

PARTNERING TO END HUNGER



**Good Shepherd**

FOOD BANK OF MAINE

FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

GOOD SHEPHERD FOOD BANK OF MAINE

FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

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## 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, 2017 and 2016, 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, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **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 5, 2018  
Lewiston, Maine

## GOOD SHEPHERD FOOD BANK OF MAINE

## STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2017 AND 2016

<i>ASSETS</i>		
	<u>2017</u>	<u>2016</u>
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 5,052,893	\$ 1,007,686
Certificates of Deposit	155,244	104,734
Pledges Receivable, Current Portion	162,168	-
Accounts Receivable - Agency Fees (Net of Allowance)	164,042	190,690
Accounts Receivable - USDA	32,500	47,500
Accounts Receivable - Grant Funds	94,242	279,137
Inventory - Purchased Product	323,775	347,985
Inventory - Donated Product (Page 9)	603,699	637,096
Inventory - USDA Commodities (Page 9)	2,192,575	1,167,096
Prepaid Expenses	78,517	95,646
<b>Total Current Assets</b>	<u>8,859,655</u>	<u>3,877,570</u>
<b>PROPERTY, PLANT AND EQUIPMENT, NET</b>	<u>4,319,248</u>	<u>4,472,801</u>
<b>OTHER ASSETS</b>		
Other Assets	8,618	18,013
Pledges Receivable (Net of Current Portion)	164,000	-
Beneficial Interest in Assets Held by Others	74,716	66,388
<b>Total Other Assets</b>	<u>247,334</u>	<u>84,401</u>
<b>TOTAL ASSETS</b>	<u>\$ 13,426,237</u>	<u>\$ 8,434,772</u>
<i>LIABILITIES AND NET ASSETS</i>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 150,697	\$ 233,770
Agency Designations Payable	27,705	58,784
Accrued Expenses	62,941	97,754
Accrued Salaries and Wages	70,958	43,123
Accrued Compensated Absences	133,001	46,011
Refundable Advances	195,000	195,000
<b>Total Current Liabilities</b>	<u>640,302</u>	<u>674,442</u>
<b>LONG-TERM LIABILITIES</b>		
Mortgage Note Payable	750,000	750,000
<b>Total Long-Term Liabilities</b>	<u>750,000</u>	<u>750,000</u>
<b>TOTAL LIABILITIES</b>	<u>1,390,302</u>	<u>1,424,442</u>
<b>NET ASSETS</b>		
Unrestricted:		
Investment in Property, Plant and Equipment (Net of Debt)	3,569,248	3,722,801
Investment in Inventory	3,120,049	2,152,177
Unrestricted and Undesignated	1,493,182	614,096
Sub-Total Unrestricted	<u>8,182,479</u>	<u>6,489,074</u>
Temporarily Restricted	3,817,281	485,081
Permanently Restricted	36,175	36,175
<b>Total Net Assets</b>	<u>12,035,935</u>	<u>7,010,330</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 13,426,237</u>	<u>\$ 8,434,772</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, 2017

