



2015 ANNUAL REPORT

Providing food for hungry people while striving to end hunger in our community.



Dear Friends and Supporters,

During fiscal year 2014-2015, 1 in 6 of our neighbors turned to the Greater Chicago Food Depository's network of partner agencies for food. And, despite an improving economy, Cook County food pantries served our struggling neighbors more than five million times for the sixth consecutive year.

The need remains high. And yet, in the face of many challenges, our response was bold.

- Our trucks were out in the community every day, distributing healthy, nutritious food to our hungry neighbors. Overall, we distributed 68 million pounds of food – 35 percent of which was fresh fruit and vegetables.
- We expanded our response to hunger among veterans by launching a food pantry at the Edward Hines, Jr. VA Hospital in November 2014. During the fiscal year, the program served nearly 8,000 individuals and distributed more than 62,000 pounds of food. It joins our pantry at Chicago's Jesse Brown VA Medical Center as a national model for reaching hungry veterans inside a VA facility. Combined, the two programs served more than 30,000 individuals.
- In our ongoing commitment to children, we doubled our response to summer hunger – distributing more than 600,000 meals to children in Cook County through programs like the Lunch Bus and Kids Cafe.
- We broke new ground on partnerships that will improve community health through nutritious food. Pilot programs with Access Community Health Network and the Cook County Health and Hospitals System are screening patients for food insecurity and connecting them with Food Depository partner agencies, Supplemental Nutrition Assistance Program (SNAP) Outreach and fresh produce distributions.
- In May, Food Depository advocates encouraged lawmakers to support a bill – which was later signed into law – that expands SNAP eligibility for low-income working families in Illinois. Also this year, representatives from Food Depository partner agencies visited Washington, D.C. to advocate for strong children's programs. And, we testified in front of the U.S. House of Representatives Committee on Agriculture to protect SNAP funding and shed light on the difficult circumstances facing our struggling neighbors.


These accomplishments would not have been possible without the remarkable support of those in our community who believe – as we do – that no one should go hungry. While there is still much work to be done, we know that together we can end hunger.

Thank you for your support.



Kate Maehr

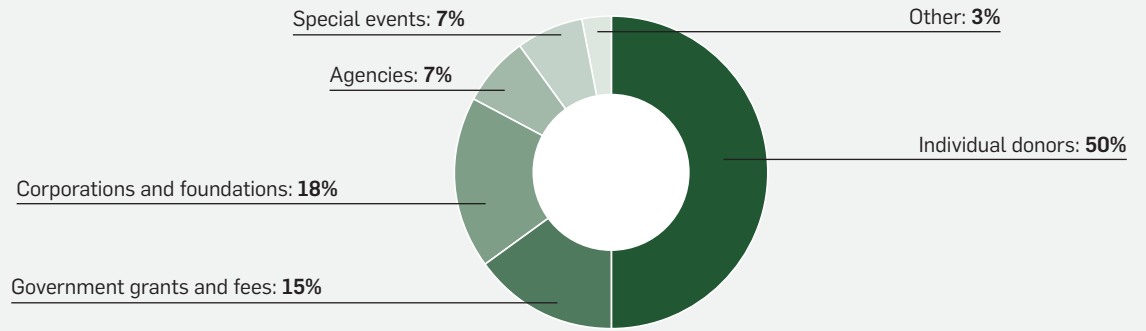
Executive Director and CEO
Greater Chicago Food Depository



