

PARTNERING TO END HUNGER



**Good Shepherd**

FOOD BANK OF MAINE

FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

GOOD SHEPHERD FOOD BANK OF MAINE

FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

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# OUELLETTE & ASSOCIATES, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

Keith H. Allen, C.P.A., M.S.T.  
Mark R. Carrier, C.P.A.  
Michael R. Dunn, C.P.A.  
Jonathan A. Hussey, C.P.A., M.S.T.

Steven R. Lamontagne, C.P.A.  
Gary W. Soucy, C.P.A.  
Gary A. Wigant, C.P.A.  
C. Joseph Wolverton, C.P.A.

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Good Shepherd Food Bank of Maine  
Auburn, Maine

We have audited the accompanying financial statements of Good Shepherd Food Bank of Maine (a nonprofit organization) which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free 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 Organization'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 Organization'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 Good Shepherd Food Bank of Maine as of June 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Qualified Opinion on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules on pages 20 through 24 are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. Management has elected to present the financial information in the schedules on pages 20 through 24 without the inclusion of donated product activity including inventory, revenue and cost of donated product distributed. In our opinion, except for the effects on assets, net assets, revenue and expenses from the removal of the donated product activity, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Ouellette & Associates, P.A.*  
Certified Public Accountants

January 18, 2017  
Lewiston, Maine

## GOOD SHEPHERD FOOD BANK OF MAINE

## STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2016 AND 2015

<i>ASSETS</i>		
	<u>2016</u>	<u>2015</u>
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 1,007,686	\$ 2,294,739
Certificates of Deposit	104,734	104,445
Accounts Receivable - Agency Fees (Net of Allowance)	190,690	148,368
Accounts Receivable - USDA	47,500	37,384
Accounts Receivable - Grant Funds	279,137	391,996
Inventory - Purchased Product	347,985	224,640
Inventory - Donated Product (Page 9)	616,130	400,083
Inventory - USDA Commodities (Page 9)	1,188,062	819,233
Prepaid Expenses	95,646	53,259
<b>Total Current Assets</b>	<u>3,877,570</u>	<u>4,474,147</u>
<b>PROPERTY, PLANT AND EQUIPMENT, NET</b>	<u>4,472,801</u>	<u>3,143,986</u>
<b>OTHER ASSETS</b>		
Other Assets	18,013	19,768
Beneficial Interest in Assets Held by Others	66,388	67,419
<b>Total Other Assets</b>	<u>84,401</u>	<u>87,187</u>
<b>TOTAL ASSETS</b>	<u>\$ 8,434,772</u>	<u>\$ 7,705,320</u>
<i>LIABILITIES AND NET ASSETS</i>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 233,770	\$ 222,328
Agency Designations Payable	58,784	161,227
Accrued Expenses	97,754	41,689
Accrued Salaries and Wages	43,123	20,011
Accrued Compensated Absences	46,011	117,983
Refundable Advances	195,000	1,093,472
<b>Total Current Liabilities</b>	<u>674,442</u>	<u>1,656,710</u>
<b>LONG-TERM LIABILITIES</b>		
Mortgage Note Payable	750,000	-
<b>Total Long-Term Liabilities</b>	<u>750,000</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>1,424,442</u>	<u>1,656,710</u>
<b>NET ASSETS</b>		
Unrestricted:		
Investment in Property, Plant and Equipment	3,722,801	3,143,986
Investment in Inventory	2,152,177	1,443,956
Unrestricted and Undesignated	614,096	771,438
Sub-Total Unrestricted	6,489,074	5,359,380
Temporarily Restricted	485,081	653,555
Permanently Restricted	36,175	35,675
<b>Total Net Assets</b>	<u>7,010,330</u>	<u>6,048,610</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 8,434,772</u>	<u>\$ 7,705,320</u>

See Independent Auditor's Report and Accompanying Notes to the Financial Statements

## GOOD SHEPHERD FOOD BANK OF MAINE

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2016

	<i>Unrestricted</i>	<i>Temporarily Restricted</i>	<i>Permanently Restricted</i>	<b><u>Total</u></b>
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>				
Donated Product (Page 9)	\$ 40,058,035	\$ -	\$ -	\$ 40,058,035
Contributions	3,801,536	333,207	500	4,135,243
Agency Fees	1,788,082	-	-	1,788,082
Grants	2,058,128	151,874	-	2,210,002
USDA	224,826	-	-	224,826
Special Events	287,063	-	-	287,063
In-Kind Contributions	112,188	-	-	112,188
Other Revenue	18,295	-	-	18,295
Investment Return	(999)	-	-	(999)
Gain on Sale of Assets	10,791	-	-	10,791
Interest and Dividends	1,375	-	-	1,375
Net Assets Released from Restrictions	653,555	(653,555)	-	-
<b>TOTAL REVENUES, GAINS, AND OTHER SUPPORT</b>	<b><u>49,012,875</u></b>	<b><u>(168,474)</u></b>	<b><u>500</u></b>	<b><u>48,844,901</u></b>
<b>EXPENSES AND LOSSES</b>				
<b>Program Services</b>				
Product Distribution	44,998,026	-	-	44,998,026
Community Education	534,989	-	-	534,989
<b>Supporting Services</b>				
General and Administrative	753,105	-	-	753,105
Fundraising	1,251,448	-	-	1,251,448
<b>Total Expenses</b>	<b><u>47,537,568</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>47,537,568</u></b>
Loss on Impairment of Asset	345,613	-	-	345,613
<b>Total Losses</b>	<b><u>345,613</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>345,613</u></b>
<b>TOTAL EXPENSES AND LOSSES</b>	<b><u>47,883,181</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>47,883,181</u></b>
<b>CHANGE IN NET ASSETS</b>	<b><u>1,129,694</u></b>	<b><u>(168,474)</u></b>	<b><u>500</u></b>	<b><u>961,720</u></b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b><u>5,359,380</u></b>	<b><u>653,555</u></b>	<b><u>35,675</u></b>	<b><u>6,048,610</u></b>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ 6,489,074</u></b>	<b><u>\$ 485,081</u></b>	<b><u>\$ 36,175</u></b>	<b><u>\$ 7,010,330</u></b>

See Independent Auditor's Report and Accompanying Notes to the Financial Statements

