

Financial Statements

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

June 30, 2014



Thomas F. O'Brien, CPA, CVA
Steven J. Miller, CPA

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, 2014, 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, 2014, 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, 2013 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 23, 2013. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

O'Brien, Miller & Blake, LLP

August 20, 2014

**FOOD IN NEED OF DISTRIBUTION, INC.
DBA FIND FOOD BANK
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2014**

WITH COMPARATIVE TOTALS FOR JUNE 30, 2013

	<u>ASSETS</u>			Total	2013 Memorandum Only
	Unrestricted	Temporarily Restricted Restricted Activity	In-kind Activity		
CURRENT ASSETS					
Cash	\$ 1,028,018	\$ 250,750	\$ -	\$ 1,278,768	\$ 1,250,869
Accounts receivable	65,167	-	-	65,167	31,435
Food inventories	-	-	881,739	881,739	1,535,011
Contra - USDA Commodities held for SHFB	-	-	(213,956)	(213,956)	(638,066)
Deposits on equipment	90,828	-	-	90,828	-
Certificates of deposit	17,738	-	-	17,738	17,718
Certificate of deposit - pledged	-	-	-	-	301,833
Total current assets	<u>1,201,750</u>	<u>250,750</u>	<u>667,783</u>	<u>2,120,283</u>	<u>2,498,801</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	800,893	-	-	800,893	750,547
Computers and software	66,632	-	-	66,632	54,156
Vehicles	646,826	-	-	646,826	646,826
	<u>6,823,700</u>	<u>-</u>	<u>-</u>	<u>6,823,700</u>	<u>6,760,877</u>
Less: accumulated depreciation	(1,480,881)	-	-	(1,480,881)	(1,161,659)
Total property and equipment	<u>5,342,819</u>	<u>-</u>	<u>-</u>	<u>5,342,819</u>	<u>5,599,218</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>\$ 6,546,068</u>	<u>\$ 250,750</u>	<u>\$ 667,783</u>	<u>\$ 7,464,601</u>	<u>\$ 8,099,519</u>
<u>LIABILITIES AND NET ASSETS</u>					
CURRENT LIABILITIES					
Accounts payable and accrued expenses	\$ 26,549	\$ -	\$ -	\$ 26,549	\$ 54,997
Notes payable	51,877	-	-	51,877	344,590
Total current liabilities	<u>78,426</u>	<u>-</u>	<u>-</u>	<u>78,426</u>	<u>399,587</u>
LONG-TERM LIABILITIES					
Notes payable	1,368,650	-	-	1,368,650	1,572,572
Total liabilities	<u>1,447,076</u>	<u>-</u>	<u>-</u>	<u>1,447,076</u>	<u>1,972,159</u>
NET ASSETS					
Unrestricted	5,098,992	-	-	5,098,992	4,956,906
Temporarily restricted	-	250,750	-	250,750	273,509
Temporarily restricted - in-kind	-	-	667,783	667,783	896,945
Total net assets	<u>5,098,992</u>	<u>250,750</u>	<u>667,783</u>	<u>6,017,525</u>	<u>6,127,361</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 6,546,068</u>	<u>\$ 250,750</u>	<u>\$ 667,783</u>	<u>\$ 7,464,601</u>	<u>\$ 8,099,519</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, 2014**