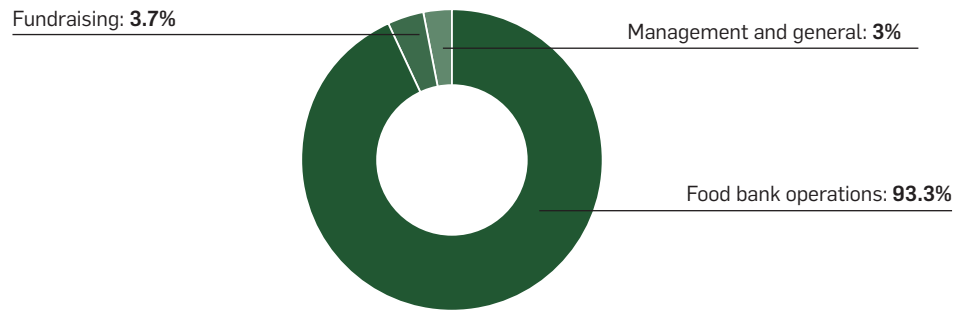
Patrick M. Mulhern

Board Chair
Greater Chicago Food Depository

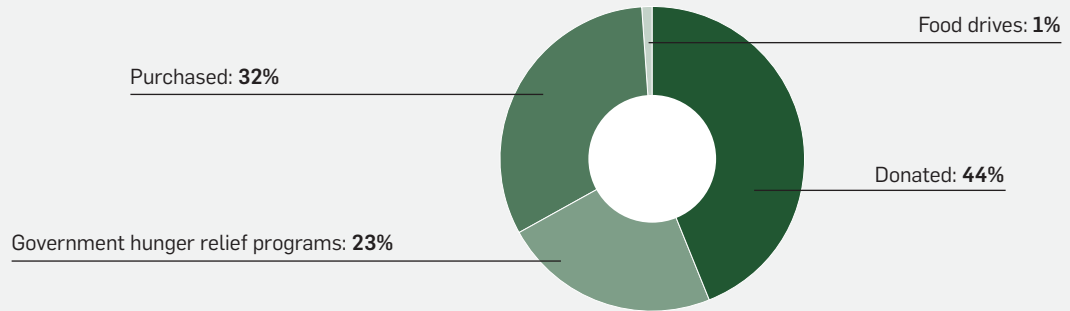
Where Our Funding Comes From



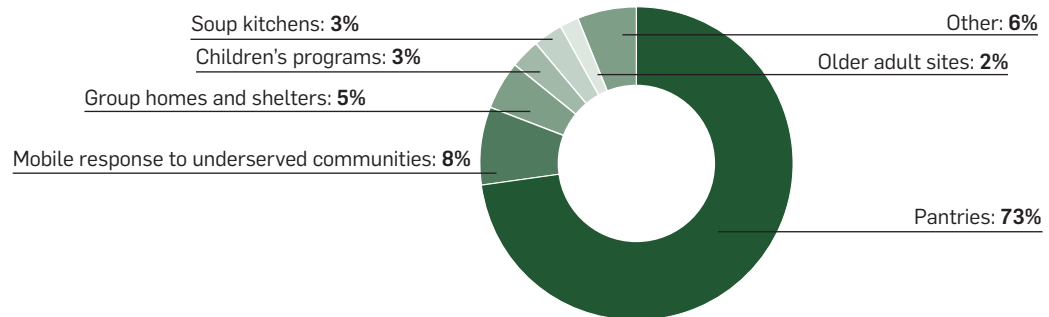
How We Use Our Resources



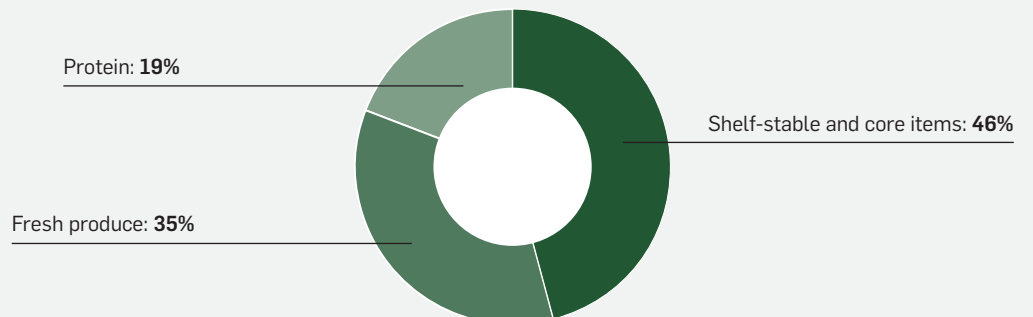
Where Our Food Comes From



Where Our Food Goes



Total Distribution By Food Type



Independent Auditor's Report

To the Board of Directors
Greater Chicago Food Depository

Report on the Financial Statements

We have audited the accompanying financial statements of Greater Chicago Food Depository, which comprise the statements of financial position as of June 30, 2015 and 2014 and the related statements of activities and changes in net assets, 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.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Greater Chicago Food Depository as of June 30, 2015 and 2014 and the changes in net assets, functional expenses and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

To the Board of Directors
Greater Chicago Food Depository

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 17, 2015 on our consideration of Greater Chicago Food Depository's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Greater Chicago Food Depository's internal control over financial reporting and compliance.

Plante & Moran, PLLC

September 17, 2015

STATEMENTS OF FINANCIAL POSITION – YEAR ENDED JUNE 30, 2015

	JUNE 30	
	2015	2014
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 10,106,504	\$ 10,501,047
Accounts receivable	1,109,724	911,703
Pledges receivable	1,225,777	862,205
Receivable from investment redemption	2,183,229	-
Inventory		
Contributed food	8,720,939	8,406,338
Purchased food programs	1,778,017	1,406,695
Other current assets	184,814	219,806
TOTAL CURRENT ASSETS	25,309,004	22,307,794
NONCURRENT ASSETS		
Investments—Certificates of deposit	265,517	265,253
Investments—Securities	38,320,217	39,435,441
Noncurrent pledges receivable	663,253	112,085
Other noncurrent assets	267,821	-
Land, building and equipment, net of accumulated depreciation	21,637,529	22,108,510
TOTAL NONCURRENT ASSETS	61,154,337	61,921,289
TOTAL ASSETS	\$ 86,463,341	\$ 84,229,083
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 542,845	\$ 1,063,581
Accrued expenses	2,020,455	1,519,239
Deferred revenue	808,870	1,035,288
TOTAL LIABILITIES	3,372,170	3,618,108
NET ASSETS		
Unrestricted		
Operating	31,069,937	29,072,689
Board-designated endowments	40,465,072	39,397,067
TOTAL FOOD BANK	71,535,009	68,469,756
Contributed food	8,720,939	8,406,338
TOTAL UNRESTRICTED	80,255,948	76,876,094
Temporarily Restricted	2,796,849	3,696,507
Permanently Restricted	38,374	38,374
TOTAL NET ASSETS	83,091,171	80,610,975
TOTAL LIABILITIES AND NET ASSETS	\$ 86,463,341	\$ 84,229,083

The accompanying notes are an integral part of the financial statements.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2015

