



Financial Statements  
June 30, 2016 and 2015

# Food Bank for Larimer County

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Financial Statements

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## **Independent Auditor's Report**

Board of Directors  
Food Bank for Larimer County  
Fort Collins, Colorado

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Food Bank for Larimer County, which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Food Bank for Larimer County as of June 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Eide Bailly LLP*

Fort Collins, Colorado  
September 19, 2016

Food Bank for Larimer County  
Statements of Financial Position  
June 30, 2016 and 2015

	2016	2015
<b>Assets</b>		
Cash and cash equivalents	\$ 1,188,487	\$ 1,019,285
Investments	3,034,961	2,846,043
Accounts receivable, net	71,329	85,456
Promises to give, net	532	22,465
Food inventory	496,527	413,696
Property and equipment, net	3,444,456	3,460,938
Board designated endowment held by community foundation	158,590	157,477
Total assets	\$ 8,394,882	\$ 8,005,360
 <b>Liabilities and Net Assets</b>		
Accounts payable and accrued expenses	\$ 278,753	\$ 186,480
Deferred revenue	-	80,349
Total liabilities	278,753	266,829
 <b>Net Assets</b>		
Unrestricted		
Undesignated	2,767,272	2,141,977
Invested in property and equipment	3,444,456	3,460,938
Board designated for operating reserve	1,675,316	1,665,647
Board designated for capital improvements	56,880	245,927
Board designated endowment held by community foundation	31,499	31,499
	7,975,423	7,545,988
Temporarily restricted	56,140	107,977
Permanently restricted		
Board designated endowment held by community foundation	84,566	84,566
Total net assets	8,116,129	7,738,531
Total liabilities and net assets	\$ 8,394,882	\$ 8,005,360

Food Bank for Larimer County  
Statement of Activities  
Year Ended June 30, 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue, Support, and Gains				
Contributions	\$ 3,147,682	\$ 13,615	\$ -	\$ 3,161,297
In-kind contributions	15,746,809	-	-	15,746,809
Shared maintenance fees				
from member agencies	219,165	-	-	219,165
Net investment return	40,322	1,113	-	41,435
Other revenue	10,217	-	-	10,217
Gross special events revenue	484,936	-	-	484,936
Less cost of direct benefits to donors	(185,597)	-	-	(185,597)
Net special events revenue	299,339	-	-	299,339
Net assets released from restrictions	66,565	(66,565)	-	-
Total revenue, support, and gains	<u>19,530,099</u>	<u>(51,837)</u>	<u>-</u>	<u>19,478,262</u>
Expenses and losses				
Program services expense	<u>18,371,038</u>	<u>-</u>	<u>-</u>	<u>18,371,038</u>
Supporting services expense				
Management and general	287,592	-	-	287,592
Fundraising and development	440,777	-	-	440,777
Total supporting services expenses	<u>728,369</u>	<u>-</u>	<u>-</u>	<u>728,369</u>
Loss on disposal of equipment	<u>1,257</u>	<u>-</u>	<u>-</u>	<u>1,257</u>
Total expenses and losses	<u>19,100,664</u>	<u>-</u>	<u>-</u>	<u>19,100,664</u>
Change in Net Assets	429,435	(51,837)	-	377,598
Net Assets, Beginning of Year	<u>7,545,988</u>	<u>107,977</u>	<u>84,566</u>	<u>7,738,531</u>
Net Assets, End of Year	<u>\$ 7,975,423</u>	<u>\$ 56,140</u>	<u>\$ 84,566</u>	<u>\$ 8,116,129</u>

