



# Greater Cleveland Food Bank

## Financial Statements

Years Ended September 30, 2016 and 2015

# Greater Cleveland Food Bank

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## Financial Statements

Years Ended September 30, 2016 and 2015

# Greater Cleveland Food Bank

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## Independent Auditor's Report

Board of Directors  
Greater Cleveland Food Bank  
Cleveland, Ohio

### *Report on the Financial Statements*

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

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

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

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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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 Greater Cleveland Food Bank as of September 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*ODO USA, LLP*

Cleveland, Ohio  
December 13, 2016

## Financial Statements

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# Greater Cleveland Food Bank

## Statements of Financial Position

<i>September 30,</i>	2016	2015
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ -	\$ 248,462
Investments, at fair value	4,557,640	4,226,591
Accounts receivable		
Agency receivables, net	222,971	303,423
Government administrative fees/reimbursements	920,449	693,819
Operating pledges, net	916,708	593,318
Cooler/freezer expansion pledges	2,000	10,753
	2,062,128	1,601,313
Inventory		
Contributed (1,481,905 and 958,902 pounds, respectively)	2,474,782	1,630,133
Purchased Food Program (833,781 and 687,486 pounds, respectively)	518,622	473,077
USDA (635,877 and 745,839 pounds, respectively)	1,061,915	1,267,926
Ohio Food Purchase Program (631,589 and 517,570 pounds, respectively)	1,054,754	879,869
Greater Cleveland Food Bank Kitchen Purchased Food (18,230 and 23,096 pounds, respectively)	38,177	48,927
	5,148,250	4,299,932
Prepaid expenses, commitments and other deposits	466,214	347,251
<b>Total Current Assets</b>	<b>12,234,232</b>	<b>10,723,549</b>
<b>Property and Equipment, Net</b>	<b>9,610,150</b>	<b>9,722,697</b>
<b>Noncurrent Assets</b>		
Cash, board designated for endowment	142,971	22,924
Investments - endowment	1,710,087	1,327,602
Operating pledges, net	370,000	-
Software, net	190,273	250,066
Deposits	1,816	1,816
<b>Total Assets</b>	<b>\$ 24,259,529</b>	<b>\$ 22,048,654</b>

*See accompanying notes to financial statements.*

# Greater Cleveland Food Bank

## Statements of Financial Position

<i>September 30,</i>	2016	2015
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable - operating	\$ 1,425,920	\$ 964,945
Accrued expenses	822,146	720,651
Lines of credit	500,000	400,000
Harvest for Hunger credits	1,444,630	1,452,393
Agency grant commitments	469,715	486,047
Deferred revenue	70,000	70,000
<b>Total Current Liabilities</b>	<b>4,732,411</b>	<b>4,094,036</b>
<b>Net Assets</b>		
Unrestricted		
Unrestricted	6,837,158	5,899,105
Net investment in property, equipment and software	9,800,423	9,972,763
Undesignated	16,637,581	15,871,868
Board designated for endowment	1,756,986	1,309,544
Total unrestricted	18,394,567	17,181,412
Temporarily restricted		
State of Ohio	98,596	131,463
Cooler/freezer expansion	2,000	10,753
Time restricted pledges	908,282	519,728
Endowment earnings	13,272	8,182
Other	27,601	70,280
Total temporarily restricted	1,049,751	740,406
Permanently restricted endowment	82,800	32,800
<b>Total Net Assets</b>	<b>19,527,118</b>	<b>17,954,618</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 24,259,529</b>	<b>\$ 22,048,654</b>

*See accompanying notes to financial statements.*



Greater Cleveland Food Bank

Statement of Activities

<i>For the Year Ended September 30, 2016, with Summarized Comparative Information for 2015</i>	Undesignated	Board Designated Endowment	Total Unrestricted	Temporarily Restricted	Permanently Restricted	2016 Total	2015 Total
<b>Food Programs Revenue</b>							
Value of food received							
Value of food donated (21,823,145 and 21,807,581 pounds, respectively)	\$ 36,444,652	\$ -	\$ 36,444,652	\$ -	\$ -	\$ 36,444,652	\$ 37,072,888
Value of USDA and OFPP food received (18,632,685 and 16,240,961 pounds, respectively)	31,116,584	-	31,116,584	-	-	31,116,584	27,609,634
	67,561,236	-	67,561,236	-	-	67,561,236	64,682,522
Food distribution revenue							
Purchased Food Program (4,952,683 and 4,692,796 pounds, respectively)	2,953,240	-	2,953,240	-	-	2,953,240	3,095,205
Total food programs revenue	70,514,476	-	70,514,476	-	-	70,514,476	67,777,727
<b>Operating Revenue</b>							
Greater Cleveland Food Bank Kitchen fees	1,640,228	-	1,640,228	-	-	1,640,228	1,554,274
Member agency handling fees	1,136,419	-	1,136,419	-	-	1,136,419	1,038,552
Federal, state, county government reimbursement and administrative fees	3,052,916	-	3,052,916	-	-	3,052,916	2,669,537
Contributions and grants	11,609,392	354,379	11,963,771	771,536	50,000	12,785,307	11,267,048
Other	131,023	-	131,023	-	-	131,023	160,798
Net assets released from restrictions	425,660	-	425,660	(425,660)	-	-	-
Total	17,995,638	354,379	18,350,017	345,876	50,000	18,745,893	16,690,209
<b>Total Revenue from Food Programs and operations</b>	<b>88,510,114</b>	<b>354,379</b>	<b>88,864,493</b>	<b>345,876</b>	<b>50,000</b>	<b>89,260,369</b>	<b>84,467,936</b>
<b>Food Programs Expense</b>							
Value of food distributed							
Value of donated food distributed, including scrap (21,300,141 and 21,905,698 pounds, respectively)	35,600,555	-	35,600,555	-	-	35,600,555	38,999,886
Value of USDA and OFPP food distributed, including scrap (18,628,628 and 16,243,032 pounds, respectively)	31,147,711	-	31,147,711	-	-	31,147,711	26,920,264
	66,748,266	-	66,748,266	-	-	66,748,266	65,920,150
Food cost of goods sold							
Purchased Food Program, including scrap (4,806,388 and 5,010,363 pounds, respectively)	2,689,290	-	2,689,290	-	-	2,689,290	2,908,030
Harvest for Hunger food purchases and grants	2,048,477	-	2,048,477	-	-	2,048,477	2,055,384
Total food programs expenses	71,486,033	-	71,486,033	-	-	71,486,033	70,883,564

See accompanying notes to financial statements.