	<i>UNRESTRICTED</i>			TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL
	FOOD BANK	CONTRIBUTED FOOD	TOTAL			
PUBLIC SUPPORT AND REVENUE						
PUBLIC SUPPORT						
Contributions and grants	\$20,426,856	\$ -	\$20,426,856	\$ 6,067,758		\$26,494,614
Contributed food received	-	43,793,762	43,793,762	-	-	43,793,762
Satisfaction of program restrictions	6,967,896	-	6,967,896	(6,967,896)	-	-
REVENUE						
Fees and grants from government agencies	5,456,658	21,076,689	26,533,347	-	-	26,533,347
Feeding program revenue	3,389,960	-	3,389,960	-	-	3,389,960
Investment income	543,120	-	543,120	480	-	543,600
Other income	67,180	-	67,180	-	-	67,180
TOTAL PUBLIC SUPPORT AND REVENUE	36,851,670	64,870,451	101,722,121	(899,658)		100,822,463
OPERATING EXPENSES						
Food bank operations	27,217,235	-	27,217,235	-	-	27,217,235
Contributed food distributed	-	64,555,850	64,555,850	-	-	64,555,850
TOTAL PROGRAM EXPENSES	27,217,235	64,555,850	91,773,085	-	-	91,773,085
Management and general	2,936,384	-	2,936,384	-	-	2,936,384
Fundraising	3,632,798	-	3,632,798	-	-	3,632,798
TOTAL OPERATING EXPENSES	33,786,417	64,555,850	98,342,267	-	-	98,342,267
Increase (decrease) in Net Assets	3,065,253	314,601	3,379,854	(899,658)		2,480,196
NET ASSETS, BEGINNING OF YEAR	68,469,756	8,406,338	76,876,094	3,696,507	38,374	80,610,975
NET ASSETS, END OF YEAR	\$71,535,009	\$8,720,939	\$80,255,948	\$ 2,796,849	\$ 38,374	\$83,091,171

The accompanying notes are an integral part of the financial statements.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2014

	<i>UNRESTRICTED</i>					
	FOOD BANK	CONTRIBUTED FOOD	TOTAL	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL
PUBLIC SUPPORT AND REVENUE						
PUBLIC SUPPORT						
Contributions and grants	\$18,162,068	\$ -	\$18,162,068	\$ 7,291,633	\$ 2,675	\$25,456,376
Contributed food received	-	54,676,882	54,676,882	-	-	54,676,882
Satisfaction of program restrictions	8,309,642	-	8,309,642	(8,309,642)	-	-
REVENUE						
Fees and grants from government agencies	5,456,682	\$ 20,323,901	25,780,583	-	-	25,780,583
Feeding program revenue	3,156,345	-	3,156,345	-	-	3,156,345
Investment income	4,014,120	-	4,014,120	4,586	-	4,018,706
Other income	39,678	-	39,678	-	-	39,678
TOTAL PUBLIC SUPPORT AND REVENUE	39,138,535	75,000,783	114,139,318	(1,013,423)	2,675	113,128,570
OPERATING EXPENSES						
Food bank operations	26,236,690	-	26,236,690	-	-	26,236,690
Contributed food distributed	-	78,244,640	78,244,640	-	-	78,244,640
TOTAL PROGRAM EXPENSES	26,236,690	78,244,640	104,481,330	-	-	104,481,330
Management and general	3,549,502	-	3,549,502	-	-	3,549,502
Fundraising	3,771,184	-	3,771,184	-	-	3,771,184
TOTAL OPERATING EXPENSES	33,557,376	78,244,640	111,802,016	-	-	111,802,016
Increase in net assets from operations	5,581,159	(3,243,857)	2,337,302	(1,013,423)	2,675	1,326,554
INCREASE (DECREASE) IN NET ASSETS	5,581,159	(3,243,857)	2,337,302	(1,013,423)	2,675	1,326,554
NET ASSETS, BEGINNING OF YEAR	62,888,597	11,650,195	74,538,792	4,709,930	35,699	79,284,421
NET ASSETS, END OF YEAR	\$68,469,756	\$8,406,338	\$76,876,094	\$3,696,507	\$ 38,374	\$80,610,975

The accompanying notes are an integral part of the financial statements.

STATEMENTS OF FUNCTIONAL EXPENSES – YEAR ENDED JUNE 30, 2015

	FOOD BANK PROGRAMS	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL
Salaries	\$ 6,478,754	\$ 1,107,062	\$ 972,136	\$ 8,557,952
Employee fringe benefits	941,494	344,694	305,133	1,591,321
TOTAL SALARIES AND FRINGE BENEFITS	7,420,248	1,451,756	1,277,269	10,149,273
Cost of food sold	12,488,995	-	-	12,488,995
Occupancy and utility costs	428,810	18,055	4,514	451,379
Trucking, freight and storage	1,281,174	-	-	1,281,174
Direct mail and special events	313,000	5,020	2,208,259	2,526,279
Purchase, maintenance and equipment rental	537,901	41,886	4,515	584,302
Office supplies	29,289	28,475	106	57,870
Building maintenance and renovation expense	126,739	-	-	126,739
Professional and contractual fees	995,521	1,094,973	34,471	2,124,965
Insurance	184,645	22,424	-	207,069
Telecommunications	51,249	41,505	1,613	94,367
Meetings, conferences, conventions and local transportation	215,091	17,212	6,507	238,810
Licenses, fees and local dues	143,910	4,944	2,277	151,131
National dues (Feeding America)	51,192	-	-	51,192
Printing	159,600	86,271	33,043	278,914
Postage	20,269	11,564	49,190	81,023
Member agencies development	1,668,943	-	-	1,668,943
Education and training	44,258	27,144	-	71,402
Miscellaneous	15,331	41,320	75	56,726
TOTAL EXPENSES BEFORE CONTRIBUTED FOOD DISTRIBUTION AND DEPRECIATION	26,176,165	2,892,549	3,621,839	32,690,553
Contributed food distributed	64,555,850	-	-	64,555,850
Depreciation	1,041,070	43,835	10,959	1,095,864
TOTAL EXPENSES	\$ 91,773,085	\$2,936,384	\$3,632,798	\$98,342,267

The accompanying notes are an integral part of the financial statements.

