



**CAPITAL AREA FOOD BANK
AND CAPITAL AREA FOOD
BANK FOUNDATION**

**Consolidated Financial Statements and
Supplemental Consolidating Information**

For the Year Ended June 30, 2015

(With Summarized Financial Information for the Year Ended June 30, 2014)



**and
Report Thereon**



**CAPITAL AREA FOOD BANK AND
CAPITAL AREA FOOD BANK FOUNDATION**

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For the Year Ended June 30, 2015**

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Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
Capital Area Food Bank and
Capital Area Food Bank Foundation

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of the Capital Area Food Bank (CAFB) and its subsidiary, Capital Area Food Bank Foundation (the Foundation) (collectively referred to as the Organization), which comprise the consolidated statement of financial position as of June 30, 2015, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Capital Area Food Bank and its subsidiary as of June 30, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Continued

Correction of Error

As discussed in Note 18 to the consolidated financial statements, certain errors in valuing in-kind food contributions and distributions related to the financial information reported for the year ended June 30, 2014, were discovered by management of the Organization during the current year. Accordingly, in-kind food contributions and distributions have been restated in the 2014 comparative consolidated financial statements presented to correct the error. Our opinion is not modified with respect to that matter.

Other Matters

Report on Summarized Comparative Information

We have previously audited the Organization's 2014 consolidated financial statements, and we expressed an unmodified opinion in our report dated October 28, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Report on Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information on pages 23 and 24 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and changes in net assets of the individual entities, and it is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Raffa, P.C.

Raffa, P.C.

Washington, DC
October 27, 2015

**CAPITAL AREA FOOD BANK AND
CAPITAL AREA FOOD BANK FOUNDATION**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
June 30, 2015**

(With Summarized Financial Information as of June 30, 2014)

	2015	2014
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 9,032,442	\$ 8,757,590
Cash and cash equivalents – restricted, current portion	121,649	121,649
Accounts receivable, net of allowance	234,229	250,543
Pledges receivable, current portion	1,276,997	1,363,701
Contributions and grants receivable	781,358	550,173
Interest receivable	119,864	-
Deferred financing costs, current portion	55,148	55,148
Inventory	5,536,324	5,504,422
Prepaid expenses and other deposits	137,131	178,761
	17,295,142	16,781,987
Cash and cash equivalents – restricted, net of current portion	279,883	413,795
Pledges receivable, net of current portion	55,731	266,551
Investments	4,967,878	5,149,752
Deferred financing costs, net of current portion	1,032,069	1,087,218
Note receivable	20,833,437	20,833,437
Property and equipment, net	36,282,868	35,793,393
	80,747,008	80,326,133
TOTAL ASSETS	\$ 80,747,008	\$ 80,326,133
LIABILITIES AND NET ASSETS		
Liabilities		
Current Liabilities		
Accounts payable and accrued expenses	\$ 1,247,023	\$ 1,055,145
Capital lease obligations, current portion	187,398	79,912
Interest payable	121,649	121,649
	1,556,070	1,256,706
Noncurrent Liabilities		
Capital lease obligations, net of current portion	630,493	105,386
Notes payable, noncurrent	34,005,000	34,005,000
	34,635,493	34,110,386
TOTAL LIABILITIES	36,191,563	35,367,092
Net Assets		
Unrestricted		
Undesignated	22,298,956	22,286,841
Board-designated	395,672	395,672
	22,694,628	22,682,513
Temporarily restricted	21,860,817	22,276,528
	44,555,445	44,959,041
TOTAL NET ASSETS	44,555,445	44,959,041
TOTAL LIABILITIES AND NET ASSETS	\$ 80,747,008	\$ 80,326,133

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

**CAPITAL AREA FOOD BANK AND
CAPITAL AREA FOOD BANK FOUNDATION
CONSOLIDATED STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2015
(With Summarized Financial Information for the Year Ended June 30, 2014)**

	Unrestricted	Temporarily Restricted	2015 Total	2014 Total (Restated)
OPERATING REVENUE AND SUPPORT				
In-kind food contributions	\$ 48,978,569	\$ -	\$ 48,978,569	\$ 40,940,986
Contributions and grants	8,952,853	3,084,906	12,037,759	12,082,159
Federal and state grants	3,746,045	-	3,746,045	2,852,253
Program service fees	2,109,539	-	2,109,539	2,166,521
Donated materials and services	523,222	-	523,222	610,649
Interest income from note receivable	328,198	-	328,198	208,334
Other income	85,356	-	85,356	9,811
Net assets released from restrictions:				
Released from purpose restrictions	2,905,387	(2,905,387)	-	-
Released from time restrictions	595,230	(595,230)	-	-
TOTAL OPERATING REVENUE AND SUPPORT	68,224,399	(415,711)	67,808,688	58,870,713
EXPENSES				
Program Services:				
Food resourcing and logistics	57,648,268	-	57,648,268	46,671,000
Partner relations and agency training	2,249,786	-	2,249,786	2,185,575
Food for kids	1,331,838	-	1,331,838	1,329,360
Other food programs	2,349,715	-	2,349,715	3,433,712
Total Program Services	63,579,607	-	63,579,607	53,619,647
Supporting Services:				
Management and general	2,698,655	-	2,698,655	1,885,785
Fundraising	1,998,940	-	1,998,940	2,071,170
Total Supporting Services	4,697,595	-	4,697,595	3,956,955
TOTAL EXPENSES	68,277,202	-	68,277,202	57,576,602
CHANGE IN NET ASSETS BEFORE OTHER INCOME (LOSS)	(52,803)	(415,711)	(468,514)	1,294,111
Other Income				
Investment income	64,918	-	64,918	18,583
CHANGE IN NET ASSETS	12,115	(415,711)	(403,596)	1,312,694
NET ASSETS, BEGINNING OF YEAR	22,682,513	22,276,528	44,959,041	43,646,347
NET ASSETS, END OF YEAR	\$ 22,694,628	\$ 21,860,817	\$ 44,555,445	\$ 44,959,041

