

Financial Statements

**FOOD IN NEED OF DISTRIBUTION, INC.
DBA FIND FOOD BANK**

June 30, 2016



Steven J. Miller, CPA, Partner
Helena M. Mehr, Partner

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Food In Need of Distribution, Inc.
dba FIND Food Bank
Indio, California

We have audited the accompanying financial statements of Food In Need of Distribution, Inc. (a California nonprofit organization), which comprise the statement of financial position as of June 30, 2016, and the related statements of activities and changes in net assets and cash flows for the year 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend 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 Food In Need of Distribution, Inc. as of June 30, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Food In Need of Distribution, Inc.'s June 30, 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 16, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in blue ink that reads 'Miller & Mehr'.

November 16, 2016

**FOOD IN NEED OF DISTRIBUTION, INC.
DBA FIND FOOD BANK
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2016**

WITH COMPARATIVE TOTALS FOR JUNE 30, 2015

	<u>ASSETS</u>			Total	2015 Memorandum Only
	Unrestricted	Temporarily Restricted Restricted Activity	Temporarily Restricted In-kind Activity		
CURRENT ASSETS					
Cash	\$ 1,024,379	\$ 390,043	\$ -	\$ 1,414,422	\$ 1,045,815
Accounts and grants receivable	21,777	132,457	-	154,234	295,008
Food inventories	-	-	1,462,593	1,462,593	1,397,146
Deposits on equipment	264,948	-	-	264,948	262,629
Certificates of deposit	17,777	-	-	17,777	17,751
Certificate of deposit - pledged	1,004	-	-	1,004	1,004
Total current assets	<u>1,329,885</u>	<u>522,500</u>	<u>1,462,593</u>	<u>3,314,979</u>	<u>3,019,353</u>
PROPERTY AND EQUIPMENT					
Land and Building - pledged	5,242,671	-	-	5,242,671	5,242,671
Leasehold improvements - pledged	66,677	-	-	66,677	66,677
Equipment - pledged	816,279	-	-	816,279	804,939
Computers and software	80,564	-	-	80,564	80,564
Vehicles	804,344	-	-	804,344	680,422
	<u>7,010,535</u>	<u>-</u>	<u>-</u>	<u>7,010,535</u>	<u>6,875,273</u>
Less: accumulated depreciation	(2,151,129)	-	-	(2,151,129)	(1,821,081)
Total property and equipment	<u>4,859,406</u>	<u>-</u>	<u>-</u>	<u>4,859,406</u>	<u>5,054,192</u>
OTHER ASSETS					
Security deposit	1,500	-	-	1,500	1,500
Total other assets	<u>1,500</u>	<u>-</u>	<u>-</u>	<u>1,500</u>	<u>1,500</u>
TOTAL ASSETS	<u>\$ 6,190,791</u>	<u>\$ 522,500</u>	<u>\$ 1,462,593</u>	<u>\$ 8,175,885</u>	<u>\$ 8,075,045</u>
<u>LIABILITIES AND NET ASSETS</u>					
CURRENT LIABILITIES					
Accounts payable and accrued expenses	\$ 37,421	\$ -	\$ -	\$ 37,421	\$ 8,848
Notes payable	44,524	-	-	44,524	42,926
Total current liabilities	<u>81,945</u>	<u>-</u>	<u>-</u>	<u>81,945</u>	<u>51,774</u>
LONG-TERM LIABILITIES					
Notes payable	1,282,763	-	-	1,282,763	1,326,449
Total liabilities	<u>1,364,708</u>	<u>-</u>	<u>-</u>	<u>1,364,708</u>	<u>1,378,223</u>
NET ASSETS					
Unrestricted	4,826,083	-	-	4,826,083	4,936,989
Temporarily restricted	-	522,500	-	522,500	362,687
Temporarily restricted - in-kind	-	-	1,462,593	1,462,593	1,397,146
Total net assets	<u>4,826,083</u>	<u>522,500</u>	<u>1,462,593</u>	<u>6,811,177</u>	<u>6,696,822</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 6,190,791</u>	<u>\$ 522,500</u>	<u>\$ 1,462,593</u>	<u>\$ 8,175,885</u>	<u>\$ 8,075,045</u>