STATEMENTS OF FUNCTIONAL EXPENSES – YEAR ENDED JUNE 30, 2014

	FOOD BANK PROGRAMS	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL
Salaries	\$ 6,049,506	\$ 1,259,071	\$ 1,170,996	\$ 8,479,573
Employee fringe benefits	1,275,775	366,690	294,955	1,937,420
TOTAL SALARIES AND FRINGE BENEFITS	7,325,281	1,625,761	1,465,951	10,416,993
Cost of food sold	12,678,893	-	-	12,678,893
Occupancy and utility costs	499,776	21,043	5,261	526,080
Trucking, freight and storage	1,081,704	-	-	1,081,704
Direct mail and special events	281,984	45,000	2,223,429	2,550,413
Purchase, maintenance and equipment rental	703,500	44,745	-	748,245
Office supplies	53,401	36,676	758	90,835
Building maintenance and renovation expense	207,467	-	-	207,467
Professional and contractual fees	255,255	1,374,001	-	1,629,256
Insurance	172,904	19,872	-	192,776
Telecommunications	42,208	38,746	2,174	83,128
Meetings, conferences, conventions and local transportation	152,777	35,245	5,641	193,663
Licenses, fees and local dues	94,705	18,348	2,375	115,428
National dues (Feeding America)	45,728	-	-	45,728
Printing	174,199	169,668	363	344,230
Postage	21,070	4,109	54,696	79,875
Member agencies development	1,397,187	-	-	1,397,187
Education and training	48,491	34,290	-	82,781
Miscellaneous	9,593	40,290	109	49,992
TOTAL EXPENSES BEFORE CONTRIBUTED FOOD DISTRIBUTION AND DEPRECIATION	25,246,123	3,507,794	3,760,757	32,514,674
Contributed food distributed	78,244,640	-	-	78,244,640
Depreciation	990,567	41,708	10,427	1,042,702
TOTAL EXPENSES	\$ 104,481,330	\$ 3,549,502	\$ 3,771,184	\$ 111,802,016

See Notes to Financial Statements.

STATEMENTS OF CASH FLOWS – YEAR ENDED JUNE 30, 2015

CASH FLOWS FROM OPERATING ACTIVITIES

	<u>2015</u>	<u>2014</u>
Change in net assets	\$ 2,480,196	\$ 1,326,554
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Credits to agency accounts receivable balances	155,941	156,932
Increase (decrease) in allowance for uncollected pledges and discount to net present value	24,587	(30,988)
(Decrease) increase in reserve for purchased inventory	(138,043)	(5,549)
Depreciation	1,095,864	1,042,702
Gain on sale and disposal of fixed assets	(1,600)	(6,125)
Decrease (increase) in inventory – Contributed food	(314,601)	3,243,857
Contributions restricted for long-term investments		(2,675)
Donated Assets		(228,000)
Donated Investments	(912,834)	(518,003)
Unrealized and realized (gains) losses on investments	303,798	(3,326,274)
Decrease (increase) in		
Accounts receivable	(198,021)	(372,545)
Other pledges	(939,327)	2,745,914
Receivable from investment redemption	(2,183,229)	
Inventory – Purchased	(233,279)	(222,484)
Other current assets	34,992	(5,264)
Other non-current Assets	(267,821)	
Increase (decrease) in		
Accounts payable	(520,736)	278,951
Accrued expenses	501,216	78,912
Deferred revenue and other	(382,359)	97,550
Net Cash Provided by Operating Activities	(1,495,256)	4,253,465

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from sales of investments	16,300,882	9,956,215
Purchase of investments – Securities	(14,576,623)	(15,994,615)
Purchase of investments – Certificates of deposit	(264)	(270)
Proceeds from sale and disposal of fixed assets	3,500	6,600
Purchase of fixed assets	(626,782)	(589,291)
Net Cash Use in Investing Activities	1,100,713	(6,621,361)

Net Cash Provided by Financing Activities – Collections of contributions restricted for investment in endowment	-	2,675
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Net Decrease in Cash and Cash Equivalents	(394,543)	(2,365,221)
Cash and Cash Equivalents, Beginning of Year	10,501,047	12,866,268
Cash and Cash Equivalents, End of Year	\$ 10,106,504	\$ 10,501,047

NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2015 and 2014

NOTE 1 - DESCRIPTION OF OPERATIONS

The solicitation, receipt, storage and distribution of donated products constitute the principal operational requirements of food banking.

The Greater Chicago Food Depository (GCFD or the "Food Depository") is a not-for-profit, tax-exempt (Section 501(c)(3)) food distribution and training center committed to providing nutritious food for hungry people in Cook County, while advocating for anti-hunger policy and operating workforce development programs to address the root causes of hunger. GCFD is a charter member of Feeding America, a national network of food banks and food-rescue organizations. The Food Depository solicits, obtains and distributes donated and purchased foods to member agencies including soup kitchens, pantries and shelters and to other feeding organizations. These agencies provide the food to hungry people. The Food Depository's fiscal year ends on June 30.

A description of each group of unrestricted net assets and programs follows.

Food Bank

Operating — Represents resources used to carry out the food bank operations over which the Board of Directors has discretionary control. It also includes the net investment in property and equipment and the unexpended Board-designated resources.

Board-designated Endowments — Represents resources designated by the Board of Directors as a reserve account for future operating and capital contingencies and commitments.

Contributed Food — Represents the balance of contributed food after food distributions during the year.

Government Programs

GCFD administers several government programs as described below.

The City of Chicago Emergency Food Box Program — Under the Emergency Food Program with the City of Chicago's Department of Family and Support Services, the Food Depository is responsible for supplying food boxes for needy families in Chicago and fresh produce to homeless shelters throughout Chicago. For the food boxes, the costs for food, materials, packaging, distribution and administration are reimbursed by the Department of Family and Support Services at a flat rate per box upon shipment from the Food Depository. The Department of Family and Support Services reimburses the fresh produce at cost. Food and supplies on hand are classified as inventory on the statement of financial position. During 2013, the program was modified to provide credits to agencies mutually selected by the City and GCFD to access food through GCFD's existing network. The City now refers clients to these agencies to access food. A reduced number of food boxes are still provided to the City.