	<i>Unrestricted</i>	<i>Temporarily Restricted</i>	<i>Permanently Restricted</i>	<b>Total</b>
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>				
Donated Product (Page 9)	\$ 44,710,270	\$ -	\$ -	\$ 44,710,270
Contributions	4,107,056	1,386,066	-	5,493,122
Product and Program Income	1,427,713	-	-	1,427,713
Grants	776,588	976,445	-	1,753,033
Government Support	-	2,985,000	-	2,985,000
USDA	436,500	-	-	436,500
Special Events	246,352	-	-	246,352
In-Kind Contributions	101,895	-	-	101,895
Other Revenue	18,461	-	-	18,461
Investment Return	8,349	-	-	8,349
Interest and Dividends	14,646	-	-	14,646
Net Assets Released from Restrictions	2,015,311	(2,015,311)	-	-
<b>TOTAL REVENUES, GAINS, AND OTHER SUPPORT</b>	<b>53,863,141</b>	<b>3,332,200</b>	<b>-</b>	<b>57,195,341</b>
<b>EXPENSES AND LOSSES</b>				
<b>Program Services</b>				
Product Distribution	49,427,023	-	-	49,427,023
Community Education	587,767	-	-	587,767
<b>Supporting Services</b>				
General and Administrative	758,697	-	-	758,697
Fundraising	1,363,758	-	-	1,363,758
<b>Total Expenses</b>	<b>52,137,245</b>	<b>-</b>	<b>-</b>	<b>52,137,245</b>
<b>Loss on Sale of Property and Equipment</b>	<b>32,491</b>	<b>-</b>	<b>-</b>	<b>32,491</b>
<b>TOTAL EXPENSES AND LOSSES</b>	<b>52,169,736</b>	<b>-</b>	<b>-</b>	<b>52,169,736</b>
<b>CHANGE IN NET ASSETS</b>	<b>1,693,405</b>	<b>3,332,200</b>	<b>-</b>	<b>5,025,605</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b>6,489,074</b>	<b>485,081</b>	<b>36,175</b>	<b>7,010,330</b>
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 8,182,479</b>	<b>\$ 3,817,281</b>	<b>\$ 36,175</b>	<b>\$ 12,035,935</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, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<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
Product and Program Income	1,788,082	-	-	1,788,082
Grants	2,058,128	151,874	-	2,210,002
Government Support	-	-	-	-
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 Property and Equipment	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>	<u>49,012,875</u>	<u>(168,474)</u>	<u>500</u>	<u>48,844,901</u>
<b>EXPENSES</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>	<u>47,537,568</u>	<u>-</u>	<u>-</u>	<u>47,537,568</u>
<b>Loss on Impairment of Asset</b>	<u>345,613</u>	<u>-</u>	<u>-</u>	<u>345,613</u>
<b>TOTAL EXPENSES AND LOSSES</b>	<u>47,883,181</u>	<u>-</u>	<u>-</u>	<u>47,883,181</u>
<b>CHANGE IN NET ASSETS</b>	1,129,694	(168,474)	500	961,720
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>5,359,380</u>	<u>653,555</u>	<u>35,675</u>	<u>6,048,610</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 6,489,074</u>	<u>\$ 485,081</u>	<u>\$ 36,175</u>	<u>\$ 7,010,330</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, 2017

	<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)	\$ 43,718,188	\$ -	\$ -	\$ -	\$ 43,718,188
Product Purchased	1,364,394	-	-	-	1,364,394
Program Food and Supply Costs	656,508	25,606	-	-	682,114
Direct Agency Support	38,793	-	-	-	38,793
Gift Card Expense	-	101,630	-	-	101,630
Salaries	1,946,862	253,583	421,134	496,872	3,118,451
Employee Benefits	338,785	37,274	47,183	83,190	506,432
Payroll Taxes Employer Expense	145,107	18,744	30,129	34,945	228,925
Workers' Compensation Insurance	34,312	1,415	2,349	2,772	40,848
Contracted Services	75,883	80,274	90,967	62,615	309,739
Professional Fees	-	-	24,001	-	24,001
Direct Mail Printing and Processing	-	-	-	489,187	489,187
Special Events	-	-	-	80,051	80,051
Advertising, Publicity and Fundraising Supplies	-	-	-	17,301	17,301
Vehicle Expense	263,416	-	-	-	263,416
Postage	-	1,158	9,653	47,302	58,113
Utilities	139,870	1,457	1,457	2,913	145,697
Building Maintenance	75,481	-	-	-	75,481
Warehouse Supplies, Equipment and Maintenance	95,003	-	-	-	95,003
Occupancy - Other Rental	5,880	23,979	1,332	1,332	32,523
Telephone and Communications	35,863	4,215	20,679	7,906	68,663
Computer Supplies	21,007	1,200	30,010	7,804	60,021
Trash Removal	18,136	-	-	-	18,136
Travel, Conferences and Meetings	81,636	20,384	28,624	14,424	145,068
Liability and Vehicle Insurance	29,256	2,389	7,698	4,682	44,025
Office Supplies and Expense	5,167	295	7,381	1,919	14,762
Feeding America Fees	13,272	-	-	-	13,272
Interest Expense	-	-	28,896	-	28,896
Miscellaneous	7,128	14,164	7,204	8,543	37,039
<b>TOTAL EXPENSES BEFORE DEPRECIATION</b>	<b>49,109,947</b>	<b>587,767</b>	<b>758,697</b>	<b>1,363,758</b>	<b>51,820,169</b>
<b>DEPRECIATION</b>	<b>317,076</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>317,076</b>
<b>TOTAL EXPENSES</b>	<b>\$ 49,427,023</b>	<b>\$ 587,767</b>	<b>\$ 758,697</b>	<b>\$ 1,363,758</b>	<b>\$ 52,137,245</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, 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
Program Food and Supply Costs	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 and 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>	<u>44,675,317</u>	<u>534,989</u>	<u>753,105</u>	<u>1,251,448</u>	<u>47,214,859</u>
<b>DEPRECIATION</b>	<u>322,709</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>322,709</u>
<b>TOTAL EXPENSES</b>	<u>\$ 44,998,026</u>	<u>\$ 534,989</u>	<u>\$ 753,105</u>	<u>\$ 1,251,448</u>	<u>\$ 47,537,568</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, 2017 AND 2016