Food Bank for Larimer County  
Statement of Activities  
Year Ended June 30, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue, Support, and Gains				
Contributions	\$ 3,047,953	\$ 66,565	\$ -	\$ 3,114,518
In-kind contributions	15,793,034	-	-	15,793,034
Shared maintenance fees				
from member agencies	152,720	-	-	152,720
Net investment return	35,288	1,590	-	36,878
Other revenue	9,196	-	-	9,196
Gross special events revenue	392,450	-	-	392,450
Less cost of direct benefits to donors	(42,617)	-	-	(42,617)
Net special events revenue	349,833	-	-	349,833
Net assets released from restrictions	113,994	(113,994)	-	-
Total revenue, support, and gains	<u>19,502,018</u>	<u>(45,839)</u>	<u>-</u>	<u>19,456,179</u>
Expenses				
Program services expense	<u>18,389,870</u>	<u>-</u>	<u>-</u>	<u>18,389,870</u>
Supporting services expense				
Management and general	296,522	-	-	296,522
Fundraising and development	460,847	-	-	460,847
Total supporting services expenses	<u>757,369</u>	<u>-</u>	<u>-</u>	<u>757,369</u>
Total expenses	<u>19,147,239</u>	<u>-</u>	<u>-</u>	<u>19,147,239</u>
Change in Net Assets	354,779	(45,839)	-	308,940
Net Assets, Beginning of Year	7,191,209	153,816	84,566	7,429,591
Net Assets, End of Year	<u>\$ 7,545,988</u>	<u>\$ 107,977</u>	<u>\$ 84,566</u>	<u>\$ 7,738,531</u>

Food Bank for Larimer County  
Statement of Functional Expenses  
Year Ended June 30, 2016

	Program	Management and General	Fundraising and Development	Total
Officer Compensation	\$ 104,236	\$ 13,898	\$ 20,847	\$ 138,981
Other Salaries and Wages	887,431	116,766	178,070	1,182,267
Benefits	133,061	17,741	26,612	177,414
Pension	18,723	2,496	3,745	24,964
Payroll Taxes	75,972	10,130	15,194	101,296
Accounting Fees	-	19,500	-	19,500
Fees for Services	93,600	23,365	82,694	199,659
Advertising and Promotion	554	3,655	1,868	6,077
Office Expenses	15,108	23,025	67,422	105,555
Information Technology	23,013	22,336	22,336	67,685
Occupancy	43,516	2,418	2,418	48,352
Travel	91,419	7,863	5,633	104,915
Depreciation	228,290	19,133	13,022	260,445
Insurance	16,482	916	916	18,314
Donated Food Distributed	15,468,871	-	-	15,468,871
Purchased Food Distributed	1,053,247	-	-	1,053,247
Program Supplies	65,728	-	-	65,728
Volunteer Expense	14,378	-	-	14,378
Cost of direct benefits to donors	-	-	185,597	185,597
Other Expenses	37,409	4,350	-	41,759
	<u>18,371,038</u>	<u>287,592</u>	<u>626,374</u>	<u>19,285,004</u>
Less expenses included with revenues on the statement of activities				
Cost of direct benefits to donors	-	-	(185,597)	(185,597)
Total expenses included in the expense section on the statement of activities	<u>\$ 18,371,038</u>	<u>\$ 287,592</u>	<u>\$ 440,777</u>	<u>\$ 19,099,407</u>



Food Bank for Larimer County  
Statement of Functional Expenses  
Year Ended June 30, 2015

	Program	Management and General	Fundraising and Development	Total
Officer Compensation	\$ 87,972	\$ 16,338	\$ 21,365	\$ 125,675
Other Salaries and Wages	794,077	145,712	189,637	1,129,426
Benefits	127,962	23,764	31,077	182,803
Pension	13,434	2,495	3,263	19,192
Payroll Taxes	76,272	14,165	18,523	108,960
Accounting Fees	-	19,000	-	19,000
Fees for Services	79,519	3,928	80,899	164,346
Advertising and Promotion	477	1,004	12,422	13,903
Office Expenses	14,227	19,340	66,899	100,466
Information Technology	15,951	15,481	15,481	46,913
Cost of direct benefits to donors	-	-	42,617	42,617
Occupancy	41,637	2,313	2,313	46,263
Travel	91,927	8,608	4,693	105,228
Depreciation	226,854	19,497	12,966	259,317
Insurance	23,568	1,309	1,309	26,186
Donated Food and Distributed	15,556,628	-	-	15,556,628
Purchased Food and Distributed	1,074,011	-	-	1,074,011
Program Supplies	76,111	-	-	76,111
Volunteer Expense	17,398	-	-	17,398
Other Expenses	71,845	3,568	-	75,413
	<u>18,389,870</u>	<u>296,522</u>	<u>503,464</u>	<u>19,189,856</u>
Less expenses included with revenues on the statement of activities				
Cost of direct benefits to donors	-	-	(42,617)	(42,617)
Total expenses included in the expense section on the statement of activities	<u>\$ 18,389,870</u>	<u>\$ 296,522</u>	<u>\$ 460,847</u>	<u>\$ 19,147,239</u>