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

**FOOD IN NEED OF DISTRIBUTION, INC.
DBA FIND FOOD BANK
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2016**

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>		<u>Total</u>	<u>2015</u>
		<u>Restricted Activity</u>	<u>In-kind Activity</u>		<u>Memorandum Only</u>
PUBLIC SUPPORT AND REVENUES					
Public support					
Organizations	\$ 368,965	\$ -	\$ -	\$ 368,964	\$ 236,389
Contributions	1,239,596	1,191,292	-	2,430,888	2,118,315
Total public support	<u>1,608,561</u>	<u>1,191,292</u>	<u>-</u>	<u>2,799,852</u>	<u>2,354,704</u>
In-kind					
In-kind food contribution	-	-	18,320,056	18,320,056	18,343,060
Total in-kind	<u>-</u>	<u>-</u>	<u>18,320,056</u>	<u>18,320,056</u>	<u>18,343,060</u>
Revenues					
Shared maintenance	227,220	-	-	227,220	244,578
Interest income	129	-	-	129	75
Total revenues	<u>227,349</u>	<u>-</u>	<u>-</u>	<u>227,349</u>	<u>244,653</u>
Total support, in-kind and revenues	1,835,910	1,191,292	18,320,056	21,347,259	20,942,417
Revenue released from restrictions	19,286,088	(1,031,479)	(18,254,609)	-	-
TOTAL PUBLIC SUPPORT AND REVENUES	<u>21,121,998</u>	<u>159,813</u>	<u>65,447</u>	<u>21,347,259</u>	<u>20,942,417</u>
EXPENSES					
Program services	20,506,052	-	-	20,506,052	19,856,279
Support services	726,852	-	-	726,852	406,841
TOTAL EXPENSES	<u>21,232,904</u>	<u>-</u>	<u>-</u>	<u>21,232,904</u>	<u>20,263,120</u>
INCREASE (DECREASE) IN NET ASSETS	(110,905)	159,813	65,447	114,355	679,296
NET ASSETS, Beginning of year	<u>4,936,989</u>	<u>362,687</u>	<u>1,397,146</u>	<u>6,696,822</u>	<u>6,017,525</u>
NET ASSETS, End of year	<u>\$ 4,826,083</u>	<u>\$ 522,500</u>	<u>\$ 1,462,593</u>	<u>\$ 6,811,177</u>	<u>\$ 6,696,822</u>

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

**FOOD IN NEED OF DISTRIBUTION, INC.
DBA FIND FOOD BANK
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2016**

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2015

	2016	2015
		Memorandum Only
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 114,355	\$ 679,296
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:		
Depreciation	330,048	355,200
(Increase) decrease in:		
Accounts and grants receivable	140,774	(229,841)
Food inventories	(65,447)	(729,363)
Deposits on equipment	(2,318)	(220,397)
Increase (decrease) in:		
Accounts payable and accrued expenses	28,573	(17,701)
	<u>545,985</u>	<u>(162,806)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in certificates of deposit	(26)	(1,017)
Purchase of property and equipment	(135,263)	(17,979)
	<u>(135,289)</u>	<u>(18,996)</u>
NET CASH USED BY INVESTING ACTIVITIES		
CASH FLOWS FROM FINANCING ACTIVITIES		
Principle payments on notes payable	(42,088)	(51,152)
	<u>(42,088)</u>	<u>(51,152)</u>
NET CASH USED BY FINANCING ACTIVITIES		
NET INCREASE (DECREASE) IN CASH	368,607	(232,953)
CASH, beginning of year	1,045,815	1,278,768
CASH, end of year	<u>\$ 1,414,422</u>	<u>\$ 1,045,815</u>
 SUPPLEMENTARY INFORMATION:		
Cash paid during the year for interest	<u>\$ 50,242</u>	<u>\$ 51,852</u>

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

**FOOD IN NEED OF DISTRIBUTION, INC.
DBA FIND FOOD BANK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Date of Management's Review

Management has evaluated the subsequent events through November 16, 2016, the date on which the financial statements were available to be issued.