## GOOD SHEPHERD FOOD BANK OF MAINE

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2015

	<i>Unrestricted</i>	<i>Temporarily Restricted</i>	<i>Permanently Restricted</i>	<i>Total</i>
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>				
Donated Product (Page 9)	\$ 36,421,588	\$ -	\$ -	\$ 36,421,588
Contributions	3,582,996	286,535	-	3,869,531
Agency Fees	1,494,141	-	-	1,494,141
Grants	798,230	320,000	-	1,118,230
USDA	118,245	-	-	118,245
Special Events	259,463	-	-	259,463
In-Kind Contributions	142,934	47,020	-	189,954
Other Revenue	39,655	-	-	39,655
Investment Return	1,157	-	-	1,157
Gain on Sale of Assets	12,950	-	-	12,950
Interest and Dividends	1,519	-	-	1,519
Net Assets Released from Restrictions	553,572	(553,572)	-	-
<b>TOTAL REVENUES, GAINS, AND OTHER SUPPORT</b>	<u>43,426,450</u>	<u>99,983</u>	<u>-</u>	<u>43,526,433</u>
<b>EXPENSES</b>				
<b>Program Services</b>				
Product Distribution	42,591,214	-	-	42,591,214
Community Education	463,761	-	-	463,761
<b>Supporting Services</b>				
General and Administrative	529,041	-	-	529,041
Fundraising	1,022,890	-	-	1,022,890
<b>TOTAL EXPENSES</b>	<u>44,606,906</u>	<u>-</u>	<u>-</u>	<u>44,606,906</u>
<b>CHANGE IN NET ASSETS</b>	(1,180,456)	99,983	-	(1,080,473)
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>6,539,836</u>	<u>553,572</u>	<u>35,675</u>	<u>7,129,083</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 5,359,380</u>	<u>\$ 653,555</u>	<u>\$ 35,675</u>	<u>\$ 6,048,610</u>

See Independent Auditor's Report and Accompanying Notes to the Financial Statements

GOOD SHEPHERD FOOD BANK OF MAINE  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2016

	<i>Program Services</i>		<i>Support Services</i>		<i>Total</i>
	<i>Food Distribution</i>	<i>Community Education</i>	<i>General &amp; Administrative</i>	<i>Fundraising</i>	
<b>EXPENSES</b>					
Donated Product Distributed (Page 9)	\$ 39,473,159	\$ -	\$ -	\$ -	\$ 39,473,159
Product Purchased	1,460,647	-	-	-	1,460,647
Food Mobile, Pantry and Other Programs	556,877	28,490	-	-	585,367
Direct Agency Support	189,429	-	-	-	189,429
Gift Card Expense	-	168,160	-	-	168,160
Salaries	1,685,636	209,553	401,893	363,399	2,660,481
Employee Benefits	291,724	37,177	51,286	59,122	439,309
Payroll Taxes Employer Expense	133,137	16,421	31,236	28,207	209,001
Workers' Compensation Insurance	29,289	1,199	2,301	2,079	34,868
Contracted Services	96,975	24,171	106,223	70,133	297,502
Professional Fees	-	-	17,751	-	17,751
Direct Mail Printing and Processing	-	-	-	493,210	493,210
Special Events	-	-	-	53,377	53,377
Advertising, Publicity & Fundraising Supplies	-	-	-	19,922	19,922
Vehicle Expense	232,699	-	-	-	232,699
Postage	-	1,692	8,853	122,602	133,147
Utilities	151,153	1,575	1,575	3,148	157,451
Building Maintenance	54,125	-	-	-	54,125
Warehouse Supplies, Equipment and Maintenance	117,653	-	-	-	117,653
Occupancy - Other Rental	23,790	14,996	937	2,812	42,535
Telephone and Communications	27,869	3,761	16,352	6,025	54,007
Computer Supplies	11,651	666	16,644	4,327	33,288
Trash Removal	17,324	-	-	-	17,324
Travel, Conferences and Meetings	72,376	13,403	33,258	13,394	132,431
Liability and Vehicle Insurance	29,859	2,141	7,632	3,712	43,344
Office Supplies and Expense	5,330	305	7,613	1,980	15,228
Feeding America Fees	13,040	-	-	-	13,040
Interest Expense	-	-	19,317	-	19,317
Miscellaneous	1,575	11,279	30,234	3,999	47,087
<b>TOTAL EXPENSES BEFORE DEPRECIATION</b>	<b>44,675,317</b>	<b>534,989</b>	<b>753,105</b>	<b>1,251,448</b>	<b>47,214,859</b>
<b>DEPRECIATION</b>	<b>322,709</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>322,709</b>
<b>TOTAL EXPENSES</b>	<b>\$ 44,998,026</b>	<b>\$ 534,989</b>	<b>\$ 753,105</b>	<b>\$ 1,251,448</b>	<b>\$ 47,537,568</b>

See Independent Auditor's Report and Accompanying Notes to the Financial Statements



GOOD SHEPHERD FOOD BANK OF MAINE  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2015

	<i>Program Services</i>		<i>Support Services</i>		<i>Total</i>
	<i>Food Distribution</i>	<i>Community Education</i>	<i>General &amp; Administrative</i>	<i>Fundraising</i>	
<b>EXPENSES</b>					
Donated Product Distributed (Page 9)	\$ 37,272,543	\$ -	\$ -	\$ -	\$ 37,272,543
Product Purchased	1,525,680	-	-	-	1,525,680
Food Mobile, Pantry and Other Programs	407,053	15,158	-	-	422,211
Direct Agency Support	63,775	-	-	-	63,775
Gift Card Expense	-	145,700	-	-	145,700
Product Discounts	67,119	-	-	-	67,119
Salaries	1,642,186	223,934	298,579	323,461	2,488,160
Employee Benefits	234,720	32,007	42,677	46,233	355,637
Payroll Taxes Employer Expense	128,262	17,490	23,320	25,264	194,336
Workers' Compensation Insurance	28,799	-	5,485	-	34,284
Contracted Services	30,892	-	72,875	14,088	117,855
Professional Fees	-	-	18,461	-	18,461
Direct Mail Printing and Processing	-	-	-	381,613	381,613
Special Events	-	-	-	56,762	56,762
Advertising, Publicity & Fundraising Supplies	-	-	-	33,138	33,138
Vehicle Expense	304,527	-	-	-	304,527
Postage	6,050	-	8,470	106,487	121,007
Utilities	140,430	1,463	1,463	2,925	146,281
Building Maintenance	50,680	-	-	-	50,680
Warehouse Supplies, Equipment and Maintenance	103,793	-	-	-	103,793
Occupancy - Other Rental	37,129	14,197	-	3,276	54,602
Telephone and Communications	24,677	2,467	16,286	5,923	49,353
Computer Supplies	8,941	511	12,773	3,322	25,547
Trash Removal	18,452	-	-	-	18,452
Travel, Conferences and Meetings	77,469	10,564	14,086	15,259	117,378
Liability and Vehicle Insurance	36,893	-	2,815	-	39,708
Office Supplies and Expense	4,727	270	6,752	1,756	13,505
Feeding America Fees	11,792	-	-	-	11,792
Miscellaneous	6,323	-	4,999	3,383	14,705
<b>TOTAL EXPENSES BEFORE DEPRECIATION</b>	<u>42,232,912</u>	<u>463,761</u>	<u>529,041</u>	<u>1,022,890</u>	<u>44,248,604</u>
<b>DEPRECIATION</b>	<u>358,302</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>358,302</u>
<b>TOTAL EXPENSES</b>	<u>\$ 42,591,214</u>	<u>\$ 463,761</u>	<u>\$ 529,041</u>	<u>\$ 1,022,890</u>	<u>\$ 44,606,906</u>