	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 5,025,605	\$ 961,720
Adjustments to Reconcile Change in Net Assets to Net Cash Flows From Operating Activities:		
Depreciation and Amortization	317,076	322,709
(Gain) Loss on Sale of Property and Equipment	32,491	(10,791)
Loss on Impairment of Asset	-	345,613
Change in Value of Donated Inventory (Page 9)	(992,082)	(584,876)
<i>(Increase) Decrease in Operating Assets:</i>		
Pledges Receivable	(326,168)	-
Accounts Receivable-Agency Fees	26,648	(42,322)
Accounts Receivable-USDA	15,000	(10,116)
Accounts Receivable - Grant Funds	184,895	112,859
Inventory - Purchased Product	24,210	(123,345)
Prepaid Expenses	17,129	(42,387)
Other Assets	9,395	1,755
<i>Increase (Decrease) in Operating Liabilities:</i>		
Accounts Payable	(83,073)	11,442
Agency Designations Payable	(31,079)	(102,443)
Accrued Expenses	(34,813)	56,065
Accrued Salaries and Wages	27,835	23,112
Accrued Compensated Absences	86,990	(71,972)
Refundable Advances	-	(898,472)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>4,300,059</b>	<b>(51,449)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Gross Proceeds from Sale of Property and Equipment	98,312	34,600
Purchase of Property and Equipment	(294,326)	(2,020,946)
Change in Certificates of Deposits	(50,510)	(289)
Change in Beneficial Interest in Assets	(8,328)	1,031
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(254,852)</b>	<b>(1,985,604)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Gross Proceeds from Mortgage Payable	-	750,000
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>-</b>	<b>750,000</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>4,045,207</b>	<b>(1,287,053)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>1,007,686</b>	<b>2,294,739</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 5,052,893</b>	<b>\$ 1,007,686</b>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>		
<b>Cash Paid During the Year for:</b>		
Interest	<b>\$ 28,896</b>	<b>\$ 19,317</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, 2017 AND 2016