Greater Cleveland Food Bank

Statement of Activities

<i>For the Year Ended September 30, 2016, with Summarized Comparative Information for 2015</i>	Undesignated	Board Designated Endowment	Total Unrestricted	Temporarily Restricted	Permanently Restricted	2016 Total	2015 Total
<b>Operating Expenses</b>							
Program expenses							
Operations	10,411,520	-	10,411,520	-	-	10,411,520	9,071,051
Greater Cleveland Food Bank Kitchen	2,038,137	-	2,038,137	-	-	2,038,137	1,897,019
Community and government programming	395,347	-	395,347	-	-	395,347	358,423
Total program expenses	12,845,004	-	12,845,004	-	-	12,845,004	11,326,493
Support services							
Fundraising	2,310,746	-	2,310,746	-	-	2,310,746	2,271,393
Volunteer Service & Product Resource Development	292,158	-	292,158	-	-	292,158	248,340
Administration	1,221,059	-	1,221,059	-	-	1,221,059	1,218,208
Total support services	3,823,963	-	3,823,963	-	-	3,823,963	3,737,941
<b>Total operating expenses</b>	<b>16,668,967</b>	<b>-</b>	<b>16,668,967</b>	<b>-</b>	<b>-</b>	<b>16,668,967</b>	<b>15,064,434</b>
<b>Total Food Programs and Operating Expenses</b>	<b>88,155,000</b>	<b>-</b>	<b>88,155,000</b>	<b>-</b>	<b>-</b>	<b>88,155,000</b>	<b>85,947,998</b>
<b>Change from Operations</b>	<b>355,114</b>	<b>354,379</b>	<b>709,493</b>	<b>345,876</b>	<b>50,000</b>	<b>1,105,369</b>	<b>(1,480,062)</b>
<b>Other Revenue</b>							
Realized and unrealized gain (loss) on investments, net	196,016	93,063	289,079	5,089	-	294,168	(367,560)
Interest and dividends	172,963	-	172,963	-	-	172,963	218,524
Net assets released from restrictions	41,620	-	41,620	(41,620)	-	-	-
Total other revenue	410,599	93,063	503,662	(36,531)	-	467,131	(149,036)
<b>Change in Net Assets</b>	<b>765,713</b>	<b>447,442</b>	<b>1,213,155</b>	<b>309,345</b>	<b>50,000</b>	<b>1,572,500</b>	<b>(1,629,098)</b>
<b>Net Assets, beginning of year</b>	<b>15,871,868</b>	<b>1,309,544</b>	<b>17,181,412</b>	<b>740,406</b>	<b>32,800</b>	<b>17,954,618</b>	<b>19,583,716</b>
<b>Net Assets, end of year</b>	<b>\$ 16,637,581</b>	<b>\$ 1,756,986</b>	<b>\$ 18,394,567</b>	<b>\$ 1,049,751</b>	<b>\$ 82,800</b>	<b>\$ 19,527,118</b>	<b>\$ 17,954,618</b>

See accompanying notes to financial statements.

## Greater Cleveland Food Bank

### Statement of Activities

<i>Year Ended September 30, 2015</i>	Undesignated	Board Designated Endowment	Total Unrestricted	Temporarily Restricted	Permanently Restricted	2015 Total
<b>Food Programs Revenue</b>						
Value of food received						
Value of food donated (21,807,581 pounds)	\$ 37,072,888	\$ -	\$ 37,072,888	\$ -	\$ -	\$ 37,072,888
Value of USDA and OFPP food received (16,240,961 pounds)	27,609,634	-	27,609,634	-	-	27,609,634
	64,682,522	-	64,682,522	-	-	64,682,522
Food distribution revenue						
Purchased Food Program (4,692,796 pounds)	3,095,205	-	3,095,205	-	-	3,095,205
	67,777,727	-	67,777,727	-	-	67,777,727
<b>Operating Revenue</b>						
Greater Cleveland Food Bank Kitchen fees	1,554,274	-	1,554,274	-	-	1,554,274
Member agency handling fees	1,038,552	-	1,038,552	-	-	1,038,552
Federal, state, county government reimbursement and administrative fees	2,669,537	-	2,669,537	-	-	2,669,537
Contributions and grants	10,622,423	101,489	10,723,912	543,136	-	11,267,048
Other	160,798	-	160,798	-	-	160,798
Net assets released from restrictions	322,834	-	322,834	(322,834)	-	-
<b>Total</b>	<b>16,368,418</b>	<b>101,489</b>	<b>16,469,907</b>	<b>220,302</b>	<b>-</b>	<b>16,690,209</b>
<b>Total Revenue from Food Programs and Operations</b>	<b>84,146,145</b>	<b>101,489</b>	<b>84,247,634</b>	<b>220,302</b>	<b>-</b>	<b>84,467,936</b>
<b>Food Programs Expenses</b>						
Value of food distributed						
Value of donated food distributed, including scrap (21,905,698 pounds)	38,999,886	-	38,999,886	-	-	38,999,886
Value of USDA and OFPP food distributed, including scrap (16,243,032 pounds)	26,920,264	-	26,920,264	-	-	26,920,264
	65,920,150	-	65,920,150	-	-	65,920,150
Food cost of goods sold						
Purchased Food Program, including scrap (5,010,363 pounds)	2,908,030	-	2,908,030	-	-	2,908,030
Harvest for Hunger food purchases and grants	2,055,384	-	2,055,384	-	-	2,055,384
<b>Total food programs expenses</b>	<b>70,883,564</b>	<b>-</b>	<b>70,883,564</b>	<b>-</b>	<b>-</b>	<b>70,883,564</b>