See Independent Auditor's Report and Accompanying Notes to the Financial Statements

GOOD SHEPHERD FOOD BANK OF MAINE  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

	2016	2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 961,720	\$ (1,080,473)
Adjustments to Reconcile Change in Net Assets to Net Cash Flows From Operating Activities:		
Depreciation and Amortization	322,709	358,302
Gain on Sale of Property and Equipment	(10,791)	(12,950)
Loss on Impairment of Asset	345,613	-
Change in Value of Donated Inventory (Page 9)	(584,876)	850,955
<i>(Increase) Decrease in Operating Assets:</i>		
Accounts Receivable-Agency Fees	(42,322)	15,670
Accounts Receivable-USDA	(10,116)	61,917
Accounts Receivable-Matching Grant	-	32,858
Accounts Receivable - Grant Funds	112,859	(341,996)
Inventory - Purchased Product	(123,345)	19,629
Prepaid Expenses	(42,387)	(25,498)
Other Assets	1,755	1,623
<i>Increase (Decrease) in Operating Liabilities:</i>		
Accounts Payable	11,442	(122,345)
Agency Matching Funds Payable	(102,443)	(38,724)
Accrued Expenses	56,065	4,015
Accrued Salaries and Wages	23,112	(37,466)
Accrued Compensated Absences	(71,972)	515
Refundable Advances	(898,472)	1,093,116
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>(51,449)</b>	<b>779,148</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Gross Proceeds from Sale of Property and Equipment	34,600	12,950
Purchase of Property and Equipment	(2,020,946)	(193,939)
Change in Certificates of Deposits	(289)	5,218
Change in Beneficial Interest in Assets	1,031	(1,219)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(1,985,604)</b>	<b>(176,990)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Gross Proceeds from Mortgage Payable	750,000	-
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>750,000</b>	<b>-</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,287,053)</b>	<b>602,158</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>2,294,739</b>	<b>1,692,581</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 1,007,686</b>	<b>\$ 2,294,739</b>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>		
<b>Cash Paid During the Year for:</b>		
Interest	<b>\$ 19,317</b>	<b>\$ -</b>

See Independent Auditor's Report and Accompanying Notes to the Financial Statements

GOOD SHEPHERD FOOD BANK OF MAINE  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

	<i>2016</i>	<i>2015</i>
<b>Supplemental Schedule of the Effect of Donated Product Inventory on Change in Net Assets</b>		
Donated Product Revenue Received:		
Donated Product	\$ 33,464,274	\$ 31,393,351
USDA CSFP	1,632,374	1,625,352
USDA TEFAP	4,961,387	3,402,885
Total Donated Product Revenue	40,058,035	36,421,588
 Donated Product Expense for Product Distributed:		
Donated Product	30,608,216	29,818,961
USDA CSFP	1,693,314	1,646,474
USDA TEFAP	4,414,019	3,854,964
Non-distributable Product	2,757,610	1,952,144
Total Donated Product Expense	39,473,159	37,272,543
 Effect of Donated Product Inventory on Change in Net Assets	\$ 584,876	\$ (850,955)
 Inventory - Donated Product and USDA Commodities - Beginning of Year	\$ 1,219,316	\$ 2,070,271
 Effect of Change in Donated Product Inventory, Per Above	584,876	(850,955)
 Inventory - Donated Product and USDA Commodities - End of Year	\$ 1,804,192	\$ 1,219,316

As noted on page 11 in the Notes to Financial Statements (Note 2 - Inventories), the Food Bank has adopted Feeding America's "Product Valuation Survey Methodology" to value products donated and distributed, which are non-cash transactions included in the Statements of Activities. The effects of these transactions impact the net income (loss) from operations and are included in the overall change in net assets. The effects for the years ended June 30, 2016 and 2015 are as follows:

	<i>2016</i>	<i>2015</i>
Change in Net Assets	\$ 961,720	\$ (1,080,473)
Change from Donated Product Inventory (Per Above)	(584,876)	850,955
Net Income (Loss) from Operations	\$ 376,844	\$ (229,518)

See Independent Auditor's Report and Accompanying Notes to the Financial Statements

GOOD SHEPHERD FOOD BANK OF MAINE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

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NOTE 1: ORGANIZATION AND NATURE OF OPERATIONS

Good Shepherd Food Bank of Maine (GSFB) was organized November 22, 1981 as a Maine corporation exempt from income tax under Internal Revenue Code Section 501(c)(3). As the largest hunger relief organization in Maine, GSFB provides for Mainers facing hunger by distributing nutritious food to more than 400 partner agencies across the state, including food pantries, meal sites, shelters, schools, senior centers, and youth programs. Together with its network, the Food Bank leads a statewide effort to combat the root causes of hunger by engaging in advocacy, nutrition education, and strategic partnerships. Together with its network of partner agencies, the Food Bank distributes approximately 20 million meals annually to families, children, and seniors in need throughout Maine.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting**

The accompanying financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America and accordingly reflect all significant receivables, payables, and other liabilities.

**Basis of Presentation**

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. These net assets classifications are described as follows:

*Unrestricted Net Assets* - Net assets that are not subject to donor-imposed stipulations.