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

**CAPITAL AREA FOOD BANK AND
CAPITAL AREA FOOD BANK FOUNDATION**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2015
(With Summarized Financial Information for the Year Ended June 30, 2014)**

	Program Services				Supporting Services			2015 Total	2014 Total (Restated)	
	Food Resourcing and Logistics	Partner Relations and Agency Training	Food for Kids	Other Food Programs	Total Program Services	Management and General	Fundraising			Total Supporting Services
In-kind food distributions	\$ 47,523,795	\$ -	\$ -	\$ 1,480,025	\$ 49,003,820	\$ -	\$ -	\$ -	\$ 49,003,820	\$ 39,768,065
Salaries and related benefits	3,517,963	1,941,350	9,968	629,006	6,098,287	1,385,645	809,530	2,195,175	8,293,462	8,049,034
Fresh produce	1,741,737	-	28,520	1,417	1,771,674	-	-	-	1,771,674	1,490,253
Cost of purchased food distributed	1,627,263	62,201	21,221	19,040	1,729,725	7,902	-	7,902	1,737,627	1,442,203
Depreciation and amortization	1,154,757	39,366	19,683	19,683	1,233,489	59,049	29,524	88,573	1,322,062	1,135,923
Prepared meals	-	-	1,212,948	-	1,212,948	-	-	-	1,212,948	1,231,356
Professional fees	-	491	-	-	491	297,202	651,422	948,624	949,115	903,353
Donated materials and services	900	-	-	-	900	464,015	58,306	522,321	523,221	610,649
Interest and bank fees	229,379	51,269	4,171	4,171	288,990	55,439	106,125	161,564	450,554	481,591
Repairs and maintenance	349,248	16,831	8,416	8,416	382,911	25,247	12,623	37,870	420,781	331,445
Utilities	350,282	-	-	-	350,282	65,468	-	65,468	415,750	363,031
Vehicle expenses	315,966	3,271	48	70,682	389,967	-	-	-	389,967	478,695
Food freight and handling	378,994	-	-	-	378,994	-	-	-	378,994	357,601
Advertising and promotion	109	4,684	-	33,899	38,692	72,601	168,722	241,323	280,015	179,147
Materials and supplies	106,804	51,710	14,698	37,456	210,668	23,346	5,952	29,298	239,966	197,811
IT software and hardware	83,134	34,009	5,668	24,562	147,373	28,341	13,226	41,567	188,940	100,847
Insurance	155,063	7,473	3,736	3,736	170,008	11,209	5,605	16,814	186,822	103,133
Bad debt expense	53,155	-	-	-	53,155	-	68,203	68,203	121,358	72,196
Miscellaneous	31,857	100	33	392	32,382	58,740	574	59,314	91,696	13,173
Conferences and meetings	10,895	20,088	963	300	32,246	18,847	19,189	38,036	70,282	60,556
Printing	3,710	2,436	-	14,845	20,991	24,559	16,793	41,352	62,343	45,437
Postage and shipping	627	1,568	-	1,007	3,202	41,684	16,926	58,610	61,812	37,960
Dues and subscriptions	29	385	-	-	414	45,957	12,417	58,374	58,788	53,603
Transportation	9,389	11,451	1,566	1,078	23,484	6,475	3,803	10,278	33,762	28,614
Training and development	3,212	1,103	199	-	4,514	6,929	-	6,929	11,443	40,926
TOTAL EXPENSES	\$ 57,648,268	\$ 2,249,786	\$ 1,331,838	\$ 2,349,715	\$ 63,579,607	\$ 2,698,655	\$ 1,998,940	\$ 4,697,595	\$ 68,277,202	\$ 57,576,602

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

**CAPITAL AREA FOOD BANK AND
CAPITAL AREA FOOD BANK FOUNDATION**

CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2015
(With Summarized Financial Information for the Year Ended June 30, 2014)
Increase (Decrease) in Cash and Cash Equivalents

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (403,596)	\$ 1,312,694
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization expense	1,322,062	1,135,923
Net unrealized and realized losses on investments	41,105	20,145
Allowance for doubtful accounts	-	14,962
Changes in assets and liabilities:		
Accounts receivable	16,314	(38,365)
Pledges receivable	297,524	(270,566)
Contributions and grants receivables	(231,185)	811,933
Interest receivable	(119,864)	-
Inventory	(31,902)	(1,198,916)
Prepaid expenses and other deposits	41,630	(117,455)
Accounts payable and accrued expenses	191,878	273,343
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,123,966	1,943,698
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(985,007)	(689,743)
Purchase of investments	(2,530,058)	(4,901,785)
Proceeds from sales of investments	2,670,827	-
NET CASH USED IN INVESTING ACTIVITIES	(844,238)	(5,591,528)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on capital lease	(138,788)	(77,360)
NET CASH USED IN FINANCING ACTIVITIES	(138,788)	(77,360)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	140,940	(3,725,190)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	9,293,034	13,018,224
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 9,433,974	\$ 9,293,034
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest paid	\$ 208,540	\$ 208,540
NONCASH INVESTING AND FINANCING ACTIVITIES		
Equipment acquired under a capital lease	\$ 771,381	\$ -
Reconciliation of cash and cash equivalents:		
Cash and cash equivalents	\$ 9,032,442	\$ 8,757,590
Cash and cash equivalents – restricted	401,532	535,444
	\$ 9,433,974	\$ 9,293,034