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>		<u>Total</u>	<u>2013</u>
		<u>Restricted Activity</u>	<u>In-kind Activity</u>		<u>Memorandum Only</u>
PUBLIC SUPPORT AND REVENUES					
Public support					
Organizations	\$ 223,105	\$ 32,242	\$ -	\$ 255,347	\$ 355,113
Contributions	825,372	1,192,337	-	2,017,710	1,867,756
Total public support	<u>1,048,478</u>	<u>1,224,579</u>	<u>-</u>	<u>2,273,057</u>	<u>2,222,869</u>
In-kind					
In-kind food contribution	-	-	14,080,283	14,080,283	14,357,753
Total in-kind	<u>-</u>	<u>-</u>	<u>14,080,283</u>	<u>14,080,283</u>	<u>14,357,753</u>
Revenues					
Shared maintenance	212,982	-	-	212,982	246,531
Interest income	161	-	-	161	1,288
Total revenues	<u>213,143</u>	<u>-</u>	<u>-</u>	<u>213,143</u>	<u>247,819</u>
Total support, in-kind and revenues	<u>1,261,621</u>	<u>1,224,579</u>	<u>14,080,283</u>	<u>16,566,483</u>	<u>16,828,441</u>
Revenue released from restrictions	<u>15,556,784</u>	<u>(1,247,338)</u>	<u>(14,309,446)</u>	<u>-</u>	<u>-</u>
TOTAL PUBLIC SUPPORT AND REVENUES	<u>16,818,405</u>	<u>(22,759)</u>	<u>(229,163)</u>	<u>16,566,484</u>	<u>16,828,441</u>
EXPENSES					
Program services	16,420,469	-	-	16,420,469	15,892,422
Support services	255,849	-	-	255,849	255,132
TOTAL EXPENSES	<u>16,676,319</u>	<u>-</u>	<u>-</u>	<u>16,676,319</u>	<u>16,147,554</u>
INCREASE IN NET ASSETS	<u>142,086</u>	<u>(22,759)</u>	<u>(229,163)</u>	<u>(109,836)</u>	<u>680,887</u>
NET ASSETS, Beginning of year					
As originally stated	-	-	-	-	6,084,539
Prior period adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(638,065)</u>
NET ASSETS, Beginning of year	<u>4,956,906</u>	<u>273,509</u>	<u>896,945</u>	<u>6,127,361</u>	<u>5,446,474</u>
NET ASSETS, End of year	<u>\$ 5,098,992</u>	<u>\$ 250,750</u>	<u>\$ 667,783</u>	<u>\$ 6,017,525</u>	<u>\$ 6,127,361</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, 2014**

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2013

	2014	2013
		Memorandum Only
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ (109,836)	\$ 680,887
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	319,222	316,584
(Increase) decrease in:		
Accounts receivable	(33,732)	38,892
Food inventories	229,162	(321,759)
Deposits on equipment	(90,828)	-
Increase (decrease) in:		
Accounts payable	(28,448)	(36,695)
	<u>285,541</u>	<u>677,909</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
(Increase) decrease in certificates of deposit	301,814	(1,283)
Purchase of property and equipment	(62,821)	(56,840)
	<u>238,993</u>	<u>(58,123)</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES		
CASH FLOWS FROM FINANCING ACTIVITIES		
Principle payments on notes payable	(496,635)	(42,139)
	<u>(496,635)</u>	<u>(42,139)</u>
NET CASH USED BY FINANCING ACTIVITIES		
NET INCREASE IN CASH	27,899	577,648
CASH, beginning of year	1,250,869	673,221
CASH, end of year	<u>\$ 1,278,768</u>	<u>\$ 1,250,869</u>
SUPPLEMENTARY INFORMATION:		
Cash paid during the year for interest	<u>\$ 62,088</u>	<u>\$ 72,271</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, 2014**

ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Date of Management's Review

Management has evaluated the subsequent events through August 20, 2014, 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 receives food products through donations or direct procurement with donated funds, for network distribution to the needy, infirm, aged and infants. Food is donated from local food markets, growers, national food distributors and restaurants. Funds are also donated by the general public, government agencies and other charitable organizations. FIND's primary distribution network area is the eastern Riverside County, California. 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.

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, 2014.

FOOD IN NEED OF DISTRIBUTION, INC.
DBA FIND FOOD BANK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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, 2014

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 volunteers have donated approximately 12,800 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. Certificate of deposit – pledged is so captioned in relation to a \$300,000 note payable that was paid in full in the current year ended.

NOTE 2: ACCOUNTS RECEIVABLE

Accounts receivable primarily consists of uncollected Shared Maintenance Fees from participating member agencies. At June 30, 2014, accounts receivable was \$65,167. 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 year 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, 2014

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, 2014, FIND distributed approximately 8,114,666 pounds of donated product received, 101,113 pounds of purchased product, 150,484 pounds of USDA commodities and 2,216,066 pounds of USDA commodities distributed on behalf of Second Harvest Food Bank. The approximate average wholesale value of one pound of donated product at the national level, which was determined to be \$1.69 during 2014, 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, 2014. Product purchased during the fiscal year ended June 30, 2014 was valued at cost and averaged \$1.28 per pound. USDA commodities received during the fiscal year ended June 30, 2014 was valued at \$0.61 per pound. All food inventory held at June 30, 2013 and distributed during the fiscal year ended June 30, 2014 was valued at the approximate average wholesale value of one pound of donated product at the national level, which was determined to be \$1.66 during 2013 based on the Feeding America annual study. FIND received approximately \$13,816,000 in donated product, \$151,000 of USDA commodities, \$1,366,600 in USDA commodities to be distributed on behalf of Second Harvest Food Bank and purchased approximately \$112,800 of food products during the year ended June 30, 2014.