*Temporarily Restricted Net Assets* - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

*Permanently Restricted Net Assets* - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes.

**Use of Estimates**

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

**Cash and Cash Equivalents**

For purposes of the statements of cash flows, GSFB considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

GOOD SHEPHERD FOOD BANK OF MAINE

NOTES TO FINANCIAL STATEMENTS

(Continued)

JUNE 30, 2016 AND 2015

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NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Accounts Receivable**

Accounts receivable due from non-profit agencies and organizations are stated at the amount management expect to collect from balances outstanding at year-end. Management provides for uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The allowance for doubtful accounts was \$3,502 and \$0 at June 30, 2016 and 2015, respectively.

**Shared Maintenance Fees**

On November 23, 1994, GSFb became an affiliate of Feeding America, a national network of over 200 food banks, which provides GSFb with information, legislation advocacy and other benefits of a national organization. Based on Feeding America's guidelines, a food bank is allowed to charge agencies a maintenance fee (included in Agency Fee) to offset a portion of the handling and redistribution costs incurred by the food bank; however this fee cannot be more than \$.19 per pound. Currently GSFb receives donated product and outside donations from many sources which allows the Food Bank to distribute a significant amount of this donated product at no charge.

**Restricted and Unrestricted Support**

Contributions and grants received or donor promises to give are recorded as temporarily restricted, permanently restricted, or unrestricted support, depending on the existence or nature of any donor restriction. Contributions made to GSFb are considered available for unrestricted use unless specifically restricted by the donor. In the case of unconditional contributions to GSFb's endowment fund, the gift or promise to give is reflected in the statements of activities as increasing permanently restricted net assets. All other donor restricted support is reported as an increase in temporarily or permanently restricted net assets. However, support that is restricted by the donor is reported in unrestricted net assets if the restriction expires in the reporting period in which the support is received. When a restriction expires, such as when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets. Investment income and gains restricted by donors are reported as increases in unrestricted net assets if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

**Inventories**

Inventories consist of three categories: Food and product which is purchased for resale by GSFb, food and product which is donated, and government surplus food which is warehoused on behalf of the government by GSFb for redistribution. Inventory values for purchased products are stated at the lower of cost or market. Donated inventory items are valued at the estimated average wholesale value of one pound of donated product as outlined in the "Product Valuation Survey Methodology", prepared by Feeding America. For the years ended June 30, 2016 and 2015, the value per pound was \$1.70 and \$1.72, respectively. The adopted per pound change (decreased)/increased the ending value of the inventory by approximately \$(14,200) and \$36,700 as of June 30, 2016 and 2015, respectively. During fiscal years 2016 and 2015, approximately 24.1 and 23.3 million pounds of donated and purchased food was distributed to program recipients respectively.

GOOD SHEPHERD FOOD BANK OF MAINE

NOTES TO FINANCIAL STATEMENTS

(Continued)

JUNE 30, 2016 AND 2015

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NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Shipping Costs**

GSFB shipping costs in the statements of functional expenses includes vehicle expenses and direct shipping costs. Total shipping costs for the years ended June 30, 2016 and 2015 were \$232,699 and \$304,527, respectively.

**Property, Plant and Equipment**

GSFB capitalizes all property, plant and equipment with a cost of \$2,500 if purchased, and a fair value of \$2,500 at date of donation if received by contribution. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Depreciation is provided over the estimated useful lives of the assets using the straight-line method. The cost of maintenance and repairs is expensed as incurred, whereas significant renewals and betterments are capitalized.

**Held for Sale**

In March 2016, after the purchase of the Organization's new facility in Hampden, Maine, the facility located in Brewer, Maine was listed as for sale by management. Based on the carry value compared to current market prices for similar facilities in the area, management decided to record an impairment loss on the asset for \$345,613 bringing the carrying value to approximately \$110,000. As the building is no longer in use and currently being held for sale, no additional depreciation has been recorded.

**Volunteer Hours and Donated Services**

GSFB receives without charge a variety of services consisting of personal time that is used for the benefit of the Organization's food and product distribution program. The value of this contributed time is not reflected in the accompanying financial statements since the services do not require specialized skills. Volunteers donated 19,603 and 21,388 hours with an estimated value of \$417,740 and \$439,310, respectively for the years ended June 30, 2016 and 2015. The value was computed using an hourly rate of \$21.31 and \$20.54 based on the Independent Sector's value of volunteer time for the State of Maine for 2016 and 2015, respectively. Volunteers are an important part of the Food Bank's operations without which distribution of goods would be difficult. GSFB also received skilled donated services which are recorded in the statements of activities that totaled \$31,753 and \$8,375, respectively for the years ended June 30, 2016 and 2015.

**Income Tax Status**

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Management has determined that the Organization does not have any uncertain tax positions and associated unrecognized benefits or liabilities that materially impact the financial statements or related disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Organization's tax returns will not be challenged by the taxing authorities and that the Organization will not be subject to additional tax, penalties and interest as a result of such challenge. Generally, the Organization's tax returns remain subject to examination for three years after they were filed.

**Advertising Costs**

Advertising costs are charged to expense as incurred.

GOOD SHEPHERD FOOD BANK OF MAINE

NOTES TO FINANCIAL STATEMENTS

(Continued)

JUNE 30, 2016 AND 2015

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Functional Allocation of Expenses**

The costs of providing various programs have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs benefited.

**Reclassifications**

Certain amounts in the previous fiscal year's financial statements have been reclassified to conform to the current year's financial statement presentation. These reclassifications had no effect on the Organization's previously reported unrestricted, temporarily restricted or permanently restricted net assets or change in net assets.

**Subsequent Events**

Management has made an evaluation of subsequent events through January 18, 2017, the date of the auditor's report, which was the date the financial statements were available to be issued and determined that any subsequent events that would require recognition or disclosure have been considered in the preparation of the financial statements.

NOTE 3: UNEMPLOYMENT DEPOSIT

Under a special election to self-insure unemployment claims in lieu of making unemployment tax payments, the Organization was required under Maine Employment Security Law to deposit funds equal to five percent of taxable wages for the four completed calendar quarters immediately preceding the effective date of the election. A certificate of deposit in the amount of \$5,000 was deposited for this purpose and is included with certificates of deposit in the statement of financial position. Due to increases in payroll the Organization was subsequently required to obtain a surety Bond with the Maine Department of Labor through Hanover Insurance Company in the amount of \$38,000. Direct reimbursements made to the Bureau of Unemployment for the years ended June 30, 2016 and 2015 were \$27,025 and \$4,165, respectively.