*See accompanying notes to financial statements.*

## Greater Cleveland Food Bank

### Statement of Activities

<i>Year Ended September 30, 2015</i>	Undesignated	Board Designated Endowment	Total Unrestricted	Temporarily Restricted	Permanently Restricted	2015 Total
<b>Operating Expenses</b>						
Program expenses						
Operations	9,071,051	-	9,071,051	-	-	9,071,051
Greater Cleveland Food Bank Kitchen	1,897,019	-	1,897,019	-	-	1,897,019
Community and government programming	358,423	-	358,423	-	-	358,423
Total program expenses	11,326,493	-	11,326,493	-	-	11,326,493
Support services						
Fundraising	2,271,393	-	2,271,393	-	-	2,271,393
Volunteer Service & Product Resource Development	248,340	-	248,340	-	-	248,340
Administration	1,218,208	-	1,218,208	-	-	1,218,208
Total support services	3,737,941	-	3,737,941	-	-	3,737,941
<b>Total operating expenses</b>	<b>15,064,434</b>	<b>-</b>	<b>15,064,434</b>	<b>-</b>	<b>-</b>	<b>15,064,434</b>
<b>Total Food Programs and Operating Expenses</b>	<b>85,947,998</b>	<b>-</b>	<b>85,947,998</b>	<b>-</b>	<b>-</b>	<b>85,947,998</b>
<b>Change from Operations</b>	<b>(1,801,853)</b>	<b>101,489</b>	<b>(1,700,364)</b>	<b>220,302</b>	<b>-</b>	<b>(1,480,062)</b>
<b>Other Revenue</b>						
Cooler/freezer expansion contributions	-	-	-	-	-	-
Realized and unrealized gain (loss) on investments, net	(339,359)	(27,330)	(366,689)	(871)	-	(367,560)
Interest and dividends	218,524	-	218,524	-	-	218,524
Net assets released from restrictions	267,456	-	267,456	(267,456)	-	-
Total other revenue	146,621	(27,330)	119,291	(268,327)	-	(149,036)
<b>Change in Net Assets</b>	<b>(1,655,232)</b>	<b>74,159</b>	<b>(1,581,073)</b>	<b>(48,025)</b>	<b>-</b>	<b>(1,629,098)</b>
<b>Net Assets, beginning of year</b>	<b>17,527,100</b>	<b>1,235,385</b>	<b>18,762,485</b>	<b>788,431</b>	<b>32,800</b>	<b>19,583,716</b>
<b>Net Assets, end of year</b>	<b>\$ 15,871,868</b>	<b>\$ 1,309,544</b>	<b>\$ 17,181,412</b>	<b>\$ 740,406</b>	<b>\$ 32,800</b>	<b>\$ 17,954,618</b>

*See accompanying notes to financial statements.*

Greater Cleveland Food Bank

Statement of Functional Expenses

	Program Expenses			Supporting Services			2016 Total Expenses	2015 Total Expenses
	Operations	Greater Cleveland Food Bank Kitchen	Community and Government Programming	Fundraising	Volunteer Service & Product Resource Development	Administration		
<i>For the Year Ended September 30, 2016, with Summarized Comparative Information for 2015</i>								
<b>Food Programs Expense</b>								
Value of food distributed, including scrap								
Value of donated food distributed	\$ 35,600,555	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,600,555	\$ 38,999,886
Value of USDA, OFPP, and PA food distributed	31,147,711	-	-	-	-	-	31,147,711	26,920,264
Food cost of goods sold, including scrap								
Purchased food program	2,689,290	-	-	-	-	-	2,689,290	2,908,030
Harvest for Hunger food purchases and grants	2,048,477	-	-	-	-	-	2,048,477	2,055,384
<b>Total food programs expense</b>	<b>\$ 71,486,033</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 71,486,033</b>	<b>\$ 70,883,564</b>
<b>Operating Expense</b>								
Salaries and wages	\$ 4,166,975	\$ 136,460	\$ 267,469	\$ 1,021,894	\$ 190,286	\$ 654,544	\$ 6,437,628	\$ 5,777,118
Employee benefits	720,604	98,392	35,612	150,375	37,205	150,638	1,192,826	1,161,963
<b>Total salaries and related expenses</b>	<b>4,887,579</b>	<b>234,852</b>	<b>303,081</b>	<b>1,172,269</b>	<b>227,491</b>	<b>805,182</b>	<b>7,630,454</b>	<b>6,939,081</b>
Professional services	44,255	3,465	8,820	48,868	16,538	141,061	263,007	370,869
Office expense and services	435,394	25,523	23,378	150,546	23,372	45,415	703,628	446,628
Food and supplies - Greater Cleveland Food Bank Kitchen	-	1,672,172	-	-	-	-	1,672,172	1,386,409
Occupancy costs and warehouse maintenance	778,020	18,738	-	88	500	11,329	808,675	740,712
Fuel, fleet costs, inbound freight (net)	583,015	35,436	-	-	-	-	618,451	587,485
Direct mail fundraising and communications	97,092	-	19,128	757,283	8,246	725	882,474	836,484
Agency support	2,988,712	-	-	-	-	-	2,988,712	2,664,282
Miscellaneous	143,269	9,960	34,019	156,096	15,701	167,379	526,424	489,319
<b>Total operating expenses before depreciation</b>	<b>9,957,336</b>	<b>2,000,146</b>	<b>388,426</b>	<b>2,285,150</b>	<b>291,848</b>	<b>1,171,091</b>	<b>16,093,997</b>	<b>14,461,269</b>
Depreciation and amortization	454,184	37,991	6,921	25,596	310	49,968	574,970	603,165
<b>Total operating expenses</b>	<b>10,411,520</b>	<b>2,038,137</b>	<b>395,347</b>	<b>2,310,746</b>	<b>292,158</b>	<b>1,221,059</b>	<b>16,668,967</b>	<b>15,064,434</b>
<b>Total Functional Expenses</b>	<b>\$ 81,897,553</b>	<b>\$ 2,038,137</b>	<b>\$ 395,347</b>	<b>\$ 2,310,746</b>	<b>\$ 292,158</b>	<b>\$ 1,221,059</b>	<b>\$ 88,155,000</b>	<b>\$ 85,947,998</b>