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

**CAPITAL AREA FOOD BANK AND
CAPITAL AREA FOOD BANK FOUNDATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended June 30, 2015**

1. Organization and Summary of Significant Accounting Policies

Organization

The Capital Area Food Bank (CAFB) is a nonprofit organization organized under the laws of the District of Columbia. CAFB operates two warehouses that collect, inspect, clean, process, sort and distribute food to approximately 500 local nonprofit feeding programs throughout the Metropolitan Washington, D.C. area, which include shelters, low-income day care centers, soup kitchens and emergency food programs. In addition to collecting and distributing food, CAFB is active in implementing education programs, sustainable agriculture/food security programs and community advocacy/outreach programs addressing the underlying causes of hunger. These activities are funded primarily through contributions, grants and in-kind food contributions.

The Capital Area Food Bank Foundation (the Foundation) is a nonprofit entity organized under the laws of the District of Columbia. Incorporated on April 29, 2010, the Foundation was organized solely to support the charitable purposes, mission, goals and activities of CAFB, the Foundation's sole member. As such, the Foundation's activities include raising funds, including capital and endowment funds, and managing and investing such funds for the benefit of its supported organization, CAFB. The Foundation is governed by a Board of Directors who is appointed by CAFB's Board of Directors.

Principles of Consolidation

The consolidated financial statements of CAFB and the Foundation (collectively known as the Organization) have been prepared on the accrual basis of accounting. CAFB and the Foundation have been consolidated due to the presence of common control and economic interest, as required under accounting principles generally accepted in the United States of America (GAAP). All significant interentity balances and transactions between CAFB and the Foundation have been eliminated during consolidation.

Basis of Accounting

The accompanying consolidated financial statements are prepared on the accrual basis of accounting in accordance with GAAP. Consequently, revenue is recognized when earned and expenses are recognized when the obligation is incurred.

Cash and Cash Equivalents

The Organization considers all cash, other highly liquid investments with initial maturities of three months or less and store credits to be cash and cash equivalents. Restricted cash and cash equivalents include a loan reserve established for payment of the servicing fee in compliance with the notes payable agreement related to the New Market Tax Credit (NMTC) Program.

**CAPITAL AREA FOOD BANK AND
CAPITAL AREA FOOD BANK FOUNDATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended June 30, 2015**

1. Organization and Summary of Significant Accounting Policies (continued)

Investments

Investments consist of exchange-traded funds, fixed-income securities, fixed-income mutual funds, equity mutual funds and real asset mutual funds. Investments are recorded at fair value. Fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair Value Measurements

The Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) defines fair value, establishes a framework for measuring fair value in accordance with GAAP and expands disclosures about fair value measurements. The ASC emphasizes that fair value is a market-based measurement, not an entity-specific measurement and, therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, the ASC established a fair value hierarchy based upon the transparency of the inputs to the valuation of an asset or liability. These inputs may be observable, whereby market participant assumptions are developed based on market data obtained from independent sources, and unobservable, whereby assumptions about market participant assumptions are developed by the reporting entity based on the best information available in the circumstances. The three levels of fair value hierarchy are described as follows:

Level 1 – Based on unadjusted, quoted market prices in active markets for identical assets or liabilities accessible at the measurement date.

Level 2 – Based on inputs, other than quoted prices included in 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.

Level 3 – Based on unobservable inputs for the asset or liability, including the reporting entity's own assumptions in determining fair value.

As of June 30, 2015, only the Organization's investments, as described in Note 5, were measured at fair value on a recurring basis.

Allowance for Doubtful Accounts

The Organization uses the allowance method to record potentially uncollectible receivables. The allowance for doubtful accounts is determined based upon an annual review of receivable balances, including the age of the balance and the historical experience with the donor or agency partner.

**CAPITAL AREA FOOD BANK AND
CAPITAL AREA FOOD BANK FOUNDATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended June 30, 2015**

1. Organization and Summary of Significant Accounting Policies (continued)

Pledges, Contributions and Grants Receivable

Promises to give are recognized as revenue when the donor has made an unconditional promise to contribute funds to the Organization in future periods. Promises to give are recorded at their net realizable value if expected to be collected within one year or at their present value if expected to be collected in more than one year. Conditional promises to give are recognized when the conditions on which they depend are substantially met. The Organization provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to an 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.

Inventory

Inventory consists of purchased and donated goods. Purchased goods are valued at cost on a first in, first out basis. Donated goods are valued using Feeding America's (a national food bank network nonprofit corporation) Independent Accountants' Report of the estimated weighted average wholesale value of such goods. Management believes this benchmark reflects the most accurate basis of estimating the value of the Organization's donated food goods and it is a widely accepted standard used by other food banks throughout the United States. The Feeding America estimates are calculated based on a calendar year period and as such, a valuation of weighted average value estimates is not usually available as of June 30, 2015. For the year ended June 30, 2015, the value of donated goods and inventory balance reported in the consolidated statement of financial position and the inventory balance reported in the consolidated statement of financial position was calculated using the calendar year 2013 estimate of \$1.72 per pound.