NOTE 4: PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment consists of the following:

	<u>2016</u>	<u>2015</u>
Land	\$ 106,526	\$ 137,526
Building and Improvements	5,049,385	3,734,794
Building and Land Held for Sale	110,000	-
Office Equipment	182,859	182,859
Warehouse Equipment	1,074,957	1,063,013
Computer Equipment	39,853	21,728
Vehicles	<u>967,028</u>	<u>969,732</u>
	7,530,608	6,109,652
Less Accumulated Depreciation	<u>3,057,807</u>	<u>2,965,666</u>
	<u>\$ 4,472,801</u>	<u>\$ 3,143,986</u>

GOOD SHEPHERD FOOD BANK OF MAINE

NOTES TO FINANCIAL STATEMENTS

(Continued)

JUNE 30, 2016 AND 2015

NOTE 4: PROPERTY, PLANT AND EQUIPMENT (Continued)

Depreciation expense, based on estimated useful lives shown below, was:

	<u>2016</u>	<u>2015</u>	
Building and Improvements	\$ 133,358	\$ 102,679	39 Years
Office Equipment	6,113	7,172	5 - 7 Years
Warehouse Equipment	80,524	86,319	5 - 10 Years
Computer Equipment	5,536	4,346	5 Years
Vehicles	95,956	156,564	5 - 10 Years
Land Improvements	<u>1,222</u>	<u>1,222</u>	15 Years
	<u>\$ 322,709</u>	<u>\$ 358,302</u>	

NOTE 5: BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

In January 2007, GSFb transferred \$43,998 from its funds to the Maine Community Foundation (the "Foundation") to establish an endowment fund with GSFb named as beneficiary. Under terms of the agreement, a percentage of the market value of the fund ("annual spending policy") shall be paid and distributed to GSFb at least annually, or on a schedule to which the Parties may from time to time change. GSFb can withdraw all or a portion of the original amount transferred, any appreciation on those transferred assets, or both, provided that a majority of the governing boards of GSFb and the Foundation approve of the withdrawal. At the time of the transfer, GSFb granted variance power to the Foundation. That power gives the Foundation the right to distribute the investment income to another not-for-profit organization of its choice if GSFb ceases to exist or if the governing board of the Maine Community Foundation votes that support of GSFb (a) is no longer necessary, (b) incapable of fulfillment, or (c) is inconsistent with the needs of the community. At June 30, 2016 and 2015, the endowment fund has a value of \$66,388 and \$67,419, respectively, which is reported in the statements of financial position as a beneficial interest in assets held by others.

NOTE 6: FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The three levels of the fair value hierarchy under FASB ASC 820, *Fair Value Measurements*, 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 at the measurement date.



GOOD SHEPHERD FOOD BANK OF MAINE

NOTES TO FINANCIAL STATEMENTS

(Continued)

JUNE 30, 2016 AND 2015

NOTE 6: FAIR VALUE MEASUREMENTS (Continued)

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, such as:

- 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 asset 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 that are unobservable inputs for the asset or liability.

The 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.

*Cash, cash equivalents, short-term unconditional promises to give:* The carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of those instruments.

*Short-term and endowment investments:* The fair values of investments are based on quoted market prices for those or similar investments.

*Building and land held for sale:* The fair value of the Organization's building held for sale is based on quoted prices for similar assets in the area real estate market.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2016 and 2015:

<b>At June 30, 2016</b>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Financial Assets:				
Certificates of Deposit	\$ 104,734	\$ -	\$ 104,734	\$ -
Building and Land Held for Sale	110,000		110,000	
Beneficial Interest in Assets				
Held by Others	<u>66,388</u>	<u>-</u>	<u>-</u>	<u>66,388</u>
	<u>\$ 281,122</u>	<u>\$ -</u>	<u>\$ 214,734</u>	<u>\$ 66,388</u>
At June 30, 2015	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Financial Assets:				
Certificates of Deposit	\$ 104,445	\$ -	\$ 104,445	\$ -
Beneficial Interest in Assets				
Held by Others	<u>67,419</u>	<u>-</u>	<u>-</u>	<u>67,419</u>
	<u>\$ 171,864</u>	<u>\$ -</u>	<u>\$ 104,445</u>	<u>\$ 67,419</u>

GOOD SHEPHERD FOOD BANK OF MAINE

NOTES TO FINANCIAL STATEMENTS

(Continued)

JUNE 30, 2016 AND 2015

NOTE 6: FAIR VALUE MEASUREMENTS (Continued)

Beneficial Interest in Assets Held by Others

Fair value for the beneficial interest in assets held by others is determined from information obtained from the Maine Community Foundation based on their value of the underlying investments.

The table below presents information about the changes in the beneficial interest held by others for the year ended June 30:

	<u>2016</u>	<u>2015</u>
Beginning Balance	\$ 67,419	\$ 66,200
Change in Value	<u>(1,031)</u>	<u>1,219</u>
Ending Balance	<u>\$ 66,388</u>	<u>\$ 67,419</u>

NOTE 7: FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK

GSFB maintains its cash balances and certificates of deposit at several financial institutions. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000 per institution. During the year, the Organization's cash balance may at times exceed FDIC insured limits. The Food-Bank's uninsured cash balances total \$0 and \$762,816 at June 30, 2016 and 2015, respectively. Management reviews the financial stability of these institutions and believes the risk of loss to be minimal.

NOTE 8: REFUNDABLE ADVANCES

The balance in refundable advances represents grants received treated as exchange transactions and not yet expended. As an exchange transaction, these grants are earned as they are spent. Any remaining grant funds after the projects are completed are required to be returned to the grantor.

Refundable advances at June 30 are as follows:

	<u>2016</u>	<u>2015</u>
Capital Improvements Auburn Facilities	\$ -	\$ 943,472
Bangor Area Facilities	<u>195,000</u>	<u>150,000</u>
	<u>\$ 195,000</u>	<u>\$ 1,093,472</u>

GOOD SHEPHERD FOOD BANK OF MAINE

NOTES TO FINANCIAL STATEMENTS

(Continued)

JUNE 30, 2016 AND 2015

NOTE 9: TEMPORARILY RESTRICTED NET ASSETS

The balance in temporarily restricted net assets represents assets available for future program expenses restricted by the donor and not yet expended.