See accompanying notes to financial statements.

Greater Cleveland Food Bank

Statement of Functional Expenses

Year Ended September 30, 2015	Program Expenses			Supporting Services			2015 Total Expenses
	Operations	Greater Cleveland Food Bank Kitchen	Community and Government Programming	Fundraising	Volunteer Service & Product Resource Development	Administration	
<b>Food Programs Expense</b>							
Value of food distributed, including scrap							
Value of donated food distributed	\$ 38,999,886	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,999,886
Value of USDA, OFPP, and PA food distributed	26,920,264	-	-	-	-	-	26,920,264
Food cost of goods sold, including scrap							
Purchased food program	2,908,030	-	-	-	-	-	2,908,030
Harvest for Hunger food purchases and grants	2,055,384	-	-	-	-	-	2,055,384
<b>Total food programs expense</b>	<b>\$ 70,883,564</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 70,883,564</b>
<b>Operating Expense</b>							
Salaries and wages	\$ 3,459,744	\$ 271,309	\$ 216,838	\$ 1,009,637	\$ 167,299	\$ 652,291	\$ 5,777,118
Employee benefits	739,113	59,647	26,233	165,190	35,739	136,041	1,161,963
<b>Total salaries and related expenses</b>	<b>4,198,857</b>	<b>330,956</b>	<b>243,071</b>	<b>1,174,827</b>	<b>203,038</b>	<b>788,332</b>	<b>6,939,081</b>
Professional services	34,321	-	75,628	47,181	-	213,739	370,869
Office expense and services	276,533	26,984	(13,435)	106,126	26,305	24,115	446,628
Food and supplies - Greater Cleveland Food Bank Kitchen	-	1,386,409	-	-	-	-	1,386,409
Occupancy costs and warehouse maintenance	668,715	64,456	-	205	500	6,836	740,712
Fuel, fleet costs, inbound freight (net)	549,125	38,360	-	-	-	-	587,485
Direct mail fundraising and communications	59,975	119	14,499	749,773	8,079	4,039	836,484
Agency support	2,664,298	(16)	-	-	-	-	2,664,282
Miscellaneous	136,848	11,760	31,739	167,685	10,108	131,179	489,319
<b>Total operating expenses before depreciation</b>	<b>8,588,672</b>	<b>1,859,028</b>	<b>351,502</b>	<b>2,245,797</b>	<b>248,030</b>	<b>1,168,240</b>	<b>14,461,269</b>
Depreciation	482,379	37,991	6,921	25,596	310	49,968	603,165
<b>Total operating expenses</b>	<b>9,071,051</b>	<b>1,897,019</b>	<b>358,423</b>	<b>2,271,393</b>	<b>248,340</b>	<b>1,218,208</b>	<b>15,064,434</b>
<b>Total Functional Expenses</b>	<b>\$ 79,954,615</b>	<b>\$ 1,897,019</b>	<b>\$ 358,423</b>	<b>\$ 2,271,393</b>	<b>\$ 248,340</b>	<b>\$ 1,218,208</b>	<b>\$ 85,947,998</b>

See accompanying notes to financial statements.

# Greater Cleveland Food Bank

## Statements of Cash Flows

<i>Years Ended September 30,</i>	2016	2015
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets	\$ 1,572,500	\$ (1,629,098)
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation and amortization	574,970	603,165
Loss on disposal of equipment	-	4,141
Realized and unrealized (gain) loss on investments	(294,168)	367,560
Grants and contributions received for cooler/freezer expansion	(8,753)	(234,589)
Uncollectible agency receivables	13,500	23,500
Change in contributed and government inventory	(813,523)	1,238,073
Contributions restricted to endowment	(50,000)	-
(Increase) decrease in:		
Accounts receivable and operating pledges	(844,316)	(73,526)
Purchased food program inventory	(34,795)	225,486
Prepaid expenses	(118,963)	(196)
Other assets	-	1,000
Increase (decrease) in:		
Accounts payable - operating	203,245	(104,215)
Accrued expenses	101,495	106,243
Harvest for Hunger credits	(7,763)	(181,715)
Deferred revenue and agency grant commitments	(16,332)	105,693
<b>Net Cash and Cash Equivalents From Operating Activities</b>	<b>277,097</b>	<b>451,522</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of property and equipment	(86,361)	(239,987)
Construction in process	(23,264)	-
Capitalized software costs	(35,274)	(44,599)
Purchase of investments	(539,413)	(289,848)
<b>Net Cash and Cash Equivalents For Investing Activities</b>	<b>(684,312)</b>	<b>(574,434)</b>