	<i>2017</i>	<i>2016</i>
<b>Supplemental Schedule of the Effect of Donated Product Inventory on Change in Net Assets</b>		
Donated Product Revenue Received:		
Donated Product	\$ 36,109,579	\$ 33,464,274
USDA CSFP	3,464,023	1,632,374
USDA TEFAP	5,136,668	4,961,387
Total Donated Product Revenue	44,710,270	40,058,035
 Donated Product Expense for Product Distributed:		
Donated Product	32,732,978	30,608,216
USDA CSFP	2,467,836	1,693,314
USDA TEFAP	5,107,376	4,414,019
Non-distributable Product	3,409,998	2,757,610
Total Donated Product Expense	43,718,188	39,473,159
 Effect of Donated Product Inventory on Change in Net Assets	\$ 992,082	\$ 584,876
 Inventory - Donated Product and USDA Commodities - Beginning of Year	\$ 1,804,192	\$ 1,219,316
 Effect of Change in Donated Product Inventory, Per Above	992,082	584,876
 Inventory - Donated Product and USDA Commodities - End of Year	\$ 2,796,274	\$ 1,804,192

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 change in net assets from operations and are included in the overall change in net assets. The effects for the years ended June 30, 2017 and 2016 are as follows:

	<i>2017</i>	<i>2016</i>
Change in Net Assets	\$ 5,025,605	\$ 961,720
Change from Donated Product Inventory (Per Above)	(992,082)	(584,876)
Change in Net Assets from Operations	\$ 4,033,523	\$ 376,844

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

GOOD SHEPHERD FOOD BANK OF MAINE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

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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 22 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.

## NOTES TO FINANCIAL STATEMENTS

(Continued)

JUNE 30, 2017 AND 2016

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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 \$3,253 and \$3,502 at June 30, 2017 and 2016, respectively.

**Pledges Receivable**

During the fiscal year ending June 30, 2017, GSFb began receiving pledges (unconditional promises to give) for their Bangor Region Campaign. The campaign has currently only targeted certain individuals and local business partners. Based on the limited number of pledges, nature of the pledges and relationships with the donors, management has determined that a discount based on the present value of estimated future cash flows or an allowance for doubtful pledges is currently not required. Management has recorded the pledges at fair value which was determined to be the amount of the pledge and has presented them in the statements of financial position as a current asset or other asset based on when the receipt of the pledge is expected. Total pledges receivable as of June 30, 2017 was \$ 326,168 which is expected to be received through fiscal year ending 2021.

**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.

**Shared Maintenance Fees and Purchased Product**

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 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. GSFb also purchases product from wholesalers, farms, and other providers. This product is distributed for free, at cost, or at cost with a small markup to recover handling and redistribution costs. Both Shared Maintenance Fees and purchased product sales proceeds are included in Product and Program Income.

## NOTES TO FINANCIAL STATEMENTS

(Continued)

JUNE 30, 2017 AND 2016

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NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**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, 2017 and 2016, the value per pound was \$1.67 and \$1.70, respectively. The adopted per pound change decreased the ending value of the inventory by approximately \$(31,800) and \$(14,200) as of June 30, 2017 and 2016, respectively. During fiscal years 2017 and 2016, approximately 26.7 and 24.1 million pounds of donated and purchased food was distributed to program recipients respectively.

**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, 2017 and 2016 were \$263,416 and \$232,699, 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 of June 30, 2016. The building was sold in May 2017 for an additional loss of \$46,004.

**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 20,401 and 19,603 hours with an estimated value of \$440,866 and \$417,740, respectively for the years ended June 30, 2017 and 2016. The value was computed using an hourly rate of \$21.61 and \$21.31 based on the Independent Sector's value of volunteer time for the State of Maine for 2017 and 2016, 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 \$39,064 and \$31,753, respectively for the years ended June 30, 2017 and 2016.

**Advertising Costs**

Advertising costs are charged to expense as incurred.

GOOD SHEPHERD FOOD BANK OF MAINE

NOTES TO FINANCIAL STATEMENTS

(Continued)

JUNE 30, 2017 AND 2016

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NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**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 which includes the tax years ended June 30, 2015 through 2017.

**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 5, 2018, 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, 2017 and 2016 were \$12,798 and \$27,025, respectively.