Nature of Organization

Food In Need of Distribution, Inc. dba FIND Food Bank ("FIND") is a non-profit organization that was incorporated June 29, 1983 under the laws of the State of California. FIND Food Bank is an organization with a mission dedicated to relieving hunger, the causes of hunger, and the problems associated with hunger through awareness, education, and mobilization of resources and community involvement. The core work of the FIND is the collection and distribution of donated food and other grocery products to charitable agencies in the Eastern Riverside and Southern San Bernardino County who serve low-income and needy people. FIND supplements donated food and products with the purchase of specific food and hunger awareness campaigns in order to educate and inform the public regarding the problem of hunger. FIND is an affiliate member of Feeding America, the nation's largest hunger-relief organization and California Association of Food Banks.

Other Major Programs

CalFresh Food Stamp Outreach Program and Nutritional Educations – This program is to create awareness of qualification, assistance with applications and follow up for approval for people who are severed by FIND and our partnering agencies.

Fresh Produce – Distributes a variety of fresh, nutritious and healthy produce donated through local and regional produce distributors and growers to FIND agencies year round and no cost to our partnering agencies.

Children's Summer Feeding – Provides nutritious meals and snacks to needy children in a safe and nurturing environment throughout the summer months when schools are out.

Mobile Pantry - Delivers fresh produce, bread, dairy products, and other food and grocery items directly to those who need it most. Emphasis is placed on serving rural communities and filling service gaps created by limited accessibility to wholesome food.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recognized in the period in which they are earned. Expenses are recognized in the period in which the corresponding liability is incurred or commitment is made.

Financial Statement Presentation

FIND has adopted Generally Accepted Accounting Principles applicable to external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into three net asset categories according to externally (donor) imposed restrictions. A description of the three applicable net asset categories follows.

Unrestricted Net Assets – Included are the revenues and expenses associated with the principal mission of FIND that are not restricted by donor stipulations.

Temporarily Restricted Net Assets – Included are contributions or grants wherein the donor has specified the use of the funds and for which donor imposed restrictions have not been met. When such stipulations have been met, the net assets are reclassified to unrestricted net assets and reported in the statement of activities as "revenue released from restrictions."

Permanently Restricted Net Assets – Included are gifts which require, by donor restrictions, that the funds be used in the acquisition of a specific asset or held for investment purposes in accordance with donor restriction. There were no permanently restricted net assets at June 30, 2016.

FOOD IN NEED OF DISTRIBUTION, INC.
DBA FIND FOOD BANK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Memorandum Totals

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with FIND's financial statements for the prior year, from which the summarized information was derived.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Concentration of Credit Risk

FIND maintained cash accounts in excess of federally insured limits of \$250,000 periodically throughout the year. It is not unusual for this limit to be exceeded on a periodic basis. Management is aware of this matter and evaluates alternatives for safeguarding cash and at the same time maximizing operational performance.

Fair Value Measurements

Generally accepted accounting principles provide guidance on how fair value should be determined when financial statement elements are required to be measured at fair value. The Company is required to measure accounts receivable and related revenues at fair value.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among programs and supporting services benefited.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the organization considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

Food Inventories

Due to the agent pass-through nature of the food products received, inventories cost of goods sold is not recorded in the financial statements except as in-kind expense items. The donated inventory is valued at fair market value and is reflected as an increase to inventory and donation in-kind when received. The disbursed inventory is recorded as a reduction of inventory and an in-kind expense when acquired by local non-profit or other qualified agencies.