*See accompanying notes to financial statements.*

# Greater Cleveland Food Bank

## Statements of Cash Flows

<i>Years Ended September 30,</i>	2016	2015
<b>Cash Flows from Financing Activities</b>		
Net borrowings on lines of credit	\$ 100,000	\$ -
Contributions restricted for endowment	50,000	-
Grants and contributions received for cooler/freezer expansion	8,753	234,589
<b>Net Cash and Cash Equivalents From Financing Activities</b>	<b>158,753</b>	<b>234,589</b>
<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>	<b>(248,462)</b>	<b>111,677</b>
Cash and Cash Equivalents, at beginning of year	248,462	136,785
Cash and Cash Equivalents, at end of year	\$ -	\$ 248,462
<b>Supplemental Disclosure of Cash Flow Information:</b>		
Cash paid during the year for interest	\$ 26,565	\$ 9,205
<b>Supplemental Disclosure of Noncash Activities:</b>		
Property and equipment purchases included in accounts payable	\$ 257,730	\$ -

*See accompanying notes to financial statements.*



# Greater Cleveland Food Bank

## Notes to Financial Statements

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### 1. Summary of Significant Accounting Policies

#### *Nature of organization*

The Greater Cleveland Food Bank (the Food Bank) is incorporated under the laws of the State of Ohio as a not-for-profit corporation. The function of the Food Bank is to collect, warehouse, and distribute food and grocery products to social service agencies that feed the needy in the Northeast Ohio area. The Food Bank provides food to child care centers, group homes, and programs for the elderly. The Food Bank uses the Ohio Benefit Bank software to enroll low income clients in the public benefits they are eligible for including Supplemental Nutrition Assistance Program (SNAP). Clients can call the Food Bank's Help Center for assistance or meet with our outreach workers in the community. The Food Bank also connects clients to community partners focused on employment, housing and healthcare. The Food Bank's major sources of revenues are food donations, contributions, foundation grants, and fee income and government contracts.

#### *Basis of presentation*

The Food Bank's financial statements have been prepared in accordance with the Financial Accounting Standards Board (FASB) Codification, Financial Statements of Not-for-Profit Organizations (Codification). The Codification requires that unconditional promises to give (pledges) be recorded as receivables and revenues and contributions received be distinguished for each net asset category in accordance with donor-imposed restrictions. Further, it establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified into net asset categories according to donor-imposed restrictions. A description of these categories follows:

*Unrestricted Net Assets:* Include the net assets that are free of donor-imposed restrictions and are neither permanently restricted nor temporarily restricted as well as those designated by the governing board.

*Board Designated Funds:* Include unrestricted net assets voluntarily segregated by the board for specific purposes.

*Temporarily Restricted Net Assets:* Include the net assets from grants, contributions or other inflows where the use is limited by donor-imposed restrictions that either expire by the passage of time or can be fulfilled and removed by actions of the Food Bank. When a donor 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:* Include net assets from contributions or other inflows where the donor does not allow original principal to be expended, but the earnings are available for use under a spending policy.

#### *Cash and cash equivalents*

Highly liquid investments with initial maturities of three months or less are considered to be cash equivalents.

# Greater Cleveland Food Bank

## Notes to Financial Statements

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### *Investments*

Investments are reported at their fair values in the statement of financial position. Fair values of equity and debt investments are determined by management based on the quoted market price of the underlying securities. Income and gains from investments includes interest and dividends, realized gains and unrealized appreciation. Such income is reported as other revenue in the statement of activities in the period in which the income is recognized, given that such income is not used in operations of the Food Bank. See Note 2.

### *Accounts receivable*

The Food Bank reports accounts receivables at net realizable value. Management determines the allowance for doubtful accounts based on historical losses and current economic conditions. On a continuing basis, management analyzes delinquent receivables and, once these receivables are determined to be uncollectible, they are written off through a charge against an existing allowance account as bad debt expense. Accounts receivable balances are shown on the statement of financial position net of the following allowances for doubtful accounts:

<i>September 30,</i>	2016		2015	
Agency receivables	\$	252,163	\$	343,180
Less allowance for doubtful accounts		29,192		39,757
	\$	222,971	\$	303,423

### *Inventory*

Contributed inventories represent inventory items donated to the Food Bank for distribution. In accordance with Feeding America's Product Valuation Survey, which is performed annually by KPMG, the average wholesale value of contributed items was \$1.67 per pound as of September 30, 2016 and \$1.70 per pound as of September 30, 2015.

The Food Bank changed valuation methodology in fiscal 2015 to value items in the aggregate rather than by product category and are distributed on a first-in, first-out (FIFO) basis. The change is considered a change in accounting estimate, and, accordingly, has prospective implementation in the accompanying financial statements. The impact of the change was an increase to cost of sales of \$1,041,306 reported for the year ended September 30, 2015.

USDA and Ohio Food Purchase Program inventories represent commodities (bulk food products) received under government programs for distribution. In accordance with the USDA Food Distribution Policy FD-104, items are valued at the same average wholesale value as the donated inventory. Items are distributed on a FIFO basis.

Purchased Food Program inventories represent food purchased and are stated at the lower of cost or market on a FIFO basis.

Greater Cleveland Food Bank Kitchen (the Kitchen) inventory represents food purchased for use by the Kitchen for prepared meals for distribution and is stated at the lower of cost or market on a FIFO basis.

# Greater Cleveland Food Bank

## Notes to Financial Statements

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### *Property and equipment*

Property and equipment is recorded at cost at the date of acquisition or fair value at the date of donation. The Food Bank capitalizes all expenditures for property and equipment equal to or greater than \$2,500. Depreciation is computed on a straight-line method over the estimated useful lives of the respective assets, which range from three to forty years. Routine expenditures for repairs and maintenance are expensed as incurred.