NOTE 4: 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 \$322,790 and \$0 at June 30, 2017 and 2016, respectively. Management reviews the financial stability of these institutions and believes the risk of loss to be minimal.

GOOD SHEPHERD FOOD BANK OF MAINE

NOTES TO FINANCIAL STATEMENTS

(Continued)

JUNE 30, 2017 AND 2016

NOTE 5: PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment consists of the following:

	<i>2017</i>	<i>2016</i>
Land	\$ 291,209	\$ 106,526
Building and Improvements	5,047,852	5,049,385
Building and Land Held for Sale	-	110,000
Office Equipment	74,654	182,859
Warehouse Equipment	999,075	1,074,957
Computer Equipment	55,453	39,853
Vehicles	<u>619,021</u>	<u>967,028</u>
	<b>7,087,264</b>	<b>7,530,608</b>
Less Accumulated Depreciation	<u>2,768,016</u>	<u>3,057,807</u>
	<b><u>\$ 4,319,248</u></b>	<b><u>\$ 4,472,801</u></b>

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

	<i>2017</i>	<i>2016</i>	
Building and Improvements	\$ 134,364	\$ 133,358	39 Years
Office Equipment	5,264	6,113	5 - 7 Years
Warehouse Equipment	90,823	80,524	5 - 10 Years
Computer Equipment	9,163	5,536	5 Years
Vehicles	75,381	95,956	5 - 10 Years
Land Improvements	<u>2,081</u>	<u>1,222</u>	15 Years
	<b><u>\$ 317,076</u></b>	<b><u>\$ 322,709</u></b>	

NOTE 6: 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, 2017 and 2016, the endowment fund has a value of \$74,716 and \$66,388, respectively, which is reported in the statements of financial position as a beneficial interest in assets held by others.



GOOD SHEPHERD FOOD BANK OF MAINE

NOTES TO FINANCIAL STATEMENTS

(Continued)

JUNE 30, 2017 AND 2016

NOTE 7: 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 Organization has the ability to access at the measurement date.

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, 2017 and 2016.

*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, 2017 and 2016:

<b>At June 30, 2017</b>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Financial Assets:				
Certificates of Deposit	\$ 155,244	\$ -	\$ 155,244	\$ -
Beneficial Interest in Assets				
Held by Others	<u>74,716</u>	<u>-</u>	<u>-</u>	<u>74,716</u>
	<u>\$ 229,960</u>	<u>\$ -</u>	<u>\$ 155,244</u>	<u>\$ 74,716</u>

GOOD SHEPHERD FOOD BANK OF MAINE

NOTES TO FINANCIAL STATEMENTS

(Continued)

JUNE 30, 2017 AND 2016

NOTE 7: FAIR VALUE MEASUREMENTS (Continued)

At June 30, 2016	<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>

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>2017</u>	<u>2016</u>
Beginning Balance	\$ 66,388	\$ 67,419
Change in Value	<u>8,328</u>	<u>(1,031)</u>
Ending Balance	<u>\$ 74,716</u>	<u>\$ 66,388</u>

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>2017</u>	<u>2016</u>
Bangor Area Facilities	<u>\$ 195,000</u>	<u>\$ 195,000</u>

NOTE 9: 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, 4.25 % and 3.5 % at June 30, 2017 and 2016, respectively. The loan is secured by a first security interest in all business assets. The line of credit was renewed subsequent to year-end and is available until its expiration date of October 6, 2018. As of June 30, 2017 and 2016, there was no outstanding balance on the line of credit. The note is not subject to any restrictive covenants.

GOOD SHEPHERD FOOD BANK OF MAINE

NOTES TO FINANCIAL STATEMENTS

(Continued)

JUNE 30, 2017 AND 2016

NOTE 10: 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:

2018	\$ -
2019	17,326
2020	26,709
2021	27,817
2022	28,893
Thereafter	<u>649,255</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 GSFb met this loan covenant.