Deferred Financing Costs

Deferred financing costs associated with the New Market Tax Credit (NMTC) transactions are recorded as an asset and are amortized on a straight-line basis over the life of the related debt.

Property and Equipment and Related Depreciation and Amortization

Property and equipment are stated at cost. Property and equipment under capital leases are capitalized and recorded at the present value of the future minimum lease payments. The Organization capitalizes all purchases with acquisition values of \$1,500 and greater. Depreciation and amortization is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Building and improvements	20 to 39 years
Warehouse equipment	3 to 10 years
Office and computer equipment	3 to 10 years
Vehicles	5 to 10 years
Software	3 to 5 years

Continued

**CAPITAL AREA FOOD BANK AND
CAPITAL AREA FOOD BANK FOUNDATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended June 30, 2015**

1. Organization and Summary of Significant Accounting Policies (continued)

Property and Equipment and Related Depreciation and Amortization (continued)

Property and equipment held under capital leases are amortized on a straight line basis over the lesser of the leases' terms and anticipated renewals or the estimated useful lives of the assets.

The cost of property and equipment retired or disposed of is removed from the accounts along with the related accumulated depreciation or amortization, and any gain or loss is reflected in revenue and support or expenses in the accompanying consolidated statement of activities. Major additions are capitalized while replacements, maintenance and repairs that do not improve or extend the lives of the respective assets are expensed as incurred.

Net Assets

The net assets of the Organization are reported as follows:

- Unrestricted net assets represent the portion of expendable funds that are available for support of the Organization's operations. Board designated net assets represent net assets which have been restricted by the Board for future capital improvement expenditures.
- Temporarily restricted net assets represent amounts that are specifically restricted by donors or grantors for various purposes or time periods.

Revenue Recognition

The Organization reports in-kind food contributions based on the Feeding America Report as discussed in the inventory policy.

The Organization recognizes all unconditional contributed support and pledges in the period in which the commitment is made at its net realizable value. Grants, contributions and pledges are considered unrestricted revenue and support and are available for general operations unless specifically restricted by the donor. The Organization reports grants, contributions and pledges of cash and other assets as temporarily restricted revenue and support if they are received with donor stipulations that limit the use of the donated assets as to a particular purpose or to future periods. When the stipulated time restriction ends or the purpose of the restriction is met, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying consolidated statement of activities as net assets released from restrictions.

Revenue recognized for grants and contributions that have been committed to the Organization but have not been received is reflected as contributions and grants receivable in the accompanying consolidated statement of financial position.

**CAPITAL AREA FOOD BANK AND
CAPITAL AREA FOOD BANK FOUNDATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended June 30, 2015**

1. Organization and Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Program service fees are comprised of revenue earned by the Organization for the delivery of food products to the partner agencies. This revenue consists of the cost of the food purchased and administrative costs. This revenue is recognized upon the delivery of the food products to the partner agency.

Federal and state grant revenue is recognized as costs are incurred on the basis of direct costs on certain grant awards. On other grant awards, revenue is recognized based on the reimbursement of administration costs related to food commodity distribution by the Organization. Revenue recognized on federal grant awards for which billings have not been presented to or collected from the awarding agency is included in contributions and grants receivable in the accompanying consolidated statement of financial position.

Donated materials and services are recognized at the estimated fair value when received. Donated services are recognized if the services received create or enhance nonfinancial assets or if the services require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

Contributions of long-lived assets or of cash and other assets restricted to the purchase of long-lived assets are reported as restricted support that increases temporarily restricted net assets. Depreciation is recorded over the asset's useful life, and net assets are reclassified from temporarily restricted to unrestricted as depreciation is recognized.

Functional Allocation of Expenses

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

Estimates

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

Donated Securities

The Organization recognizes donated securities that have no donee-imposed limitation for sale or donor-imposed restriction on the use for long-term purposes and that are nearly immediately converted into cash, as cash and cash equivalents from operating activities in the accompanying consolidated statement of cash flows.

**CAPITAL AREA FOOD BANK AND
CAPITAL AREA FOOD BANK FOUNDATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended June 30, 2015**

1. Organization and Summary of Significant Accounting Policies (continued)

Definition of Operations

Operating revenue and expenses generally reflect those revenues and expenses that arise from the Organization's activities and exclude investment income, which the Organization defines as all interest, dividends, realized and unrealized gains and losses, and investment fees from long-term investments.

Changes in Policy

During the year, management changed its definition of cash and cash equivalent to include store credit balances available to the Organization. Previously, these store credits were classified as accounts receivable. Management made this change in the policy as the store credits are only available to the Organization at the store and the Organization cannot collect the store credit that is not used. As a result, for the year ended June 30, 2015, available store credits in the amount of \$272,359 were classified as cash and cash equivalents. In addition, it has been the Organization's policy to value its ending inventory at the Feeding America weighted average value as of the most recent calendar year-end. Since this new rate is usually not available until June, which coincides with the Organization's year-end, the Organization has decided that the new rate will be used to start the new fiscal year that start's after the new rate is released.

2. Accounts, Contributions and Grants Receivables

Accounts receivable is comprised primarily of amounts due from partner agencies and is shown net of an allowance for doubtful accounts of \$41,988 as of June 30, 2015.

Contributions and grants receivable consist of amounts due from government agencies. All amounts are due within one year and are considered fully collectible.