### *Harvest for Hunger credits*

Harvest for Hunger credits represent money set aside from the funds raised during the annual Harvest for Hunger campaign to apply as grants to member agencies based on their annual service statistics, to purchase product made available to agencies at reduced prices, to purchase produce at no charge for the agencies, or to cover the fee for Mobile Pantry distributions. Agencies can apply any of their Food Bank purchases to the grants. The related expense is shown as Harvest for Hunger food purchases and grants on the statement of activities.

### *Contributions*

Contributions received, including unconditional promises, are recognized as revenue when the donor's commitment is received. Unconditional promises are recognized at the estimated present value of the future cash flows, net of allowances (fair value). Promises made that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted support. However, if a restriction is fulfilled in the same period in which the contribution is received, the Food Bank reports the support as unrestricted.

### *In-kind donations*

During the years ended September 30, 2016 and 2015, the value of contributed goods and services meeting the requirements for recognition in the financial statements was \$64,444 and \$85,070, respectively. In-kind donations included a reach truck, legal services, advertising and public relations materials. The value of these contributions is included in fixed Assets, administration, fundraising, communications and advocacy costs in the statement of activities.

In addition, many individuals volunteer their time and perform a variety of tasks that assist the Food Bank, but these services do not meet the criteria for recognition as contributed services. The Food Bank benefited from more than 72,000 and 63,300 volunteer hours in the years ended September 30, 2016 and 2015, representing a dollar value of approximately \$1,696,300 and \$1,460,300 in volunteer services for the respective fiscal years based on the 2015 and 2014 Bureau of Labor Statistics Dollar Value of a Volunteer Hour.

### *Revenue recognition on contributed products*

The Food Bank recognizes revenue on contributed food and products at the time the contribution is received, at a value based on Feeding America's Product Valuation Survey as discussed above. The related cost is recognized at the time the products are distributed to agencies and clients in the community, also based on these values. Contributed food was recorded as revenue at \$1.67 per pound as of September 30, 2016 and an average of \$1.70 per pound as of September 30, 2015. The difference between the revenue and cost recognized is reflective of the change in contributed inventory and is incorporated in the change in net assets.

# Greater Cleveland Food Bank

## Notes to Financial Statements

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### *Income tax status*

The Food Bank is organized as a not-for-profit organization exempt from income tax under 501(c)(3) of the Internal Revenue Code. Income taxes on unrelated business income, if any, are provided at the applicable rates on income for financial reporting purposes.

The Food Bank follows Generally Accepted Accounting Principles (GAAP) for Uncertainty in Income Taxes. The Food Bank's income tax filings are subject to audit by various taxing authorities. In evaluating the Food Bank's activities, management believes its position of tax-exempt status is appropriate based on current facts and circumstances. Management has assessed that there are no activities unrelated to the charitable purpose of the Food Bank and therefore no tax is to be recognized.

It is the policy of the Food Bank to include in operating expenses penalties and interest assessed by income taxing authorities. There are no penalties or interest from taxing authorities included in operating expenses for the years ended September 30, 2016 and 2015.

### *Concentrations of credit risk*

Financial instruments that potentially subject the Food Bank to credit risk at September 30, 2016 and 2015, consist primarily of cash and cash equivalents, investments, and receivables. The Food Bank maintains its cash and cash equivalents with several of the country's largest banks and at times invested amounts exceed FDIC insured limits. The investments are exposed to various risks such as interest rate, market volatility and credit. Due to the level of risk associated with certain investments, it is possible that a change in the value of these investments could occur in the near term and that such a change could be material. As of September 30, 2016, 54% of outstanding operating pledges were attributable to one foundation.

### *Use of estimates*

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

### *Recent accounting pronouncements*

#### *Presentation of Financial Statement of Not-for-Profit Entities*

In August 2016, the FASB issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958) and Health Care Entities (Topic 954) - Presentation of Financial Statements of Not-for-Profit Entities*. The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled "net assets without donor restrictions" and "net assets with donor restrictions", (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f)

# Greater Cleveland Food Bank

## Notes to Financial Statements

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presenting investment return net of external and direct expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. The ASU is effective for the Food Bank's financial statements for fiscal years beginning after December 15, 2017. Early adoption is permitted. The provisions of the ASU must be applied on a retrospective basis for all years presented although certain optional practical expedients are available for periods prior to adoption. Management is currently evaluating the impact of this ASU on their financial statements.

### *Leases*

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842) (ASU 2016-02). The objective of ASU 2016-02 is to recognize lease assets and lease liabilities by lessees for those leases classified as operating leases under previous GAAP. ASU 2016-02 is effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. Early adoption of ASU 2016-02 is permitted. The Food Bank will be evaluating the potential impact of adopting this guidance on our financial statements.

### *Miscellaneous expenses*

In the statement of functional expenses, miscellaneous expenses are comprised of the following:

<i>September 30,</i>	2016	2015
Bank fees	\$ 135,975	\$ 122,385
Dues and member fees	62,993	59,215
Travel, conference and meals	205,027	174,027
Other expenses	122,429	133,692
	<b>\$ 526,424</b>	<b>\$ 489,319</b>

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### *Evaluation of subsequent events*

The Food Bank has evaluated subsequent events through December 13, 2016, which is the date the financial statements were available to be issued, and has determined, with the exception of the matter discussed in Note 5, that there were no subsequent events that have occurred through that date to recognize or disclose in these financial statements.

## **2. Fair Value Measurements**

GAAP establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring the most observable input be used when available. Observable inputs are those that market participants would use in measuring investments at fair value based on market data obtained from sources independent of the Food Bank. Unobservable inputs reflect the Food Bank's assumptions about the inputs market participants would use in measuring investments at fair value based on the best information available in the circumstances. Investments are measured and disclosed in one of three levels based on the reliability of inputs:

# Greater Cleveland Food Bank

## Notes to Financial Statements

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Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Food Bank has the ability to access.