Food Bank for Larimer County  
Statements of Cash Flows  
Years Ended June 30, 2016 and 2015

	2016	2015
Cash Flows from Operating Activities		
Change in net assets	\$ 377,598	\$ 308,940
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	260,445	259,317
Realized and unrealized (gain) loss on investments	(1,339)	2,927
Loss on sale of property and equipment	1,257	-
Distributions from beneficial interests and assets held by others	(1,879)	-
Change in beneficial interests in assets held by others	766	(2,962)
Decrease in (primarily donated) inventory	(82,831)	54,073
Changes in operating assets and liabilities		
Accounts receivable	14,127	(16,590)
Promises to give	21,933	98,789
Accounts payable and accrued expenses	92,273	57,444
Deferred revenue	(80,349)	49,121
Net Cash from Operating Activities	602,001	811,059
 Cash Flows from Investing Activities		
Purchases of investments	(187,579)	(437,250)
Proceeds from sales of investments	-	1,708
Purchases of property and equipment	(245,220)	(102,541)
Net Cash (used for) Investing Activities	(432,799)	(538,083)
 Net Change in Cash and Cash Equivalents	169,202	272,976
Cash and Cash Equivalents, Beginning of Year	1,019,285	746,309
Cash and Cash Equivalents, End of Year	\$ 1,188,487	\$ 1,019,285

**Note 1 - Principal Activity and Significant Accounting Policies****Agency**

The Food Bank for Larimer County (FBLC, we, us, our) works to ensure that no one goes hungry in Larimer County. We are a nonprofit organization that acts as a centralized agency collecting, storing, and distributing salvageable, usable food to a variety of nonprofit agencies and low income individuals.

We collect food and funds from a variety of sources, including businesses, farms, food drives, individuals, and Feeding America, the nation's largest foodbank and rescue network. Food donations are distributed to individuals in need through three programs: Food Share, Child Nutrition, and Food Link. Food Share is the Food Bank's direct connection to those in need, providing an open pantry to Larimer County's diverse community. Child Nutrition addresses the serious issue of food insecurity in children in need through three programs: Kids Cafe, Kids Link and Backpack. Through Kids Café, we serve over 70,000 meals to eligible school-aged children. In partnership with the Junior League of Fort Collins, Kids Link provided over 130,000 healthy, individually packaged snacks to all qualifying schools in Poudre and Thompson School Districts. The Backpack program provided nearly 30,000 back packs to children in need with a weekend food pack filled with nutritious, non-perishable items. The Food Link program allows the Food Bank to distribute quality food through other nonprofit organizations in the community including food pantries, soup kitchens, shelters, snack programs, childcare and residential programs and centers for the disabled. Through these programs, the Food Bank is able to provide food to nearly 36,000 people each year.

**Cash and Cash Equivalents**

We consider all cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

**Promises to Give**

Unconditional promises to give expected to be collected within one year are recorded at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. Management determines the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. At June 30, 2016 and 2015, the allowance was \$0.

**Donated Food and Inventory**

Receipts and distributions of donated food are recorded at the weighted-average price per gross pound of \$1.70 and \$1.72, as estimated by Feeding America, for the years ended June 30, 2016 and 2015, respectively. Donated food on hand totaled approximately 272,000 and 228,000 pounds as of June 30, 2016 and 2015, respectively.

## Property and Equipment

Property and equipment additions over \$5,000 are recorded at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 30 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any remaining gain or loss is included in the statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

We review the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended June 30, 2016 and 2015.