Temporarily restricted net assets at June 30 are as follows:

	<u>2016</u>	<u>2015</u>
Cooking Matters	\$ 85,041	\$ 47,020
Food Mobile Program	113,451	107,004
Child Hunger Programs	-	69,308
Mainers Feeding Mainers	35,923	176,500
Purchased Food	-	29,239
Bangor Area Facilities	128,468	25,468
Agency Capacity Building	26,828	79,016
Food Sourcing Programs	50,151	120,000
Community Health & Hunger	<u>45,219</u>	<u>-</u>
	<u>\$ 485,081</u>	<u>\$ 653,555</u>

NOTE 10: PERMANENTLY RESTRICTED NET ASSETS

**Purchase Endowment**

Amounts donated to GSFb for the purpose of purchasing resale products to help provide balanced nutrition to the hungry. The assets are permanently set-aside for these purposes.

**Marchetti Endowment**

This fund was established for the purpose of providing the agency with interest income to be used at the board's discretion. The principal corpus is to remain intact.

Permanently restricted net assets at June 30 are as follows:

	<u>2016</u>	<u>2015</u>
<b>Purchase Endowment</b>	\$ 22,550	\$ 22,550
Contributions	<u>500</u>	<u>-</u>
Total Purchase Endowment	<u>\$ 23,050</u>	<u>\$ 22,550</u>
<b>Marchetti Endowment</b>	\$ 13,125	\$ 13,125
Contributions	<u>-</u>	<u>-</u>
Total Marchetti Endowment	<u>\$ 13,125</u>	<u>\$ 13,125</u>
Total Permanently Restricted Net Assets	<u>\$ 36,175</u>	<u>\$ 35,675</u>

GOOD SHEPHERD FOOD BANK OF MAINE

NOTES TO FINANCIAL STATEMENTS

(Continued)

JUNE 30, 2016 AND 2015

NOTE 11: LINE OF CREDIT

The Organization has available a line of credit with a local financial institution in the amount of \$400,000 for short-term working capital needs with interest at the Wall Street Prime Rate, 3.5 % and 3.25% at June 30, 2016 and 2015, respectively. The loan is secured by a first security interest in all business assets. The line of credit is available until its expiration date of July 12, 2017, if not renewed. As of June 30, 2016 and 2015, there was no outstanding balance on the line of credit. The note is not subject to any restrictive covenants.

NOTE 12: LONG-TERM LIABILITIES

On October 27, 2015, GSFb entered into a \$750,000 Mortgage Note Payable with a local financial institution to finance the purchase and improvements to commercial real estate located in Hampden, Maine. For the first 7 years, the note will accrue at a fixed rate of 3.8% and then will be adjusted to a variable rate equal to the Prime Rate plus .5% for the remainder of the Note. GSFb will be required to make interest only payments for the first 36 months. Beginning November 22, 2018, GSFb will be required to make monthly principal and interest payments of \$4,514 until maturity in October 2038. Principal payments on mortgage notes payable as of June 30 are due as follows:

2017	\$	-
2018		-
2019		17,326
2020		26,709
2021		27,817
Thereafter		<u>678,148</u>
		<u>\$750,000</u>

The Mortgage Note Payable includes a certain 120 day deadline to provide the financial institution with updated audited financial statements. The Organization did not meet this loan covenant however did receive a one-time waiver from the financial institution.

NOTE 13: PENSION PLAN

At the August 6, 1998 board meeting, GSFb adopted a Simple IRA retirement plan whereby participating employees may contribute up to the maximum allowed by the Internal Revenue Service. GSFb matches the elective contribution in an amount not exceeding 3% of the employee's compensation. Total matching contributions by GSFb for the years ended June 30, 2016 and 2015 were \$61,846 and \$36,420, respectively.

NOTE 14: FISCAL AGENT

On March 1, 2014, GSFb agreed to assist the Cumberland County Food Security Council (a local charitable organization) with certain fiscal agent functions, primarily bookkeeping and financial reporting responsibilities, at no cost. As part of these responsibilities, GSFb maintains a cash account, which is used for the Council's operations. As of June 30, 2016 and 2015 the balance of this account totaled \$14,898 and \$33,813, respectively. The cash account and operations (revenue and expenses) have been omitted from GSFb's financial statements.

GOOD SHEPHERD FOOD BANK OF MAINE

NOTES TO FINANCIAL STATEMENTS

(Continued)

JUNE 30, 2016 AND 2015

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NOTE 15: OPERATING LEASE COMMITMENT

On July 1, 2013, GSFB entered into a three year non-cancellable operating lease for warehouse space in Biddeford, Maine requiring annual base rent payments of \$25,000, \$26,250 and \$27,500. This lease expired on June 30, 2016 and was not renewed.

GSFB also leases warehouse space and office space in Portland, Maine. The warehouse space is used as part of one of its programs with monthly payments of \$420 per month. The office space was originally leased under a three year non-cancellable operating lease requiring annual base rent payments of \$17,100, \$17,622 and \$18,144 through August 2016. This lease also requires GSFB to pay a prorate share of the office operating costs each year. The lease was subsequently extended for an additional two years requiring annual base rent payments of \$18,688 and \$19,249 and is scheduled to expire on August 31, 2018.

In July 2015, GSFB entered into a three year non-cancellable operating lease for a tractor trailer truck through Kris-Way leasing. The lease requires monthly payments of \$1,798 and will expire in July 2018.

Total rent expense for the years ended June 30, 2016 and 2015 was \$42,535 and \$54,602, respectively.