3. Pledges Receivable

Pledges receivable primarily reflect capital campaign commitments made to the Organization by individuals and foundations. As of June 30, 2015, the pledges receivable are due to be collected as follows:

Within one year	\$ 1,276,997
One to five years	<u>60,000</u>
Gross Pledges Receivable	1,336,997
Less: Discount to Net Present Value at 3%	<u>(4,269)</u>
Pledges Receivable, Net	<u><u>\$ 1,332,728</u></u>

Continued

**CAPITAL AREA FOOD BANK AND
CAPITAL AREA FOOD BANK FOUNDATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended June 30, 2015**

4. Investments

Investments consisted of the following as of June 30, 2015:

Fixed-income securities	\$ 2,553,668
Equity mutual funds	1,021,047
Fixed-income mutual funds	900,126
Exchange-traded funds	269,848
Real asset funds	<u>223,189</u>
Total Investments	<u>\$ 4,967,878</u>

Investment income is summarized as follows for the year ended June 30, 2015:

Interest and dividends	\$ 106,023
Net realized and unrealized losses	<u>(41,105)</u>
Total Investment Income	<u>\$ 64,918</u>

5. Fair Value Measurements

The table below summarizes the Organization's investments measured at fair value on a recurring basis as of June 30, 2015, aggregated by the fair value hierarchy level with which those measurements were made:

	<u>Fair Value Total</u>	<u>Quoted Prices in Active Markets for Identical Assets/ Liabilities (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Investments:				
Fixed-income securities:				
Corporate bonds	\$ 1,680,384	\$ -	\$ 1,680,384	\$ -
U.S. Treasury bonds	818,825	-	818,825	-
Mortgage backed securities	54,459	-	54,459	-
Equity mutual funds:				
Large cap blend	584,982	584,982	-	-
Large cap blend-foreign	271,434	271,434	-	-
Mid cap blend	111,585	111,585	-	-
Small cap blend	53,046	53,046	-	-

Continued

**CAPITAL AREA FOOD BANK AND
CAPITAL AREA FOOD BANK FOUNDATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended June 30, 2015**

5. Fair Value Measurements (continued)

<i>(continued)</i>	<u>Fair Value Total</u>	<u>Quoted Prices in Active Markets for Identical Assets/ Liabilities (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Investments:				
Fixed-income mutual funds:				
World bond	\$ 355,764	\$ 355,764	\$ -	\$ -
Emerging markets	248,046	248,046	-	-
Bank loan	149,193	149,193	-	-
High yield bonds	147,123	147,123	-	-
Exchange-traded funds:				
U.S. Treasury bonds	269,848	269,848	-	-
Real asset mutual funds:				
Real estate	142,503	142,503	-	-
Commodities	<u>80,686</u>	<u>80,686</u>	-	-
Total Investments	<u>\$ 4,967,878</u>	<u>\$ 2,414,210</u>	<u>\$ 2,553,668</u>	<u>\$ -</u>

The following is a description of the valuation methodology used to determine the fair value for investments.

Fixed-income, real asset and equity mutual funds, and exchange-traded funds – Valued at quoted prices available in an active market for identical assets.

Fixed-income securities – Valued based on current yields, the securities' terms and conditions, and market activity. Information used includes market sources, credit information, observed market movement and sector news. The value is provided to the Organization by the investment manager.

6. Inventory

The Organization's inventory consisted of the following as of June 30, 2015:

	<u>Pounds</u>	<u>Total</u>
Donated food goods	2,976,374	\$ 5,119,378
Purchased food goods	<u>551,510</u>	<u>416,946</u>
Total Inventory	<u>3,527,884</u>	<u>\$ 5,536,324</u>

**CAPITAL AREA FOOD BANK AND
CAPITAL AREA FOOD BANK FOUNDATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended June 30, 2015**

7. Property and Equipment and Accumulated Depreciation and Amortization

The Organization's property and equipment consisted of the following as of June 30, 2015:

Building and improvements	\$ 26,586,335
Land	8,604,775
Vehicles	2,381,819
Warehouse equipment	1,467,559
Office and computer equipment	1,190,104
Software	<u>798,304</u>
Total Property and Equipment	41,028,896
Less: Accumulated Depreciation and Amortization	<u>(4,746,028)</u>
Property and Equipment, Net	<u>\$ 36,282,868</u>

Depreciation and amortization expense related to property and equipment totaled \$1,266,915 for the year ended June 30, 2015, and is included as depreciation and amortization expense in the accompanying consolidated statement of functional expenses.

8. Notes Payables and New Market Tax Credit Transactions

On July 18, 2005, the Organization purchased an existing building at 4900 Puerto Rico Avenue, N.E., Washington, D.C. DHCD provided \$7,705,000 of financing in connection with the acquisition of the property. Under the terms of the agreement with DHCD, \$2,500,000 was forgiven during the year ended June 30, 2007, through the distribution of food products to D.C. partner agencies. The remaining balance of \$5,205,000 is considered a 40-year deferred loan and is repayable only if the property is sold, if the Organization moves away from the District of Columbia, or if the Organization ceases to fulfill its principal mission. Management has determined that the imputed interest on the note payable, which is conditioned on the Organization fulfilling the above criteria, is immaterial to the consolidated financial statements taken as a whole, and therefore not reflected in these consolidated financial statements. The loan is secured by a deed of trust on the Organization's interest in the land and improvements of the property.