## Board Designated Endowment Held by Community Foundation

During 2011, we established a fund (the Fund) with a community foundation (CF) and named us as beneficiary. We granted variance power to CF which allows CF to modify any condition or restriction on its distributions for any specified charitable purpose or to any specified organization if, in the sole judgement of CF's Board of Directors, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community. The Fund is held and invested by CF for our benefit, and is reported at fair value in the statements of financial position, with distributions and changes in fair value recognized in the statements of activities.

## Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment gain/(loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less investment management and custodial fees.

## Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Unrestricted Net Assets* – Net assets available for use in general operations. Unrestricted board-designated net assets consist of net assets designated by the Board of Directors for operating reserve, capital improvements and endowment.

*Temporarily Restricted Net Assets* – Net assets subject to donor restrictions that may or will be met by expenditures or actions of FBLC and/or the passage of time.

We report contributions as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

*Permanently Restricted Net Assets* – Net assets whose use is limited by donor-imposed restrictions that neither expire by the passage of time nor can be fulfilled or otherwise removed by action of FBLC. The restrictions stipulate that resources be maintained permanently but permit us to expend the income generated in accordance with the provisions of the agreements.

### **Revenue and Revenue Recognition**

Revenue is recognized when earned. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

### **Donated Services and In-Kind Contributions**

Volunteers contribute significant amounts of time to our program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. We record donated professional services at the respective fair values of the services received. No significant professional services were donated in 2016 and 2015.

### **Advertising Costs**

Advertising costs are expensed as incurred, and approximated \$22,000 and \$14,000 in 2016 and 2015, respectively.

### **Functional Allocation of Expenses**

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services based on several factors, primarily estimated employee time expended.

### **Income Taxes**

FBLC has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization in Section 501(c)(3), qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi), and has been determined not to be a private foundation under Section 509(a)(1). FBLC is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, FBLC is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. FBLC has determined it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return for fiscal year 2016 and 2015.

### **Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material.

**Financial Instruments and Credit Risk**

We manage deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, we have not experienced losses in any of these accounts. Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from Board members, governmental agencies, and foundations supportive of our mission. Investments are made by diversified investment managers whose performance is monitored by management and the Investment Committee of the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, management and the Finance Committee believe that the investment policies and guidelines are prudent for the long-term welfare of FBLC.

**Reclassifications**

Certain reclassifications of amounts previously reported within the statements of functional expenses have been made to the accompanying financial statements to maintain consistency between periods presented and to better align with the reporting categories used within IRS Form 990. The reclassifications had no impact on previously reported net assets.

**Subsequent Events**

We have evaluated subsequent events through September 19, 2016, the date the financial statements were available to be issued.

**Note 2 - Fair Value Measurements and Disclosures**

Certain assets are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets that we can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset. In these situations, FBLC develops inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to an entire measurement requires judgment, taking into account factors specific to the asset. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk or liquidity profile of the asset.

A significant portion of our investment assets are classified within Level 1 because they are comprised of open-end mutual funds with readily determinable fair values based on daily redemption values. FBLC invests in certificates of deposit traded in the financial markets. Those certificates of deposit and U.S. Government obligations are valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates and market-rate assumptions, and are classified within Level 2. The fair value of our beneficial interest in assets held by Community Foundation is based on the fair value of fund investments as reported by Community Foundation. This is considered to be a Level 3 measurement.

The following table presents assets measured at fair value on a recurring basis, except those measured at cost as identified below, at June 30, 2016:

	Total	Fair Value Measurements at Report Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Operating investments				
Bonds	\$ 1,914,092	\$ -	\$ 1,914,092	\$ -
Equity securities	568,611	568,611	-	-
Certificates of deposit	500,299	-	500,299	-
Cash and cash equivalents, at cost	51,959	-	-	-
	<u>\$ 3,034,961</u>	<u>\$ 568,611</u>	<u>\$ 2,414,391</u>	<u>\$ -</u>
Board designated endowment held by community foundation	<u>\$ 158,590</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 158,590</u>