Future minimum lease payments are as follows:

June 30, 2017	\$ 40,178
June 30, 2018	40,735
June 30, 2019	<u>5,006</u>
	<u>\$ 85,919</u>

SUPPLEMENTAL INFORMATION

GOOD SHEPHERD FOOD BANK OF MAINE  
SCHEDULES OF FINANCIAL POSITION  
(Excluding the Effects of Donated Product Activity)  
JUNE 30, 2016 AND 2015

	<i>ASSETS</i>	<u>2016</u>	<u>2015</u>
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	\$	1,007,686	\$ 2,294,739
Certificates of Deposit		104,734	104,445
Accounts Receivable - Agency Fees		190,690	148,368
Accounts Receivable - USDA		47,500	37,384
Accounts Receivable - Grant Funds		279,137	391,996
Inventory - Purchased Product		347,985	224,640
Prepaid Expenses		95,646	53,259
Total Current Assets		<u>2,073,378</u>	<u>3,254,831</u>
<b>PROPERTY, PLANT AND EQUIPMENT, NET</b>		<u>4,472,801</u>	<u>3,143,986</u>
<b>OTHER ASSETS</b>			
Other Assets		18,013	19,768
Beneficial Interest in Assets Held by Others		66,388	67,419
Total Other Assets		<u>84,401</u>	<u>87,187</u>
<b>TOTAL ASSETS</b>		<u>\$ 6,630,580</u>	<u>\$ 6,486,004</u>
	<i>LIABILITIES AND NET ASSETS</i>		
<b>CURRENT LIABILITIES</b>			
Accounts Payable	\$	233,770	\$ 222,328
Agency Designations Payable		58,784	161,227
Accrued Expenses		97,754	41,689
Accrued Salaries and Wages		43,123	20,011
Accrued Compensated Absences		46,011	117,983
Refundable Advances		195,000	1,093,472
Total Current Liabilities		<u>674,442</u>	<u>1,656,710</u>
<b>LONG-TERM LIABILITIES</b>			
Mortgage Notes Payable		750,000	-
Total Long-Term Liabilities		<u>750,000</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>		<u>1,424,442</u>	<u>1,656,710</u>
<b>NET ASSETS</b>			
Unrestricted:			
Investment in Property, Plant and Equipment		3,722,801	3,143,986
Investment in Inventory		347,985	224,640
Unrestricted and Undesignated		614,096	771,438
Sub-Total Unrestricted		<u>4,684,882</u>	<u>4,140,064</u>
Temporarily Restricted		485,081	653,555
Permanently Restricted		36,175	35,675
Total Net Assets		<u>5,206,138</u>	<u>4,829,294</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>		<u>\$ 6,630,580</u>	<u>\$ 6,486,004</u>

The Selected Financial Information Excludes the Effects of Donated Product Activity, Which is not Intended to be in Accordance with Accounting Principles Generally Accepted in the United States of America

GOOD SHEPHERD FOOD BANK OF MAINE  
SCHEDULE OF ACTIVITIES  
(Excluding the Effects of Donated Product Activity)  
FOR THE YEAR ENDED JUNE 30, 2016

	<i>Unrestricted</i>	<i>Temporarily Restricted</i>	<i>Permanently Restricted</i>	<b>Total</b>
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>				
Contributions	\$ 3,801,536	\$ 333,207	\$ 500	\$ 4,135,243
Agency Fees	1,788,082	-	-	1,788,082
Grants	2,058,128	151,874	-	2,210,002
USDA	224,826	-	-	224,826
Special Events	287,063	-	-	287,063
In-Kind Contributions	112,188	-	-	112,188
Other Revenue	18,295	-	-	18,295
Investment Return	(999)	-	-	(999)
Gain on Sale of Assets	10,791	-	-	10,791
Interest and Dividends	1,375	-	-	1,375
Net Assets Released from Restrictions	653,555	(653,555)	-	-
<b>TOTAL REVENUES, GAINS, AND OTHER SUPPORT</b>	<b>8,954,840</b>	<b>(168,474)</b>	<b>500</b>	<b>8,786,866</b>
<b>EXPENSES AND LOSSES</b>				
<b>Program Services</b>				
Product Distribution	5,524,867	-	-	5,524,867
Community Education	534,989	-	-	534,989
<b>Supporting Services</b>				
General and Administrative	753,105	-	-	753,105
Fundraising	1,251,448	-	-	1,251,448
<b>Total Expenses</b>	<b>8,064,409</b>	<b>-</b>	<b>-</b>	<b>8,064,409</b>
Loss on Impairment of Asset	345,613	-	-	345,613
<b>Total Losses</b>	<b>345,613</b>	<b>-</b>	<b>-</b>	<b>345,613</b>
<b>TOTAL EXPENSES AND LOSSES</b>	<b>8,410,022</b>	<b>-</b>	<b>-</b>	<b>8,410,022</b>
<b>CHANGE IN NET ASSETS</b>	<b>544,818</b>	<b>(168,474)</b>	<b>500</b>	<b>376,844</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b>4,140,064</b>	<b>653,555</b>	<b>35,675</b>	<b>4,829,294</b>
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 4,684,882</b>	<b>\$ 485,081</b>	<b>\$ 36,175</b>	<b>\$ 5,206,138</b>

The Selected Financial Information Excludes the Effects of Donated Product Activity, Which is not Intended to be in Accordance with Accounting Principles Generally Accepted in the United States of America



GOOD SHEPHERD FOOD BANK OF MAINE  
SCHEDULE OF ACTIVITIES  
(Excluding the Effects of Donated Product Activity)  
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>				
Contributions	\$ 3,582,996	\$ 286,535	\$ -	\$ 3,869,531
Agency Fees	1,494,141	-	-	1,494,141
Grants	798,230	320,000	-	1,118,230
USDA	118,245	-	-	118,245
Special Events	259,463	-	-	259,463
In-Kind Contributions	142,934	47,020	-	189,954
Other Revenue	39,655	-	-	39,655
Investment Return	1,157	-	-	1,157
Gain on Sale of Assets	12,950	-	-	12,950
Interest and Dividends	1,519	-	-	1,519
Net Assets Released from Restrictions	553,572	(553,572)	-	-
<b>TOTAL REVENUES, GAINS, AND OTHER SUPPORT</b>	<u>7,004,862</u>	<u>99,983</u>	<u>-</u>	<u>7,104,845</u>
<b>EXPENSES</b>				
<b>Program Services</b>				
Product Distribution	5,318,671	-	-	5,318,671
Community Education	463,761	-	-	463,761
<b>Supporting Services</b>				
General and Administrative	529,041	-	-	529,041
Fundraising	1,022,890	-	-	1,022,890
<b>TOTAL EXPENSES</b>	<u>7,334,363</u>	<u>-</u>	<u>-</u>	<u>7,334,363</u>
<b>CHANGE IN NET ASSETS</b>	(329,501)	99,983	-	(229,518)
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>4,469,565</u>	<u>553,572</u>	<u>35,675</u>	<u>5,058,812</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 4,140,064</u>	<u>\$ 653,555</u>	<u>\$ 35,675</u>	<u>\$ 4,829,294</u>