Property and Equipment

Property and equipment are recorded at cost, or fair market value when donated. Betterments which materially add to the value of related assets or materially extend the useful life of assets are capitalized. Normal building maintenance and minor equipment purchases are included as expenses. Property and equipment with a cost below \$1,000 are expensed in the period purchased.

Depreciation of equipment is provided on a straight-line method based on estimated useful lives as follows:

Equipment	5 to 7 years
Computers and software	3 years
Vehicles	5 years
Building and improvements	39 years

FOOD IN NEED OF DISTRIBUTION, INC.
DBA FIND FOOD BANK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Reclassifications

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

Support and Revenue

Annual contributions are generally available for unrestricted use in the related year unless specifically restricted by the donor. Conditional promises to give are not included as support until the conditions are substantially met. An allowance for uncollectible promises is provided based on management's evaluation of potential uncollectible promises receivable at year-end. Grants and other contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. 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 statement of activities as net assets released from restrictions.

Contributions of donated noncash assets are recorded at their fair value in the period received. Contributions of donated services that creates or enhances nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

No amounts have been reflected in the financial statements for donated services provided by volunteers inasmuch as no objective basis is available to measure the value of such services; however, management estimates that approximately 5,100 volunteers have donated over 13,400 hours to FIND's operations.

Income Taxes

FIND is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and similar California statutes, and therefore has made no provision for income taxes in the accompanying financial statements.

NOTE 1: CERTIFICATES OF DEPOSIT

Certificates of deposit have initial maturities in excess of three months and are held at a local banking institution.

NOTE 2: ACCOUNTS AND GRANTS RECEIVABLE

Accounts receivable consists of a grant receivable from South Coast Air Quality Management District amounting to \$132,457 and uncollected Shared Maintenance Fees from participating member agencies amounting to \$21,777 at June 30, 2016. FIND uses the direct write-off method for bad debts. Management believes that all of the accounts receivable are fully collectible. Therefore, no allowance for doubtful accounts has been established.

NOTE 3: INCOME TAXES

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code and Section 23401 of the California Tax Code. The Organization is, however, liable for certain income taxes on unrelated business taxable income to both the Internal Revenue Service and Franchise Tax Board.

During the previous year ended June 30, 2013, the Organization adopted accounting standards for the accounting for uncertainty in income taxes. These standards provide guidance for the accounting and disclosure about uncertain tax positions taken by an organization. Management believes that all of the positions taken by the Organization in its federal and state income tax returns are more likely than not to be sustained upon examination. The Organization's tax returns are subject to examination by the Internal Revenue Service and the California Franchise Tax Board, generally for three years and four years, respectively after they are filed.

FOOD IN NEED OF DISTRIBUTION, INC.
DBA FIND FOOD BANK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 4: FOODS HELD FOR DISTRIBUTION

FIND, functioning as an intermediary, reports the fair value of donated food and grocery products as temporarily restricted. The related temporarily restricted in-kind revenues and expenses are also reported at fair value. During the year ended June 30, 2016, FIND distributed approximately 10,739,000 pounds of donated product received (valued at approximately \$17,958,000), 64,000 pounds of purchased product (valued at approximately \$83,000) and 350,000 pounds of USDA commodities (valued at approximately \$213,000). The approximate average wholesale value of one pound of donated product at the national level, which was determined to be \$1.67 during 2016, was based upon a study performed by Feeding America, and was used to value all donated product received during the fiscal year ended June 30, 2016. Product purchased during the fiscal year ended June 30, 2016 was valued at cost and averaged \$1.30 per pound. USDA commodities received during the fiscal year ended June 30, 2016 was valued at \$0.61 per pound. All food inventory held at June 30, 2015 and distributed during the fiscal year ended June 30, 2016 was valued at the approximate average wholesale value of one pound of donated product at the national level, which was determined to be \$1.67 during 2016 based on the Feeding America annual study. FIND received approximately 10,823,000 pounds in donated product (valued at approximately \$18,074,000), 330,000 pounds of USDA commodities (valued at approximately \$201,000) and purchased approximately 35,000 pounds of food products (valued at approximately \$45,000) during the year ended June 30, 2016.