NOTE 5: OPERATING LEASE

FIND leases a Xerox copier for general office use. The lease requires a payment of \$288 monthly and expired in December 2015.

Lease expense for the year ended June 30, 2014 was \$3,462.

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 include 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 requires 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 allows 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, 2014 is \$1,420,527), FIND is 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, 2014:

- Sale date October 1, 2013 – September 30, 2014 → Return \$680,000 (40% of original grant)

The City of Rancho Mirage (RM) granted FIND \$250,000 for this project. FIND is restricted from selling, or otherwise disposing of the project at any time prior to October 1, 2014, without the prior written consent of RM. Additionally, if the land and building were sold, the grant funds to be returned to RM are as follows as of June 30, 2014:

- Sale date December 31, 2013 – December 30, 2014 → Return \$100,000 (40% of original grant)

The City of Palm Desert (PD) granted FIND \$850,000 for this project with restrictions that were removed as of April 1, 2014.

**FOOD IN NEED OF DISTRIBUTION, INC.
DBA FIND FOOD BANK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 6: LAND AND BUILDING (CONTINUED)

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, 2014:

- 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)

NOTE 7: NOTES PAYABLE

Notes payable consisted of the following at June 30 2014:

Note payable – Bank of America
Payable in monthly installments of \$8,584,
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, 2017. \$ 1,420,527

-

1,420,527

Less current portion 51,877

\$ 1,368,650

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

2015		\$ 51,877
2016		53,808
2017		<u>1,314,842</u>
		<u>\$ 1,420,527</u>



Thomas F. O'Brien, CPA, CVA
Steven J. Miller, CPA

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.

O'Brien, Miller & Blake, LLP

August 20, 2014

**FOOD IN NEED OF DISTRIBUTION, INC.
DBA FIND FOOD BANK
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2014**

Schedule I

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2013

	Unrestricted					2013
	Program Services		Support Services			Memorandum
	Food Distribution	Food Stamp Outreach	General & Administrative	Fund Raising	Total	Total
Salaries and wages	\$ 437,083	\$ 213,077	\$ 34,274	\$ 108,947	\$ 793,381	\$ 664,773
Payroll taxes	38,599	24,814	2,757	5,514	71,684	58,214
Employee benefits & other	77,939	48,631	5,407	11,009	142,986	95,268
Contract labor	17,054	-	-	-	17,054	14,727
Food purchases	319,523	-	-	-	319,523	349,037
Shipping & freight donated	133,250	-	-	-	133,250	61,091
Bank charges & other fees	677	-	-	3,492	4,168	3,155
Direct mail & advertising	28,948	18,610	2,067	20,861	70,486	106,982
Insurance	12,517	8,046	894	1,788	23,245	23,880
Member fees	19,874	-	-	-	19,874	16,525
Mortgage interest & fees	62,089	-	-	-	62,088	72,271
Occupancy costs	67,777	-	-	-	67,777	58,317
Office expenses	20,337	4,789	532	37,804	63,462	45,585
Professional fees	11,863	4,048	450	900	17,260	17,417
Repairs & maintenance	34,702	-	-	-	34,702	11,566
Supplies & materials	25,961	-	-	-	25,961	12,981
Telephone & computers	19,922	11,355	-	-	31,277	24,946
Travel & meeting expenses	-	37,010	-	-	37,010	26,998
Transportation/Vehicles	112,462	-	-	-	112,462	131,242
Total expenses before depreciation and in-kind	1,440,575	370,380	46,381	190,315	2,047,649	1,794,976
In-kind food distributions	14,309,446	-	-	-	14,309,446	14,035,994
Depreciation	300,069	-	19,153	-	319,222	316,584
Total functional expenses	<u>\$ 16,050,090</u>	<u>\$ 370,380</u>	<u>\$ 65,535</u>	<u>\$ 190,315</u>	<u>\$ 16,676,319</u>	<u>\$ 16,147,554</u>

See accountant's report.