The Selected Financial Information Excludes the Effects of Donated Product Activity, Which is not Intended to be in Accordance with Accounting Principles Generally Accepted in the United States of America

GOOD SHEPHERD FOOD BANK OF MAINE

SCHEDULE OF FUNCTIONAL EXPENSES

(Excluding the Effects of Donated Product Activity)

FOR THE YEAR ENDED JUNE 30, 2016

	<i>Program Services</i>		<i>Support Services</i>		<i>Total</i>
	<i>Food Distribution</i>	<i>Community Education</i>	<i>General &amp; Administrative</i>	<i>Fundraising</i>	
<b>EXPENSES</b>					
Product Purchased	\$ 1,460,647	\$ -	\$ -	\$ -	\$ 1,460,647
Food Mobile, Pantry and Other Programs	556,877	28,490	-	-	585,367
Direct Agency Support	189,429	-	-	-	189,429
Gift Card Expense	-	168,160	-	-	168,160
Salaries	1,685,636	209,553	401,893	363,399	2,660,481
Employee Benefits	291,724	37,177	51,286	59,122	439,309
Payroll Taxes Employer Expense	133,137	16,421	31,236	28,207	209,001
Workers' Compensation Insurance	29,289	1,199	2,301	2,079	34,868
Contracted Services	96,975	24,171	106,223	70,133	297,502
Professional Fees	-	-	17,751	-	17,751
Direct Mail Printing and Processing	-	-	-	493,210	493,210
Special Events	-	-	-	53,377	53,377
Advertising, Publicity & Fundraising Supplies	-	-	-	19,922	19,922
Vehicle Expense	232,699	-	-	-	232,699
Postage	-	1,692	8,853	122,602	133,147
Utilities	151,153	1,575	1,575	3,148	157,451
Building Maintenance	54,125	-	-	-	54,125
Warehouse Supplies, Equipment and Maintenance	117,653	-	-	-	117,653
Occupancy - Other Rental	23,790	14,996	937	2,812	42,535
Telephone and Communications	27,869	3,761	16,352	6,025	54,007
Computer Supplies	11,651	666	16,644	4,327	33,288
Trash Removal	17,324	-	-	-	17,324
Travel, Conferences and Meetings	72,376	13,403	33,258	13,394	132,431
Liability and Vehicle Insurance	29,859	2,141	7,632	3,712	43,344
Office Supplies and Expense	5,330	305	7,613	1,980	15,228
Feeding America Fees	13,040	-	-	-	13,040
Interest Expense	-	-	19,317	-	19,317
Miscellaneous	1,575	11,279	30,234	3,999	47,087
<b>TOTAL EXPENSES BEFORE DEPRECIATION</b>	<b>5,202,158</b>	<b>534,989</b>	<b>753,105</b>	<b>1,251,448</b>	<b>7,741,700</b>
<b>DEPRECIATION</b>	<b>322,709</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>322,709</b>
<b>TOTAL EXPENSES</b>	<b>\$ 5,524,867</b>	<b>\$ 534,989</b>	<b>\$ 753,105</b>	<b>\$ 1,251,448</b>	<b>\$ 8,064,409</b>

The Selected Financial Information Excludes the Effects of Donated Product Activity, Which is not Intended to be in Accordance with Accounting Principles Generally Accepted in the United States of America

GOOD SHEPHERD FOOD BANK OF MAINE

SCHEDULE OF FUNCTIONAL EXPENSES

(Excluding the Effects of Donated Product Activity)

FOR THE YEAR ENDED JUNE 30, 2015

	<i>Program Services</i>		<i>Support Services</i>		<i>Total</i>
	<i>Food Distribution</i>	<i>Community Education</i>	<i>General &amp; Administrative</i>	<i>Fundraising</i>	
<b>EXPENSES</b>					
Product Purchased	\$ 1,525,680	\$ -	\$ -	\$ -	\$ 1,525,680
Food Mobile, Pantry and Other Programs	407,053	15,158	-	-	422,211
Direct Agency Support	63,775	-	-	-	63,775
Gift Card Expense	-	145,700	-	-	145,700
Product Discounts	67,119	-	-	-	67,119
Salaries	1,642,186	223,934	298,579	323,461	2,488,160
Employee Benefits	234,720	32,007	42,677	46,233	355,637
Payroll Taxes Employer Expense	128,262	17,490	23,320	25,264	194,336
Workers' Compensation Insurance	28,799	-	5,485	-	34,284
Contracted Services	30,892	-	72,875	14,088	117,855
Professional Fees	-	-	18,461	-	18,461
Direct Mail Printing and Processing	-	-	-	381,613	381,613
Special Events	-	-	-	56,762	56,762
Advertising, Publicity & Fundraising Supplies	-	-	-	33,138	33,138
Vehicle Expense	304,527	-	-	-	304,527
Postage	6,050	-	8,470	106,487	121,007
Utilities	140,430	1,463	1,463	2,925	146,281
Building Maintenance	50,680	-	-	-	50,680
Warehouse Supplies, Equipment and Maintenance	103,793	-	-	-	103,793
Occupancy - Other Rental	37,129	14,197	-	3,276	54,602
Telephone and Communications	24,677	2,467	16,286	5,923	49,353
Computer Supplies	8,941	511	12,773	3,322	25,547
Trash Removal	18,452	-	-	-	18,452
Travel, Conferences and Meetings	77,469	10,564	14,086	15,259	117,378
Liability and Vehicle Insurance	36,893	-	2,815	-	39,708
Office Supplies and Expense	4,727	270	6,752	1,756	13,505
Feeding America Fees	11,792	-	-	-	11,792
Miscellaneous	6,323	-	4,999	3,383	14,705
<b>TOTAL EXPENSES BEFORE DEPRECIATION</b>	<u>4,960,369</u>	<u>463,761</u>	<u>529,041</u>	<u>1,022,890</u>	<u>6,976,061</u>
<b>DEPRECIATION</b>	<u>358,302</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>358,302</u>
<b>TOTAL EXPENSES</b>	<u>\$ 5,318,671</u>	<u>\$ 463,761</u>	<u>\$ 529,041</u>	<u>\$ 1,022,890</u>	<u>\$ 7,334,363</u>

The Selected Financial Information Excludes the Effects of Donated Product Activity, Which is not Intended to be in Accordance with Accounting Principles Generally Accepted in the United States of America