In November 2010, the Organization entered into a financial arrangement to help fund the cost of a new warehouse and its office facility at 4900 Puerto Rico Avenue, N.E., Washington, D.C. through the use of the NMTC program. Under this arrangement, the Organization received a loan of \$19,200,000 from City First Capital 25 LLC (City First Capital) and two loans totaling \$9,600,000 from Enhanced Capital New Market Development Fund VIII LLC (Enhanced Capital), aggregating \$28,800,000. The note payable to City First Capital requires payment of interest only at 0.7241% per annum until December 1, 2017. Thereafter, annual payments of \$909,237, plus interest at 0.7241% per annum are due until December 1, 2040. The notes payable to Enhanced Capital require payments of interest only at 0.7241% per annum until

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended June 30, 2015**

8. Notes Payables and New Market Tax Credit Transactions (continued)

December 1, 2017. Thereafter, annual payments of \$454,618, with interest at 0.7241% per annum, are due until December 1, 2040. As of June 30, 2015, the Organization has accrued interest payable of \$121,649 related to these notes. The loan is secured by a deed of trust in the Organization's interest in the property (the warehouse and office facility). Total outstanding notes payable aggregate \$34,005,000 and are classified as all long-term in the accompanying financial statements.

CAFB formed the Foundation as a supporting organization and made a \$20,861,591 contribution to the Foundation. In conjunction with the financing arrangements, the Foundation provided a loan of \$20,833,437 to CAFB NMTC Investment Trust LLC (an unaffiliated investment structure). The loan is evidenced by a promissory note from the Investment Trust LLC, carrying an interest rate of 1% per annum, payable annually starting on December 10, 2010, providing for amortization of the principal from December 10, 2017, to the maturity date of December 10, 2034, with the first principal payment being due on December 10, 2018, and secured by the interests of the Investment Trust LLC in the two lenders discussed in the first paragraph of this note. During the year ended June 30, 2015, the Foundation was paid \$208,334 in interest income related to this note receivable.

In December 2017, the lenders that own the investment structure may put their interest in the investment structure to the Foundation for a put price of \$1,000. If the lenders do not exercise their put right, the Foundation may call the lenders' interest in the investment structure for a call price equal to the fair value of the investment. Exercise of the put or the call will provide the Foundation with ownership of the investment structure, and will allow for the settlement of the associated NMTC notes receivables and payables as the Foundation will be the holder of CAFB's note payable and, as such, the loan will be eliminated in the consolidated financial statements. It is anticipated that the loan will be discharged.

As of June 30, 2015, restricted cash and cash equivalents were composed of a loan servicing reserve in the amount of \$401,532.

As part of the transaction, the Foundation was required to provide a guarantee for all the existing notes payable.

**CAPITAL AREA FOOD BANK AND
CAPITAL AREA FOOD BANK FOUNDATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended June 30, 2015**

9. Temporarily Restricted Net Assets

The Organization's temporarily restricted net assets were available for the following programs or purposes as of June 30, 2015:

Capital Campaign	\$ 18,265,904
Fresh Produce	1,872,843
Warehouse Operations	386,628
Distribution Expansion	374,049
Childhood Nutrition	325,129
Other Capital Purchases	181,629
Missing Meals Virtual Giving Platform	168,099
Senior Brown Bags	117,094
Family Markets	107,000
Partner Relations and Support	45,417
NOVA Operations	<u>17,025</u>
Total Temporarily Restricted Net Assets	<u>\$ 21,860,817</u>

The Capital Campaign temporarily restricted net assets are associated with the costs incurred in connection with the construction of the offices and warehouse located at 4900 Puerto Rico Avenue, N.E., Washington, D.C. The depreciation of these construction costs commenced during the year ended June 30, 2013, when the building was placed into service. The Organization has elected to release the restricted Capital Campaign net assets into unrestricted revenue and support over the life of the building for which the funds were raised.

10. In-Kind Food Contributions and Distributions

The Organization received 28,475,912 pounds of donated food during the year ended June 30, 2015, with an estimated value of \$48,978,569. This amount has been recorded as in-kind food contributions revenue in the accompanying consolidated statement of activities. Of this amount, the Organization distributed 28,514,744 pounds of donated food during the year ended June 30, 2015, with an estimated value of \$49,003,820. This amount is included in in-kind food distributions in the accompanying consolidated statement of functional expenses. In addition to donated food, as part of its Purchased Product and Fresh Produce Program that supplements the variety of donated food, the Organization distributed food valued at \$3,509,301 during the year ended June 30, 2015.

In addition to the food distributed directly by the Organization to its member agencies and other food banks, an additional 13,000,386 pounds of food were distributed through the Organization's Partners Direct Program during the year ended June 30, 2015. The Partners Direct Program facilitates the distribution of perishable food products directly to the Organization's agencies. These agencies are eligible to receive the direct distribution of the perishable foods from supermarkets through their membership and active status in good standing with the Organization. The value of these food contributions is not included in the Organization's consolidated financial statements as the Organization never takes custody of the goods and does not determine which entities receive the in-kind goods.