NOTE 11: 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>2017</u>	<u>2016</u>
Cooking Matters	\$ 218,397	\$ 85,041
Food Mobile Program	54,798	113,451
Child Hunger Programs	86,011	-
Mainers Feeding Mainers	2,142,256	35,923
Bangor Region Campaign	1,021,034	128,468
Agency Capacity Building	125,408	26,828
Other Restrictions	98,264	50,151
Community Health & Hunger	<u>71,114</u>	<u>45,219</u>
	<u>\$ 3,817,281</u>	<u>\$ 485,081</u>

In September of 2016, The Finance Authority of Maine (FAME) awarded GSFb \$3,000,000 to purchase vegetables, fruit, and seafood from Maine producers to be distributed to hunger relief programs across the State. The original funding was made available as a result of legislation passed in the spring of 2016 (LD 1471) which would allow GSFb to purchase, process, store, and transport the food as part of the Mainers Feeding Mainers program. As of June 30, 2017, \$842,744 was disbursed and included in net assets released from restrictions in the statements of activities.

GOOD SHEPHERD FOOD BANK OF MAINE

NOTES TO FINANCIAL STATEMENTS

(Continued)

JUNE 30, 2017 AND 2016

NOTE 12: 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:

	<i>2017</i>	<i>2016</i>
<b>Purchase Endowment</b>	\$ 23,050	\$ 22,550
Contributions	-	500
Total Purchase Endowment	<b>23,050</b>	23,050
<b>Marchetti Endowment</b>	13,125	13,125
Contributions	-	-
Total Marchetti Endowment	<b>13,125</b>	13,125
<b>Total Permanently Restricted Net Assets</b>	<b>\$ 36,175</b>	\$ 36,175

NOTE 13: PENSION PLAN

On January 1, 2017, GSFb adopted a 403(b) retirement plan whereby participating employees may contribute up to the maximum allowed by the Internal Revenue Service. GSFb fully matches the elective contribution up to 2% of employee salary and 50% of the next 4% of employee salary. Prior to December 31, 2016, GSFb had a SIMPLE IRA retirement plan where GSFb matched elective contributions not to exceed 3% of employee compensation. Total matching contributions by GSFb for the years ended June 30, 2017 and 2016 were \$72,553 and \$61,846, respectively.

NOTE 14: OPERATING LEASE COMMITMENT

GSFB 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 pro rata 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.

GOOD SHEPHERD FOOD BANK OF MAINE

NOTES TO FINANCIAL STATEMENTS

(Continued)

JUNE 30, 2017 AND 2016

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NOTE 14: OPERATING LEASE COMMITMENT (Continued)

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.

In January 2017, GSFb entered into two four year non-cancellable operating leases for a tractor trailer trucks through Ryder ChoiceLease. The leases require monthly payments of \$1,414 and \$1,351, respectively, and will expire in January 2021.

Total rent expense for the years ended June 30, 2017 and 2016 was \$32,523 and \$42,535, respectively.

Future minimum lease payments are as follows:

June 30, 2018	\$ 40,735
June 30, 2019	24,788
June 30, 2020	<u>1,798</u>
	<u>\$ 67,321</u>

NOTE 15: SUBSEQUENT EVENT

On June 28, 2017, GSFb entered into a construction agreement with a local contractor for building and office improvements to its Auburn location. The contract total was for \$365,000 and the project was completed in the fall of 2017.

**SUPPLEMENTAL INFORMATION**

GOOD SHEPHERD FOOD BANK OF MAINE  
SCHEDULES OF FINANCIAL POSITION  
(Excluding the Effects of Donated Product Activity)  
JUNE 30, 2017 AND 2016