Food Bank for Larimer County

Notes to Financial Statements

June 30, 2016 and 2015

The following table presents assets measured at fair value on a recurring basis, except those measured at cost as identified below, at June 30, 2015:

	Total	Fair Value Measurements at Report Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Operating investments				
Bonds	\$ 1,733,284	\$ -	\$ 1,733,284	\$ -
Equity securities	545,386	545,386	-	-
Certificates of deposit	500,087	-	500,087	-
Cash and cash equivalents, at cost	67,286	-	-	-
	<u>\$ 2,846,043</u>	<u>\$ 545,386</u>	<u>\$ 2,233,371</u>	<u>\$ -</u>
Board designated endowment held by community foundation	<u>\$ 157,477</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 157,477</u>

Below is a reconciliation of the beginning and ending balance of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended June 30, 2016 and 2015:

	2016	2015
Board designated endowment held by community foundation		
Balance at beginning of year	\$ 157,477	\$ 154,515
Realized and unrealized (loss) gain	(766)	1,407
Interest and dividends	3,810	3,506
Investment management fees	(1,931)	(1,951)
Balance at end of year	<u>\$ 158,590</u>	<u>\$ 157,477</u>



**Note 3 - Net Investment Return**

Net investment return consists of the following for the years ended June 30, 2016 and 2015:

	2016	2015
Investments		
Interest and dividends	\$ 57,097	\$ 50,859
Net realized and unrealized gain (loss)	573	(2,927)
Less investment management and custodial fees	(16,235)	(11,054)
	\$ 41,435	\$ 36,878

**Note 4 - Promises to Give**

Unconditional promises to give are estimated to be collected as follows at June 30, 2016 and 2015:

	2016	2015
Within one year	\$ 540	\$ 22,842
Less discount to net present value	(8)	(377)
	\$ 532	\$ 22,465

**Note 5 - Property and Equipment**

Property and equipment consists of the following at June 30, 2016 and 2015:

	2016	2015
Buildings and improvements	\$ 3,944,960	\$ 3,819,001
Warehouse equipment	681,835	679,352
Land	430,000	430,000
Vehicles	505,234	499,734
Furniture and fixtures	240,814	217,826
Construction in process	88,990	2,900
	5,891,833	5,648,813
Less accumulated depreciation	(2,447,377)	(2,187,875)
	\$ 3,444,456	\$ 3,460,938

**Note 6 - Restricted Net Assets**

Temporarily restricted net assets at June 30, 2016 and 2015, consist of:

	2016	2015
Restricted by donors:		
Promises to give for the capital campaign	\$ 532	\$ 22,465
Remodel of Loveland Food Share	5,000	44,100
Kids Café - Estes Park	5,083	-
Other	3,000	-
 Time restrictions (proceeds are not restricted by donors)		
Beneficial interests in assets held by others	42,525	41,412
	\$ 56,140	\$ 107,977

Net assets were released from restrictions as follows during the years ended June 30, 2016 and 2015:

	2016	2015
Satisfaction of purpose restrictions		
Capital campaign	\$ 22,465	\$ 102,486
Remodel of Loveland Food Share	44,100	-
Flood victims	-	11,508
	\$ 66,565	\$ 113,994

**Note 7 - Employee Benefits**

We sponsor a defined contribution retirement plan under which eligible employees may elect to defer a portion of their salaries subject to current limits established by the Internal Revenue Code. We contribute 50% of the first 10% of compensation that the participant contributes to the Plan. For the years ended June 30, 2016 and 2015, we made contributions of approximately \$29,000 and \$23,000, respectively, to the Plan.

**Note 8 - Line of Credit**

FBLC has a \$1,000,000 revolving line of credit with a bank, secured by a deed of trust on the Fort Collins facility. Borrowings under the line bear interest at 5.375% at June 30, 2016 and 2015. Accrued interest on the balance outstanding will be paid in monthly installments, with the unpaid principal and any unpaid accrued interest due at maturity (February 1, 2017). There were no outstanding borrowings on the line of credit at June 30, 2016 and 2015.