Continued

**CAPITAL AREA FOOD BANK AND
CAPITAL AREA FOOD BANK FOUNDATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended June 30, 2015**

10. In-Kind Food Contributions and Distributions (continued)

A summary of food distributions in pounds as of June 30, 2015, are as follows:

	Donated Goods	Purchased Goods	Total
Distributed from inventory	28,514,744	5,154,399	33,669,143
Partner Director Program	13,000,386	-	13,000,386
Total	41,515,130	5,154,399	46,669,529

11. Donated Materials and Services

In addition to in-kind food contributions, the Organization also receives donated materials and services which are used to further the Organization's activities. The following is a summary of donated materials and services received during the year ended June 30, 2015:

Legal services	\$ 306,333
Financial consulting services	150,683
Donated materials	58,306
Other	7,900
Total Donated Materials and Services	\$ 523,222

**CAPITAL AREA FOOD BANK AND
CAPITAL AREA FOOD BANK FOUNDATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended June 30, 2015**

12. Commitments, Contingencies and Risks

Capital Leases

The Organization is obligated under various capital leases for vehicles. These capital leases are scheduled to expire at various dates through April 2022. The cost of vehicles included in fixed assets that were acquired under capital lease totaled \$1,301,161 with accumulated depreciation of \$617,672 as at June 30, 2015. Future minimum capital lease payments, together with the present value of net minimum capital payments, as of June 30, 2015, are as follows:

For the Year Ending June 30,		
2016	\$	202,932
2017		141,298
2018		118,212
2019		118,212
2020		118,212
2021		118,212
2022		50,838
Total Minimum Payment Required		867,916
Less: Amount Representing Interest at Various Rates		(50,025)
Present Value of Net Minimum Capital Lease Payments		817,891
Less: Current Portion		(187,398)
Long-Term Portion	\$	630,493

Operating Leases

The Organization is obligated as a lessee under several noncancelable operating leases for its equipment. The leases expire at various times through January 2019. The future minimum lease obligations under these agreements are as follows:

For the Year Ending June 30,		
2016	\$	33,680
2017		33,680
2018		20,370
2019		10,185
Total	\$	97,915

Equipment rental expense totaled \$33,874 for the year ended June 30, 2015, and is included in repairs and maintenance in the accompanying consolidated statement of functional expenses.

**CAPITAL AREA FOOD BANK AND
CAPITAL AREA FOOD BANK FOUNDATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended June 30, 2015**

12. Commitments, Contingencies and Risks (continued)

Employment Agreement

The Organization has an employment agreement with its Executive Director which commenced in January 2013. Under the terms of the agreement, the Organization is to pay to the Executive Director, or on her behalf, certain amounts for compensation, benefits and allowances through January 2016, unless the Organization terminates the agreement for cause. If the Organization terminates the agreement for a reason other than cause, the Executive Director is entitled to a lump-sum cash separation payment equal to six months of her annual base salary.

Office of Management and Budget Circular A-133

The Organization has instructed its independent auditors to audit its applicable federal programs for the year ended June 30, 2015, in compliance with Circular A-133 issued by the U.S. Office of Management and Budget (OMB). Until such audit is reviewed and accepted by the contracting or granting agencies, there exists a contingent liability to refund any amounts received in excess of allowable costs. Management believes that any matters arising from the review by the federal agencies of the independent auditor's reports for the year ended June 30, 2015 will not have a material effect on the Organization's consolidated financial position as of June 30, 2015, or its results of operations for the year then ended.

13. Financial Instruments and Credit Risk

Concentration of Credit Risk

Financial instruments, which potentially subject the Organization to a concentration of credit risk, consist principally of cash balances maintained at various creditworthy financial institutions. While the amount at a given bank at times exceeds the amount guaranteed by federal agencies and, therefore, bears some risk, the Organization has not experienced, nor does it anticipate, any losses on its funds. At June 30, 2015, the amount in excess of the Federal Deposit Insurance Corporation insured limit of \$250,000 was approximately \$6,140,000.

14. Related Parties

Included among the Organization's Board of Directors are volunteers from the Washington, D.C. metropolitan community, who provide valuable assistance to the Organization in the development of policies and programs. Four members of the two Boards work for companies, which have contributed to the support of the Organization or receive food distributions from the Organization.

**CAPITAL AREA FOOD BANK AND
CAPITAL AREA FOOD BANK FOUNDATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended June 30, 2015**

15. Pension Plan

The Organization sponsors a Simplified Employee Pension (SEP) plan to full-time employees who have completed one full year of service. The Organization contributes 10% of an employee's salary with a maximum contribution of \$30,000 per year. Pension expense totaled \$462,408 for the year ended June 30, 2015. The Organization also administers a 403(b) tax-deferred annuity plan on behalf of its employees. Employee contributions are permitted up to the limit established by the 403(b) IRS regulations. There were no employer contributions made to the 403(b) plan during the year ended June 30, 2015.

16. Income Taxes

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and is classified as a publicly supported organization under Section 509(a)(1) of the Internal Revenue Code. No provision for income taxes is required for the year ended June 30, 2015, as the Organization had no net unrelated business income.

The Organization performed an evaluation of uncertain tax positions for the year ended June 30, 2015, and determined that there are no matters that would require recognition in the consolidated financial statements or that may have any effect on its tax-exempt status. As of June 30, 2015, the statute of limitations for tax years ended June 30, 2012, through June 30, 2014 remains open with the U.S. federal jurisdiction and/or the various states and local jurisdictions in which the Organization files tax returns. It is the Organization's policy to recognize interest and penalties related to uncertain tax positions, if any, in income tax expense. As of June 30, 2015, the Organization had no accruals for interest and/or penalties.

17. Prior Year Summarized Financial Information

The accompanying consolidated financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended June 30, 2014, from which the summarized information was derived.