The Emergency Food and Shelter National Board Program of the Federal Emergency Management Agency (FEMA) — GCFD purchases and distributes food high in protein and staples, without service fees, to eligible agencies. These foods complement contributed products.

The Illinois Department of Human Services Distribution of United States Department of Agriculture (USDA) Food Commodities Program — GCFD receives USDA commodities and distributes them to certain qualified agencies without service fees.

The Illinois Department of Human Services Distribution of United States Department of Health and Human Services Temporary Assistance to Needy Families Program — GCFD receives funding to purchase commodities and distributes them to certain qualified agencies without service fees.

Illinois State Board of Education Child and Adult Care Food Program and Summer Food Service Program — GCFD provides Kid's Cafes with meals served to children through summer food programs and after school programs.

SNAP/Food Stamp Outreach Program — The Food Depository is a member of the Illinois State SNAP Outreach Plan, which is administered by the Illinois Department of Human Services and the U.S. Department of Agriculture.

AmeriCorps State/National Program — The Greater Chicago Food Depository hosts AmeriCorps members through Serve Illinois and the Corporation for National and Community Service. The individuals are placed in the Food Depository or member agencies and are utilized to assist with veteran pantry operations and outreach, SNAP outreach, and children's programming.

CEDA Family Nutrition Program — The objective of the Family Nutrition Program is to increase the self-sufficiency of low-income persons in suburban Cook County by providing them with access to fresh, nutritious produce.

Government fees and grants are subject to audits by the respective government agencies.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies followed by GCFD are presented below.

Use of Estimates in Preparing Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue, expenses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Basis of Presentation

GCFD's financial statements, which are presented on the accrual basis of accounting, have been prepared to focus on the organization as a whole and to present balances and transactions in accordance with the existence or absence of donor-imposed restrictions. GCFD maintains its financial accounts in accordance with the principles and practices of fund accounting. Fund accounting is the procedure by which resources for various purposes are classified for accounting purposes in accordance with activities or objectives of GCFD.

GCFD classifies its net assets and related activity as unrestricted, temporarily restricted and permanently restricted as follows:

Unrestricted — Net assets that are not subject to donor-imposed restrictions.

Temporarily Restricted — Net assets that are subject to donor-imposed restrictions that will be met either by actions of GCFD and/or the passage of time.

Permanently Restricted — Net assets that are subject to donor-imposed restrictions that they be maintained in perpetuity.

Revenue and Public Support

Public support and revenue are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between applicable classes of net assets.

Contributions of cash and other assets, including unconditional promises to give in the future, are reported as revenue when received, measured at fair value. Donor promises to give in the future are recorded at the present value of estimated future cash flow. Conditional promises are recorded when donor stipulations are substantially met. Contributions are recorded net of allowances. An allowance for doubtful pledges receivable is provided based on management's judgment including such factors as prior collection history, type of contribution and nature of fundraising activity.

Revenue and Public Support (Continued)

Contributions received with donor-imposed restrictions are reported as revenue of the permanently restricted or temporarily restricted net asset class as required by the donor intent. Temporarily restricted net assets released from restriction primarily relate to expenditures incurred for capital additions and program services. Contributions of land, building and equipment without donor-imposed restrictions concerning the use of such long-lived assets are reported as revenue of the unrestricted net asset class.

Revenue from government grant and contract agreements is recognized as it is earned through expenditures in accordance with the agreements. Any government grants received in advance of expenditures are recorded as deferred revenue on the statement of financial position. Management determines the allowances for doubtful accounts on its grant receivables by reviewing and identifying troubled accounts on a monthly basis and by using historical experience. Grant receivables are written off when deemed uncollectible. GCFD did not record an allowance on its grant receivables as it expects to receive outstanding amounts due subsequent to fiscal year-end.

Feeding program revenue consists of revenue from GCFD's purchased food program. In the purchased food program, GCFD buys certain commodities and distributes them to agencies at cost or below cost. Revenue is recognized upon the agency's receipt of the food.

Revenue from contributed food received, as well as the related contributed food distributed expense and the contributed food inventory accounts, is estimated by valuing GCFD's respective pounds of food at a weighted-average wholesale price per pound, by product category, as determined by Feeding America. GCFD treats contributed food as unrestricted contributions and records the revenue based on the pounds of food contributed, upon receipt, during the year.

Credits to Agencies' Balances

Under GCFD's program services, a member agency can pay in the form of donated services for the amount owed to GCFD for current food program charges. In the Agency Grant program, GCFD issues credits to agencies' balances to be used for future food purchases. In the Walk Bonus program, GCFD raises corporate, foundation and individual grants that are used to match payments by agencies on their accounts during a specified period. Matching funds and donor contributions for agencies are recognized as credits to the agencies' balances when received and are recognized as revenue when the agencies purchase food.

Donated Goods and Services

Donated legal services have been recorded in the statement of activities in the amount of \$124,234 and \$125,749 for the year ended June 30, 2014 and 2015, respectively.

Donated advertising and printing has been recorded in the statements of activities in the amount of \$31,193 and \$454,881 for the years ended June 30, 2015 and 2014, respectively.

Donated vehicles have been recorded in the statement of activities in the amount of \$0 and \$228,000 for the years ended June 30, 2015 and 2014, respectively.

In-kind contributions are recorded in contributions and grants on the statement of activities and the corresponding expense is recorded in professional and contractual fees on the statement of functional expenses.

Cash and Cash Equivalents

Cash and cash equivalents are composed primarily of available cash balances and certificates of deposit that mature in 90 days or less. GCFD maintains a significant portion of its cash and cash equivalents at US Bank, Bank of America and Chase Bank. As of June 30, 2015 and 2014, the recorded cost plus accrued interest approximated fair value. GCFD maintains its cash and cash equivalents in bank deposit accounts, which at times may exceed federally insured limits. GCFD has not experienced any losses in such accounts. GCFD believes it is not exposed to any significant credit risk on cash and cash equivalents.