Level 2: Inputs to the valuation methodology include:

- 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 to the valuation methodology are unobservable and significant for the fair value measurements.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

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 September 30, 2016 and 2015.

### *Cash equivalents*

Cash equivalents, comprised of overnight money market accounts, are classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices.

### *Common Stocks*

Common stocks are valued at the closing price reported on the active market on which the individual securities are traded.

### *Mutual Funds*

Mutual funds are valued at the daily closing price as reported by the fund. Mutual funds held by the Food Bank are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Food Bank are deemed to be actively traded.

# Greater Cleveland Food Bank

## Notes to Financial Statements

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### *Cleveland Foundation Pooled Funds*

The fair value of the Cleveland Foundation Pooled Funds (the Pool) is based on the number of units held at year end as determined by a third party pricing service. The stated objective of the Pool is to provide nonprofit organizations access to money managers that traditionally require very high initial investment, and enable the individual funds of the Pool to achieve broader diversification and access to multiple managers with specific skill sets. The Pool is comprised of large cap, small cap, international, fixed income and absolute return equity investments. Although these investments include marketable securities and fixed income securities, they are pooled investments and have been classified within Level 2 as they are not traded in an active market and are subject to liquidity restrictions. The investment in the Pool is classified as a noncurrent asset due to the intent of management to hold the investment for endowed purposes.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Food Bank believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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# Greater Cleveland Food Bank

## Notes to Financial Statements

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

<i>Year Ended September 30, 2016</i>	Level 1	Level 2	Total at September 30, 2016
Cash equivalents	\$ 463,810	\$ -	\$ 463,810
Common stocks	204,149	-	204,149
Mutual funds:			
Term bonds	812,052	-	812,052
Inflation protection bonds	100,781	-	100,781
Small cap	186,533	-	186,533
Growth	436,282	-	436,282
Mid cap	420,190	-	420,190
Foreign	371,789	-	371,789
Value	762,544	-	762,544
Emerging markets	143,880	-	143,880
Nontraditional bonds	175,804	-	175,804
Large blend	392,261	-	392,261
Real Estate	87,565	-	87,565
Cleveland Foundation			
Investment Pool	-	1,853,058	1,853,058
<b>Total Investments</b>	<b>\$ 4,557,640</b>	<b>\$ 1,853,058</b>	<b>\$ 6,410,698</b>

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# Greater Cleveland Food Bank

## Notes to Financial Statements

<i>Year Ended September 30, 2015</i>	Level 1	Level 2	Total at September 30, 2015
Cash equivalents	\$ 477,209	\$ -	\$ 477,209
Common stocks	135,486	-	135,486
Mutual funds:			
Term bonds	790,339	-	790,339
Inflation protection bonds	79,925	-	79,925
Small cap	333,829	-	333,829
Growth	546,847	-	546,847
Mid cap	390,515	-	390,515
Foreign	345,063	-	345,063
Value	660,887	-	660,887
Emerging markets	120,143	-	120,143
Nontraditional bonds	173,680	-	173,680
Large Blend	172,668	-	172,668
Cleveland Foundation			
Investment Pool	-	1,327,602	1,327,602
Total Investments	\$ 4,226,591	\$ 1,327,602	\$ 5,554,193

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# Greater Cleveland Food Bank

## Notes to Financial Statements

The income and gain from investments is comprised of the following:

<i>Years Ended September 30,</i>	2016	2015
Realized and unrealized gain (loss) on investments, net	\$ 294,168	\$ (367,560)
Interest and dividends	172,963	218,524
	<b>\$ 467,131</b>	<b>\$ (149,036)</b>

Investment expense for the years ended September 30, 2016 and 2015 were \$40,361 and \$27,605, respectively, which are included as a component of miscellaneous expenses (bank fees) in the accompanying statement of functional expenses.

### 3. Property and Equipment

Property and equipment consisted of the following:

<i>September 30,</i>	2016	2015
Building and improvements	\$10,149,978	\$ 9,874,553
Office and computer equipment	1,327,573	1,324,318
Warehouse machinery and equipment	1,770,363	1,704,949
Vehicles	227,172	227,172
Land and land improvements	1,167,755	1,167,755
	<b>14,642,841</b>	<b>14,298,747</b>
Less accumulated depreciation	(5,055,955)	(4,576,050)
Construction in progress	23,264	-
	<b>\$ 9,610,150</b>	<b>\$ 9,722,697</b>

Construction in progress relates to equipment.

Depreciation expense was \$479,903 and \$516,172 for the years ended September 30, 2016 and 2015, respectively.

### 4. Capitalized Software

Capitalized software costs consist of the following:

<i>September 30,</i>	2016	2015
Capitalized software	\$ 616,045	\$ 549,445
Less accumulated amortization	(425,772)	(330,704)
	<b>190,273</b>	<b>218,741</b>
Computer software in progress	-	31,325
	<b>\$ 190,273</b>	<b>\$ 250,066</b>

# Greater Cleveland Food Bank

## Notes to Financial Statements

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Amortization expense was \$95,067 and \$86,991 for the years ended September 30, 2016 and 2015, respectively.

### 5. Credit Facilities

In May 2016, the Food Bank amended its unsecured line of credit agreement with PNC Bank to increase the maximum borrowings from \$1,000,000 to \$1,500,000 for working capital and general corporate purposes. The interest rate remained unchanged at variable interest rate based on prime (3.5% as of September 30, 2016). The line of credit matures on March 31, 2017. There were \$500,000 outstanding borrowings against the line of credit as of September 30, 2016. There were \$400,000 outstanding borrowings against the line of credit as of September 30, 2015. As of the reporting date the outstanding balance was \$500,000.