<i>ASSETS</i>	<i>2017</i>	<i>2016</i>
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 5,052,893	\$ 1,007,686
Certificates of Deposit	155,244	104,734
Pledges Receivable - Current Portion	162,168	-
Accounts Receivable - Agency Fees (Net of Allowance)	164,042	190,690
Accounts Receivable - USDA	32,500	47,500
Accounts Receivable - Grant Funds	94,242	279,137
Inventory - Purchased Product	323,775	347,985
Prepaid Expenses	78,517	95,646
Total Current Assets	6,063,381	2,073,378
<b>PROPERTY, PLANT AND EQUIPMENT, NET</b>	4,319,248	4,472,801
<b>OTHER ASSETS</b>		
Other Assets	8,618	18,013
Pledges Receivable, Net of Current Portion	164,000	-
Beneficial Interest in Assets Held by Others	74,716	66,388
Total Other Assets	247,334	84,401
<b>TOTAL ASSETS</b>	\$ 10,629,963	\$ 6,630,580
<i>LIABILITIES AND NET ASSETS</i>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 150,697	\$ 233,770
Agency Designations Payable	27,705	58,784
Accrued Expenses	62,941	97,754
Accrued Salaries and Wages	70,958	43,123
Accrued Compensated Absences	133,001	46,011
Refundable Advances	195,000	195,000
Total Current Liabilities	640,302	674,442
<b>LONG-TERM LIABILITIES</b>		
Mortgage Notes Payable	750,000	750,000
Total Long-Term Liabilities	750,000	750,000
<b>TOTAL LIABILITIES</b>	1,390,302	1,424,442
<b>NET ASSETS</b>		
Unrestricted:		
Investment in Property, Plant and Equipment	3,569,248	3,722,801
Investment in Inventory	323,775	347,985
Unrestricted and Undesignated	1,493,182	614,096
Sub-Total Unrestricted	5,386,205	4,684,882
Temporarily Restricted	3,817,281	485,081
Permanently Restricted	36,175	36,175
Total Net Assets	9,239,661	5,206,138
<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$ 10,629,963	\$ 6,630,580

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, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>				
Contributions	\$ 4,107,056	\$ 1,386,066	\$ -	\$ 5,493,122
Product and Program Income	1,427,713	-	-	1,427,713
Grants	776,588	976,445	-	1,753,033
Government Support	-	2,985,000	-	2,985,000
USDA	436,500	-	-	436,500
Special Events	246,352	-	-	246,352
In-Kind Contributions	101,895	-	-	101,895
Other Revenue	18,461	-	-	18,461
Investment Return	8,349	-	-	8,349
Interest and Dividends	14,646	-	-	14,646
Net Assets Released from Restrictions	2,015,311	(2,015,311)	-	-
<b>TOTAL REVENUES, GAINS, AND OTHER SUPPORT</b>	<u>9,152,871</u>	<u>3,332,200</u>	<u>-</u>	<u>12,485,071</u>
<b>EXPENSES AND LOSSES</b>				
<b>Program Services</b>				
Product Distribution	5,708,835	-	-	5,708,835
Community Education	587,767	-	-	587,767
<b>Supporting Services</b>				
General and Administrative	758,697	-	-	758,697
Fundraising	1,363,758	-	-	1,363,758
<b>Total Expenses</b>	<u>8,419,057</u>	<u>-</u>	<u>-</u>	<u>8,419,057</u>
<b>Loss on Sale of Property and Equipment</b>	<u>32,491</u>	<u>-</u>	<u>-</u>	<u>32,491</u>
<b>TOTAL EXPENSES AND LOSSES</b>	<u>8,451,548</u>	<u>-</u>	<u>-</u>	<u>8,451,548</u>
<b>CHANGE IN NET ASSETS</b>	701,323	3,332,200	-	4,033,523
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>4,684,882</u>	<u>485,081</u>	<u>36,175</u>	<u>5,206,138</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 5,386,205</u>	<u>\$ 3,817,281</u>	<u>\$ 36,175</u>	<u>\$ 9,239,661</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