Inventory

Contributed food is valued on a modified first-in, first-out basis using a weighted-average wholesale price per pound. Food is distributed based on the earlier of the purchase date or expiration date. Feeding America provides a Product Valuation Survey that details price per pound by product categories. GCFD uses this survey to calculate the weighted-average price per pound for its inventory by category. this survey to calculate the weighted-average price per pound for its inventory by category.

Purchased food programs inventory includes GCFD's purchased food products valued at the lower of cost (first-in, first-out) or market (net realizable value). GCFD determines the net realizable value by comparing the cost of inventory items versus the expected agency fees. As of June 30, 2015 and 2014 GCFD recorded an allowance for inventory losses of \$1,168,514 and \$1,306,557 respectively.

Investments

Investments are reported at fair value. Investment income, including net realized and unrealized gains (losses), is reflected in the statement of activities as an increase (decrease) in net assets. Interest and dividend income is recorded on the accrual basis. GCFD's investments include common collective trust fund, common short-term investment funds, and alternative asset funds.

GCFD's investments are exposed to various risks, such as interest rate, credit and overall market volatility. Due to these risk factors, it is reasonably possible that changes in the value of investments will occur in the near future and will materially affect the amounts reported in the financial statements.

Fair Value Disclosure

The Food Depository's policy is to recognize transfers in and out of Level 1, 2, and 3 fair value classifications as of the beginning of the reporting period.

Land, Building and Equipment

Land, building and equipment are stated at cost or the fair value at date of gift for donated assets, less accumulated depreciation. All expenditures for fixed assets over \$5,000 are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Costs of maintenance and repairs are charged to expense when incurred.

Functional Allocation of Expenses

The costs of providing various program and supporting services have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses are charged to programs based on direct expenditures incurred. Certain indirect expenditures that benefit more than one program are allocated to the benefited programs based on allocation formulas developed in accordance with OMB Circular A-122, *Cost Principles for Non-Profit Organizations*. Although methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

Income Taxes

GCFD is exempt from income taxes under provisions of Internal Revenue Code Section 501(c)(3). Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by GCFD and recognize a tax liability if GCFD has taken uncertain tax positions that more likely than not would not be sustained upon examination by the IRS or other applicable taxing authorities. Management has analyzed the tax positions taken by the organization and has concluded that as of June 30, 2015 and 2014, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. GCFD is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Management believes it is no longer subject to income tax examinations for the years prior to 2012.

Endowment

Accounting principles generally accepted in the United States of America addresses the net asset classification of donor-restricted endowment funds for organizations subject to an enacted version of the 2006 Uniform Prudent Management of Institutional Funds Act (UPMIFA). A key component of UPMIFA is a requirement to classify the portion of donor-restricted endowment fund that is not classified as permanently restricted net assets as temporarily restricted net assets until appropriated for expenditures. In addition, accounting principles generally accepted in the United States of America requires disclosures about an organization's donor-restricted and board-designated endowment funds. The objective of the disclosures is to provide information so that financial statement users can understand the net asset classification, net asset composition, changes in net asset compositions, spending policy and related investment policy pertaining to an organization's endowment funds.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including September 17, 2015, which is the date the financial statements were available to be issued.

Note 3 - Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. GCFD's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The following table presents information about GCFD's assets measured at fair value on a recurring basis at June 30, 2015 and 2014 and the valuation techniques used by GCFD to determine those fair values.

FAIR VALUE MEASUREMENTS AS OF REPORTING DATE USING:

DESCRIPTION	Fair Values as of June 30, 2015	Quoted Prices in Active Markets for Identical Assets		
		(Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Marketable bond funds	\$ 1,596,940	\$ 1,596,940	\$ -	\$ -
DFA Real Estate Securities I	1,915,232	1,915,232	-	-
DoubleLine Core Fixed Income N	3,219,227	3,219,227	-	-
BlackRock High Yield Bonds Instl	2,404,842	2,404,842	-	-
NTCC Emerging Markets Fund (a)	1,223,959	-	1,223,959	-
NTCC International Securities Fund (b)	2,447,810	-	2,447,810	-
NTGI-QM Common Daily All Country World Ex-US Investable Market Index Fund (c)	2,851,510	-	2,851,510	-
NTGI-QM Common Daily Emerging Markets Equity Index Fund - Lending (d)	803,570	-	803,570	-
NTGI-QM Common Daily Russell 1000 Equity Index Fund - Lending (e)	8,415,578	-	8,415,578	-
NTGI-Common Daily S&P 400 Equity Index Fund - Lending (f)	1,630,592	-	1,630,592	-
NTCC Small Cap Fund (g)	2,063,001	-	2,063,001	-
NTGI Common Daily Aggregate Bond Index Fund (h)	5,654,650	-	5,654,650	-
NT Collective 1-5 Year Credit Bond Index Fund - Non Lending (i)	2,503,673	-	2,503,673	-
Common trust short-term investment funds (j)	934,851	-	934,851	-
Makena Liquid Endowment Fund (k)	624,783	-	-	624,783
TOTAL	\$ 38,320,217	\$ 9,136,242	\$ 28,559,193	\$ 624,783

FAIR VALUE MEASUREMENTS AS OF REPORTING DATE USING:

DESCRIPTION	Fair Values as of June 30, 2014	Quoted Prices in Active Markets for Identical Assets		
		(Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Marketable bond funds	\$ 1,573,095	\$ 1,573,095	\$ -	\$ -
PIMCO High Yield Bond Fund	2,455,127	2,455,127	-	-
Common collective trust funds:				
NTCC Emerging Markets Fund (a)	1,324,489	-	1,324,489	-
NTCC International Securities Fund (b)	3,733,320	-	3,733,320	-
NTGI-QM Common Daily All Country World Ex-US Investable Market Index Fund (c)	3,322,407	-	3,322,407	-
NTGI-QM Common Daily Emerging Markets Equity Index Fund - Lending (d)	421,520	-	421,520	-
NTGI-QM Common Daily Russell 1000 Equity Index Fund - Lending (e)	8,432,053	-	8,432,053	-
NTGI-Common Daily S&P 400 Equity Index Fund - Lending (f)	1,622,839	-	1,622,839	-
NTCC Small Cap Fund (g)	2,050,989	-	2,050,989	-
NTGI Common Daily Aggregate Bond Index Fund (h)	5,478,167	-	5,478,167	-
NT Collective 1 - 5 Year Credit Bond Index Fund - Non Lending (i)	5,342,818	-	5,342,818	-
Common trust short-term investment funds (j)	879,282	-	879,282	-
Makena Liquid Endowment Fund (k)	2,799,335	-	-	2,799,335
TOTAL	\$ 39,435,441	\$ 4,028,222	\$ 32,607,884	\$ 2,799,335

• **Level 1 Inputs**

Fair values for the marketable bond funds, DFA Real Estate Securities I, DoubleLine Core Fixed Income N, BlackRock High Yield Bond Instl, and PIMCO High Yield Bond Fund were based on quoted market prices.

• **Level 2 Inputs**

Common collective trust funds - The fair values of these funds were based on respective net asset values per fund. The investment objectives of the funds vary and can be differentiated by the nature of their holdings. GCFD may transfer in and out of the funds on a daily basis without any prohibitive restrictions. There are no unfunded commitments associated with these funds.

- (a) *NTCC Emerging Markets Fund* - The primary objective of this fund is to invest in emerging markets securities by using a group of professional advisors to provide advice on specific investments.
- (b) *NTCC International Securities Fund* - The policy of this fund is to invest in non-U.S. securities markets or in securities of companies that predominantly derive their revenues from non-U.S. markets. The fund uses a pool of independent investment advisors covering the capitalization and style spectrum within the international stock universe.
- (c) *NTGI-QM Common Daily All Country World Ex-US Investable Market Index Fund* - The primary objective of this fund is to approximate the risk and return characteristics of the Morgan Stanley All Country World Ex-US Investable Market (MSCI ACWI Ex-US IMI) Index. This Index is commonly used to represent large, mid and small cap companies in the developed non-U.S. and emerging equity markets. This fund does not participate in securities lending.
- (d) *NTGI-QM Common Daily Emerging Markets Equity Index Fund - Lending* - The primary objective of this fund is to approximate the risk and return characteristics of the Morgan Stanley Emerging Markets (MSCI EM) Index. This Index is commonly used to represent global equity emerging markets. This Fund may participate in securities lending.
- (e) *NTGI-QM Common Daily Russell 1000 Equity Index Fund - Lending* - The primary objective of this fund is to provide investment results that exceed the overall performance of the Russell 1000 Index. The index is commonly used to represent the large cap segment of the U.S. equity market. This fund may participate in securities lending.
- (f) *NTGI-QM Common Daily S&P 400 Equity Index Fund - Lending* - The primary objective of the QM Daily S&P 400 Equity Index Fund is to approximate the risk and return characteristics of the S&P 400 Index. This Index is commonly used to represent the mid cap segment of the U.S. equity market. This Fund may participate in securities lending.
- (g) *NTCC Small Cap Fund* - The policy of this fund is to invest in small market capitalization securities by using a group of professional advisors to provide advice on specific securities to the investment manager. Characteristically, the fund will have a small capitalization orientation.
- (h) *NTGI-Common Daily Aggregate Bond Index Fund* - The primary objective of the Daily Aggregate Bond Index Fund is to hold a portfolio representative of the overall United States bond and debt market, as characterized by the Barclays Capital Aggregate Bond Index. This Fund may participate in securities lending.
- (i) *NT Collective 1-5 Year Credit Bond Index Fund* - The primary objective of the 1-5 Year Credit Bond Index Fund, a collective fund for qualified plans, is to provide investment results that approximate the overall performance of the Barclay's Capital U.S. 1-5 Year Credit Bond Index. The Fund may make limited use of interest rate futures and/or options for the purpose of maintaining market exposure. This Fund may not participate in securities lending.

Common Trust Short-Term Investment Funds - The fair values were based on the return characteristics of U.S. dollar-based money market and cash indices listed on U.S. and international exchanges where the underlying values of the securities are based on quoted market prices. The investment objective of the fund varies and can be differentiated by the nature of its holdings. GCFD may transfer in and out of the fund on a daily basis without any prohibitive restrictions. There are no unfunded commitments associated with this investment fund.

- (j) *Common Short-Term Investment Fund* - The policy of this fund shall be to provide the same return characteristics of U.S. Dollar-based money market and cash indices listed on U.S. and international exchanges where the underlying values of the securities are based on quoted market prices.

• **Level 3 Inputs**

Investments in Entities that Calculate Net Asset Value per Share - GCFD holds shares or interests in investment companies at year end where the fair value of the investment held is estimated based on the net asset value per share of the investment company. This investment has the ability to be redeemed at net asset value on a quarterly basis (with 95-day notice). The capital would be returned 1/3 in 3 months, 1/3 on month 12, and 1/3 on month 24.

- (k) *Makena Liquid Endowment Fund* - The investment objective of Makena Liquid Endowment Fund is to achieve capital appreciation in a wide range of asset classes through proprietary asset allocation and careful selection of third-party investment managers.

Investments in Funds that Calculate Net Asset Value per Share

The Food Depository holds shares or interest in funds at year end whereby the fair value of the investment held is estimated based on the net asset value per share of the fund.