NOTE 5: OPERATING LEASE

FIND leases a printer/copier for general office use. The monthly lease payment for the printer/copier is \$410.

Lease expense for the year ended June 30, 2016 was \$8,821 and included the lease for the current printer/copier, the lease expense for a printer/copier that expired during the fiscal year and monthly usage fees for both the current and expired lease contracts.

NOTE 6: LAND AND BUILDING

FIND entered into grant agreements with various local governments to acquire the land and building from which FIND currently operates, 83-775 Citrus Avenue, Indio, California, 92201. Grant restrictions included a requirement that the building be used to distribute food for a minimum of 5 years from October 1, 2009, through September 30, 2014. The grants also include provisions that, in the event the land and building are sold before a specific date, the grants required that a portion of the original grant funding be returned to the grantors on a sliding scale, ending March 31, 2023. Management has no intentions of selling the land and building currently.

Desert Healthcare District (DHD) granted FIND \$1,700,000 for this project. The DHD grant allowed FIND to lease up to 25% of the building to another 501c3 engaged in the healthcare needs of Coachella Valley communities through September 30, 2014. Except for a \$2 million loan from a local bank (loan balance at June 30, 2015 is \$1,369,375), FIND was restricted from selling, encumbering or otherwise disposing of the project at any time prior to September 14, 2014, without the prior written consent of DHD. Additionally, if the land and building were sold, the grant funds to be returned to DHD are as follows as of June 30, 2016:

The City of Indian Wells (IW) granted FIND \$250,000 for this project. The IW grant allows FIND to lease up to 50% of the building with the lease proceeds restricted for use for FIND's charitable purpose. FIND is restricted from selling or otherwise disposing of the project at any time prior to April 1, 2018, without the prior written consent of IW. Additionally, if the land and building were sold, the grant funds to be returned to IW are as follows as of June 30, 2016:

- Sale date prior to April 1, 2018 → Return \$250,000 (100% of original grant)
- Sale date April 1, 2018 – March 31, 2019 → Return \$225,000 (90% of original grant)
- Sale date April 1, 2019 – March 31, 2020 → Return \$200,000 (80% of original grant)
- Sale date April 1, 2020 – March 31, 2021 → Return \$150,000 (60% of original grant)
- Sale date April 1, 2021 – March 31, 2022 → Return \$125,000 (50% of original grant)
- Sale date April 1, 2022 – March 31, 2023 → Return \$100,000 (40% of original grant)

**FOOD IN NEED OF DISTRIBUTION, INC.
DBA FIND FOOD BANK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 7: NOTES PAYABLE

Notes payable consisted of the following at June 30 2016:

Note payable – Bank of America	
Payable in monthly installments of \$7,694, including interest at 3.66%, collateralized by a lien covering the real property owned by FIND at 83775 Citrus Avenue, Indio, California. The final principle and interest payment is due January 25, 2019.	\$ 1,327,287
Less current portion	<u>44,524</u>
	<u><u>\$ 1,282,763</u></u>

Principal payable over each of the next five years and thereafter is as follows:

2017	\$ 44,524
2018	46,181
2019	<u>1,236,582</u>
	<u><u>\$ 1,327,287</u></u>

NOTE 8: COLLABORATING FOR CLIENTS

Beginning fiscal year 2015-16 and based on multi-year grants secured by FIND Food Bank to support such emerging work in the community, FIND served as the original fiscal agent for a local, community-based, community-driven initiative known as “Collaborating for Client” (C4C). In addition to serving as fiscal agent to administer and report on the use of multi-year C4C grant funding, FIND’s CEO and other key staff serve on the “Leadership Table” of this local initiative, whose work includes other community-based organizations and technical assistance partners working toward the outcome that “All Coachella Valley families are healthy, stable and thriving.” The nature of this work benefits from fiscal agency in the early stages while work is mapped out and divided among partners. Work and governance in future years will be determined by the C4C Leadership Table as this initiative evolves.