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>				
Contributions	\$ 3,801,536	\$ 333,207	\$ 500	\$ 4,135,243
Product and Program Income	1,788,082	-	-	1,788,082
Grants	2,058,128	151,874	-	2,210,002
Government Support	-	-	-	-
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 Property and Equipment	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>	<u>8,954,840</u>	<u>(168,474)</u>	<u>500</u>	<u>8,786,866</u>
<b>EXPENSES</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>	<u>8,064,409</u>	<u>-</u>	<u>-</u>	<u>8,064,409</u>
<b>Loss on Impairment of Asset</b>	<u>345,613</u>	<u>-</u>	<u>-</u>	<u>345,613</u>
<b>TOTAL EXPENSES AND LOSSES</b>	<u>8,410,022</u>	<u>-</u>	<u>-</u>	<u>8,410,022</u>
<b>CHANGE IN NET ASSETS</b>	544,818	(168,474)	500	376,844
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>4,140,064</u>	<u>653,555</u>	<u>35,675</u>	<u>4,829,294</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 4,684,882</u>	<u>\$ 485,081</u>	<u>\$ 36,175</u>	<u>\$ 5,206,138</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, 2017

	<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	\$ 1,364,394	\$ -	\$ -	\$ -	\$ 1,364,394
Program Food and Supply Costs	656,508	25,606	-	-	682,114
Direct Agency Support	38,793	-	-	-	38,793
Gift Card Expense	-	101,630	-	-	101,630
Salaries	1,946,862	253,583	421,134	496,872	3,118,451
Employee Benefits	338,785	37,274	47,183	83,190	506,432
Payroll Taxes Employer Expense	145,107	18,744	30,129	34,945	228,925
Workers' Compensation Insurance	34,312	1,415	2,349	2,772	40,848
Contracted Services	75,883	80,274	90,967	62,615	309,739
Professional Fees	-	-	24,001	-	24,001
Direct Mail Printing and Processing	-	-	-	489,187	489,187
Special Events	-	-	-	80,051	80,051
Advertising, Publicity and Fundraising Supplies	-	-	-	17,301	17,301
Vehicle Expense	263,416	-	-	-	263,416
Postage	-	1,158	9,653	47,302	58,113
Utilities	139,870	1,457	1,457	2,913	145,697
Building Maintenance	75,481	-	-	-	75,481
Warehouse Supplies, Equipment and Maintenance	95,003	-	-	-	95,003
Occupancy - Other Rental	5,880	23,979	1,332	1,332	32,523
Telephone and Communications	35,863	4,215	20,679	7,906	68,663
Computer Supplies	21,007	1,200	30,010	7,804	60,021
Trash Removal	18,136	-	-	-	18,136
Travel, Conferences and Meetings	81,636	20,384	28,624	14,424	145,068
Liability and Vehicle Insurance	29,256	2,389	7,698	4,682	44,025
Office Supplies and Expense	5,167	295	7,381	1,919	14,762
Feeding America Fees	13,272	-	-	-	13,272
Interest Expense	-	-	28,896	-	28,896
Miscellaneous	7,128	14,164	7,204	8,543	37,039
<b>TOTAL EXPENSES BEFORE DEPRECIATION</b>	<b>5,391,759</b>	<b>587,767</b>	<b>758,697</b>	<b>1,363,758</b>	<b>8,101,981</b>
<b>DEPRECIATION</b>	<b>317,076</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>317,076</b>
<b>TOTAL EXPENSES</b>	<b>\$ 5,708,835</b>	<b>\$ 587,767</b>	<b>\$ 758,697</b>	<b>\$ 1,363,758</b>	<b>\$ 8,419,057</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, 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
Program Food and Supply Costs	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 and 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>	<u>5,202,158</u>	<u>534,989</u>	<u>753,105</u>	<u>1,251,448</u>	<u>7,741,700</u>
<b>DEPRECIATION</b>	<u>322,709</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>322,709</u>
<b>TOTAL EXPENSES</b>	<u>\$ 5,524,867</u>	<u>\$ 534,989</u>	<u>\$ 753,105</u>	<u>\$ 1,251,448</u>	<u>\$ 8,064,409</u>

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