18. Prior Period Adjustment

During the year ended June 30, 2015, the Organization restated the amounts reported for in-kind food contributions and in-kind food distributions to correct errors in valuing some of the in-kind contributions and the related distributions. During the financial close process for the year ended June 30, 2015, the Organization determined that some of the in-kind contributions and

**CAPITAL AREA FOOD BANK AND
CAPITAL AREA FOOD BANK FOUNDATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended June 30, 2015**

18. Prior Period Adjustment (continued)

distributions were valued at a unit price instead of the value per pound. Accordingly, an adjustment was made to increase in-kind food contributions and distributions by \$4,399,297. There was no impact on net assets or the change in net assets for the year ended June 30, 2014.

19. Subsequent Events

In preparing these consolidated financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through October 27, 2015, the date the consolidated financial statements were issued. There were no subsequent events that require recognition of or disclosure in these financial statements.

SUPPLEMENTAL INFORMATION

**CAPITAL AREA FOOD BANK AND
CAPITAL AREA FOOD BANK FOUNDATION
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
June 30, 2015**

	Capital Area Food Bank	Capital Area Food Bank Foundation	Eliminations	Total
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 5,385,639	\$ 3,646,803	\$ -	\$ 9,032,442
Cash and cash equivalents – restricted, current portion	121,649	-	-	121,649
Accounts receivable, net of allowance	234,229	-	-	234,229
Pledges receivable, current portion	1,276,997	-	-	1,276,997
Contributions and grants receivable	781,358	-	-	781,358
Interest receivable	-	119,864	-	119,864
Deferred financing costs, current portion	55,148	-	-	55,148
Inventory	5,536,324	-	-	5,536,324
Prepaid expenses and other deposits	137,131	-	-	137,131
Total Current Assets	13,528,475	3,766,667	-	17,295,142
Cash and cash equivalents – restricted, net of current portion	279,883	-	-	279,883
Pledges receivable, net of current portion	55,731	-	-	55,731
Investments	269,848	4,698,030	-	4,967,878
Deferred financing costs, net of current portion	1,032,069	-	-	1,032,069
Note receivable	-	20,833,437	-	20,833,437
Property and equipment, net	36,282,868	-	-	36,282,868
TOTAL ASSETS	\$ 51,448,874	\$ 29,298,134	\$ -	\$ 80,747,008
LIABILITIES AND NET ASSETS				
Liabilities				
Current Liabilities				
Accounts payable and accrued expenses	\$ 1,247,023	\$ -	\$ -	\$ 1,247,023
Capital lease obligations, current portion	187,398	-	-	187,398
Interest payable	121,649	-	-	121,649
Total Current Liabilities	1,556,070	-	-	1,556,070
Noncurrent Liabilities				
Capital lease obligations, net of current portion	630,493	-	-	630,493
Notes payable, noncurrent	34,005,000	-	-	34,005,000
Total Noncurrent Liabilities	34,635,493	-	-	34,635,493
TOTAL LIABILITIES	36,191,563	-	-	36,191,563
Net Assets				
Unrestricted				
Undesignated	(6,999,178)	29,298,134	-	22,298,956
Board-designated	395,672	-	-	395,672
Total Unrestricted Net Assets	(6,603,506)	29,298,134	-	22,694,628
Temporarily restricted	21,860,817	-	-	21,860,817
TOTAL NET ASSETS	15,257,311	29,298,134	-	44,555,445
TOTAL LIABILITIES AND NET ASSETS	\$ 51,448,874	\$ 29,298,134	\$ -	\$ 80,747,008

**CAPITAL AREA FOOD BANK AND
CAPITAL AREA FOOD BANK FOUNDATION
CONSOLIDATING STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2015**

	Capital Area Food Bank	Capital Area Food Bank Foundation	Eliminations	Total
OPERATING REVENUE AND SUPPORT				
In-kind food contributions	\$ 48,978,569	\$ -	\$ -	\$ 48,978,569
Contributions and grants	12,037,759	-	-	12,037,759
Federal and state grants	3,746,045	-	-	3,746,045
Program service fees	2,109,539	-	-	2,109,539
Donated materials and services	523,222	-	-	523,222
Interest income from note receivable	-	328,198	-	328,198
Other income	85,356	-	-	85,356
TOTAL OPERATING REVENUE AND SUPPORT	67,480,490	328,198	-	67,808,688
EXPENSES				
Program Services:				
Food resourcing and logistics	57,648,268	-	-	57,648,268
Partner relations and agency training	2,249,786	-	-	2,249,786
Food for kids	1,331,838	-	-	1,331,838
Other food programs	2,349,715	-	-	2,349,715
Total Program Services	63,579,607	-	-	63,579,607
Supporting Services:				
Management and general	2,668,911	29,744	-	2,698,655
Fundraising	1,998,940	-	-	1,998,940
Total Supporting Services	4,667,851	29,744	-	4,697,595
TOTAL EXPENSES	68,247,458	29,744	-	68,277,202
CHANGE IN NET ASSETS BEFORE OTHER INCOME	(766,968)	298,454	-	(468,514)
OTHER INCOME				
Investment income	9,547	55,371	-	64,918
CHANGE IN NET ASSETS	(757,421)	353,825	-	(403,596)
NET ASSETS, BEGINNING OF YEAR	16,014,732	28,944,309	-	44,959,041
NET ASSETS, END OF YEAR	\$ 15,257,311	\$ 29,298,134	\$ -	\$ 44,555,445