In June 2016, the Food Bank entered into a revolving line of credit agreement with Bank of America with maximum borrowings of \$1,500,000 for working capital and general corporate purposes. The interest rate is a variable rate based on the LIBOR Daily Floating Rate plus 2.0%. The line of credit matures on June 1, 2017. There were no outstanding borrowings against the line of credit as of September 30, 2016. As of the reporting date the outstanding balance was \$1,000,000.

Interest expense related to the lines of credit was \$26,565 and \$9,205 for the years ended September 30, 2016 and 2015.

### 6. Endowments

The Food Bank's endowment consists of individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board to function as endowments. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

#### *Interpretation of relevant law*

The Food Bank believes that absent explicit donor stipulations to the contrary, fiduciary standards require the preservation of the "historic dollar value" of donor-restricted endowment funds.

"Historic dollar value" as to any donor-restricted endowment fund means the aggregate fair value of (a) the original value of gifts donated to such fund, (b) the original value of subsequent gifts to the such fund, and (c) accumulations to such fund made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Accordingly, the Food Bank classifies the historic dollar value of a donor-restricted endowment fund as permanently restricted net assets. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted until it is appropriated for expenditure by the Food Bank in a manner consistent with the standard of prudence prescribed in Ohio UPMIFA requirements.

# Greater Cleveland Food Bank

## Notes to Financial Statements

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Notwithstanding the foregoing accounting classifications, unless the gift instrument creating a donor-restricted endowment fund expressly provides otherwise, the Board may, as provided in Ohio UPMIFA, from time to time, appropriate for expenditure such portion of the permanently restricted net assets as the Board determines is prudent, after application of the factors set forth below:

- The duration and preservation of the funds.
- The purposes of the Food Bank and the donor-restricted endowment fund.
- General economic conditions.
- The possible effect of inflation and deflation.
- The expected total return from income and the appreciation of investments.
- Other resources of the Food Bank.
- The investment policies of the Food Bank.

### *Return objectives, risk parameters, and strategies employed for achieving objectives*

The Food Bank follows investment policies that attempt to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Food Bank must hold in perpetuity or for a donor-specified period, as well as unrestricted bequests which the Board has designated as endowment.

The endowment assets are invested in The Cleveland Foundation Pool, the composition of which is described in Note 2.

Under the Food Bank's current endowment policy, endowed assets and the income thereon (interest, dividends, and capital appreciation) are accumulating, and are not appropriated for expenditure. As such, no amounts have been appropriated during the years ended September 30, 2016 and 2015. This will change in fiscal 2017 as the fund has exceeded the required \$1,500,000 balance required by the endowment policy to allow appropriations.

Endowment net asset composition by type of fund as:

<i>Year Ended September 30, 2016</i>	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ -	\$ 13,272	\$ 82,800	\$ 96,072
Board designated funds	1,756,986	-	-	1,756,986
	<b>\$1,756,986</b>	<b>\$ 13,272</b>	<b>\$ 82,800</b>	<b>\$1,853,058</b>

<i>Year Ended September 30, 2015</i>	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ -	\$ 8,182	\$ 32,800	\$ 40,982
Board designated funds	1,309,544	-	-	1,309,544
	<b>\$ 1,309,544</b>	<b>\$ 8,182</b>	<b>\$ 32,800</b>	<b>\$ 1,350,526</b>

# Greater Cleveland Food Bank

## Notes to Financial Statements

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Change in endowment net assets for the fiscal year ended September 30, 2016 and 2015:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, September 30, 2014	\$ 1,235,385	\$ 9,053	\$ 32,800	\$ 1,277,238
Investment loss	(27,330)	(871)	-	(28,201)
Contributions	101,489	-	-	101,489
<hr/>				
Endowment net assets, September 30, 2015	1,309,544	8,182	32,800	1,350,526
Investment return	93,063	5,090	-	98,153
Contributions	354,379	-	50,000	404,379
<hr/>				
Endowment net assets, September 30, 2016	\$1,756,986	\$ 13,272	\$ 82,800	\$1,853,058

### 7. Temporarily Restricted Net Assets

Temporarily restricted net assets are as follows:

<i>September 30,</i>	2016	2015
Nature of restriction:		
Cooler/freezer expansion	\$ 2,000	\$ 10,753
Other:		
Time restricted pledges	908,282	519,728
State of Ohio Joint Use Agreement	98,596	131,463
Endowment earnings	13,272	8,182
Agency grants	10,298	36,808
Food stamp outreach	6,151	33,297
Miscellaneous	11,152	175
<hr/>		
	\$ 1,049,751	\$ 740,406

# Greater Cleveland Food Bank

## Notes to Financial Statements

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Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors as follows:

<i>September 30,</i>	2016	2015
State of Ohio Joint Use Agreement	\$ 32,867	\$ 32,867
Agency grants	31,760	1,525
Children's nutrition initiative	151,518	300,000
Food stamp initiative	242,207	21,309
Miscellaneous	175	-
Cooler/freezer expansion	8,753	234,589
	<hr/>	<hr/>
	\$ 467,280	\$ 590,290

### 8. Retirement Plan

The Food Bank maintains a tax deferred annuity plan under Section 403(b) of the Internal Revenue Code, which covers substantially all of its employees. Discretionary employer contributions to the plan amounted to \$163,610 and \$153,271 for the years ended September 30, 2016 and 2015, respectively.

### 9. Leases

As of September 30, 2016, the Food Bank leases various office equipment and fourteen trucks under operating leases. These leases expire at various times through 2021.

Future minimum lease payments for noncancellable operating leases having an initial term in excess of one year at September 30, 2016 are as follows:

<i>Year Ended September 30,</i>	
2017	\$ 290,808
2018	248,476
2019	234,046
2020	141,476
2021	48,396
	<hr/>
	\$ 963,202

Lease expense was \$449,585 and \$415,916 for the years ended September 30, 2016 and 2015, respectively.