Steven J. Miller, CPA, Partner
Helena M. Mehr, Partner

INDEPENDENT AUDITOR'S REPORT
ON ADDITIONAL INFORMATION

To the Board of Directors
Food In Need of Distribution, Inc.
dba FIND Food Bank
Indio, California

Our report on our audit of the basic financial statements of Food In Need of Distribution, Inc. dba FIND Food Bank appears on page 1. The audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The Schedule of Functional Expenses (Schedule I) is presented for purpose of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on it.

Miller & Mehr

November 16, 2016

**FOOD IN NEED OF DISTRIBUTION, INC.
DBA FIND FOOD BANK
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2016**

Schedule I

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2015

	Unrestricted								2015
	Program Services				Support Services				Memorandum Only
	Food Distribution	Fresh Produce	CalFresh	Children's Feeding Program	Fund Raising	General & Administrative	C4C	Total	Total
Salaries and wages	\$ 291,933	\$ 182,433	\$ 198,502	\$ 51,093	\$ 175,634	\$ 46,355	\$ 84,160	\$ 1,030,111	\$ 885,916
Payroll taxes	27,565	17,458	18,377	2,756	16,135	3,262	6,331	91,883	78,570
Employee benefits & other	44,744	26,841	31,936	6,385	12,769	1,616	6,007	130,296	135,761
Contract labor	28,267	25,899	4,943	992	13,305	-	592	73,998	38,688
C4C Expensees	-	-	-	-	-	-	163,783	163,783	-
Food purchases	39,578	180,587	-	92,214	-	-	-	312,380	385,424
Shipping & freight donated	49,248	140,973	-	-	-	-	-	190,222	179,442
Bank charges & other fees	-	-	-	-	4,412	108	-	4,520	3,603
Direct mail & advertising	-	-	-	-	138,719	-	-	138,719	97,815
Insurance	9,056	5,763	6,861	1,371	2,745	4,398	822	31,015	25,401
Member fees	5,591	9,965	-	-	-	-	-	15,556	21,817
Mortgage interest	25,624	10,551	5,024	2,512	5,024	-	1,507	50,242	51,852
Occupancy costs	35,444	28,337	5,931	4,201	8,401	823	874	84,010	71,160
Office expenses	11,417	5,812	6,022	1,871	4,839	122	1,316	31,399	49,033
Professional fees	6,026	3,835	4,565	913	1,826	548	548	18,261	16,698
Repairs & maintenance	30,104	29,427	1,168	234	467	-	86	61,486	37,321
Supplies & materials	24,993	24,842	323	66	126	40	40	50,430	40,764
Telephone & computers	13,433	6,633	13,893	1,288	5,070	98	603	41,018	34,157
Travel & meeting expenses	9,523	1,902	17,067	2,407	2,473	-	968	34,341	35,709
Transportation/Vehicles	47,640	46,940	-	-	-	-	-	94,580	105,091
Total expenses before depreciation and in-kind	700,186	748,197	314,612	168,303	391,943	57,371	267,637	2,648,249	2,294,222
In-kind food distributions	9,892,171	8,362,434	-	-	-	-	-	18,254,607	17,613,698
Depreciation	137,228	146,635	3,300	32,985	3,300	3,300	3,300	330,048	355,200
Total functional expenses	\$ 10,729,585	\$ 9,257,266	\$ 317,912	\$ 201,288	\$ 395,243	\$ 60,671	\$ 270,937	\$ 21,232,904	\$ 20,263,120

See accountant's report.