,818,716</u>	<u>(177,878)</u>	<u>-</u>	<u>86,640,838</u>	<u>89,891,716</u>	<u>-</u>	<u>-</u>	<u>89,891,716</u>	<u>63,337</u>	<u>-</u>	<u>89,955,053</u>
CHANGE IN NET ASSETS	(1,209,624)	(1,296,120)	-	(2,505,744)	177,878	-	(2,327,866)	(2,488,298)	(28,018)	-	(2,516,316)	(63,337)	-	(2,579,653)
Net assets - beginning of year	10,692,328	3,215,966	50,000	13,958,294	872,983	-	14,831,277	13,180,626	3,243,984	50,000	16,474,610	936,320	-	17,410,930
NET ASSETS - END OF YEAR	<u>\$ 9,482,704</u>	<u>\$ 1,919,846</u>	<u>\$ 50,000</u>	<u>\$ 11,452,550</u>	<u>\$ 1,050,861</u>	<u>\$ -</u>	<u>\$ 12,503,411</u>	<u>\$ 10,692,328</u>	<u>\$ 3,215,966</u>	<u>\$ 50,000</u>	<u>\$ 13,958,294</u>	<u>\$ 872,983</u>	<u>\$ -</u>	<u>\$ 14,831,277</u>