Certain investments measured at net asset value per share are classified within Level 2 of the fair value hierarchy as the investment can be redeemed at or within 90 days of the measurement date. If the investment holdings cannot be redeemed at or within 90 days of the measurement date, due to redemption restrictions of other factors, then the investment is classified within Level 3 of the fair value hierarchy.

The following table presents a reconciliation of the beginning and ending balances recorded for instruments classified as Level 3 in the fair value hierarchy.

FAIR VALUE MEASUREMENTS USING SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)

	PARTNERSHIPS
Assets	
Beginning balance - June 30, 2014	\$ 2,799,335
Purchases and issuances	-
Redemptions	(2,183,229)
Total gains or losses (realized and unrealized) in change in net assets	8,677
Ending balance - June 30, 2015	\$ 624,783
The amount of total gain or losses for the period included in change in net assets attributable to the change in unrealized gains or losses relating to assets still held at the reporting date	
	\$ 1,931

FAIR VALUE MEASUREMENTS USING SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)

	PARTNERSHIPS
Assets	
Beginning balance - June 30, 2013	\$ 2,552,296
Purchases and issuances	-
Total gains or losses (realized and unrealized) in change in net assets	247,039
Ending balance - June 30, 2014	\$ 2,799,335
The amount of total gain or losses for the period included in change in net assets attributable to the change in unrealized gains or losses relating to assets still held at the reporting date	
	\$ 247,039

Note 4 - Investments

Investment income, shown below, is recorded in the statement of activities as increases in unrestricted and temporarily restricted net assets:

	2015	2014
Interest and dividends	\$ 847,398	\$ 692,432
Net realized and unrealized gain (loss)	(303,798)	3,326,274
Investment income	543,600	4,018,706
Investment expenses	(164,553)	(136,029)
Investment income - Net	\$ 379,047	\$ 3,882,677

Investment expenses are included in professional and contractual fees in the statement of functional expenses.

Note 5 - Pledges Receivable

The Food Depository discounted contributions due in more than one year using a rate of 1.4 percent as of June 30, 2015 and 2014.

Pledges receivable consist of the following as of June 30:

	2015	2014
Pledges receivable	\$ 1,916,667	\$ 977,340
Less discounts to net present value	(27,637)	(3,050)
Total	1,889,030	974,290
Less current portion	(1,225,777)	(862,205)
Long-term portion	\$ 663,253	\$ 112,085

Scheduled annual payments on pledges are as follows:

2016	\$ 1,225,777
2017	236,672
2018	235,035
2019	191,546
2020	-
TOTAL	\$ 1,889,030

Note 6 - Land, Building and Equipment

The following table presents the components of land, building and equipment as of June 30:

	2015	2014	Depreciable Life-Years
Land	\$ 7,813,720	\$ 7,813,720	-
Building and building improvements	16,315,999	16,184,161	5-40
Equipment	12,184,495	11,708,547	3-10
	36,314,214	35,706,428	
Less accumulated depreciation	(14,676,685)	(13,597,918)	
Net Land, Building and Equipment	\$ 21,637,529	\$ 22,108,510	

Note 7 - Temporarily Restricted Net Assets

Temporarily restricted net assets are restricted for the following purposes as of June 30:

	2015	2014
Pledge receivable - Time restricted	\$ 1,889,030	\$ 974,290
Purpose and time restricted -		
No Hungry Kid Illinois School Breakfast Project	267,271	1,671,113
Purpose restricted:		
Children's program	191,556	256,584
Food purchasing	10,000	160,000
Veteran's Program	42,309	-
Chicago's Community Kitchens	223,334	346,667
Capital and Other	173,349	287,853
Total temporarily restricted net assets	\$ 2,769,849	\$ 3,696,507

Note 8 - Disclosures for Endowments**Endowment**

GCFD's endowment consists of two board-designated endowments and one donor-restricted endowment. GCFD's Founders' Fund represents one of the board-designated endowments. The Freedom from Hunger Fund consists of both board-designated and donor-restricted endowments.

The objectives of the Founders' Fund and the board-designated Freedom from Hunger Fund endowments are (1) to provide a pool of capital that is managed for long-term investment, (2) to provide an identified portion of the fund to be applied towards the annual operating budget and (3) to be a potential source of funds for targeted capital projects.

The objectives of the permanently restricted Freedom from Hunger Fund endowment are (1) to provide a pool of capital that is managed for long-term investment, and (2) to be a source of funds of interest revenue that is to be used to purchase produce. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on existences or absences of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Directors of GCFD interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, GCFD classifies permanently restricted net assets as (1) the original value of gifts donated to the permanent endowment, (2) the original value of subsequent gifts to the permanent endowment, and (3) the accumulation made pursuant to a direction in the applicable gift instrument at the time the accumulation is added to the fund. The portion of the donor-restricted endowment that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by GCFD. In accordance with UPMIFA, GCFD considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the donor-restricted endowment funds
3. General economic conditions
4. The expected total return from income and the appreciation of investments
5. Other resources of GCFD
6. The investment policy of GCFD

Return Objectives and Risk Parameters

GCFD has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. As of June 30, 2015, endowment assets include donor-restricted funds that GCFD must hold in perpetuity and board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended over time to provide an average rate of return that allows the growth of the Fund's assets to be sufficient to offset or exceed inflation plus required spending and investment management fees. Actual returns in any given year may vary.

Note 8 - Disclosures for Endowments (Continued)**Spending Policy and How the Investment Objectives Relate to Spending Policy**

GCFD has a policy of appropriating for distribution each year 5 percent of its endowment fund's average fair value over the prior 12 quarters through the calendar year end preceding the fiscal year in which the distribution is planned. In establishing this policy, GCFD considered the long-term expected return on its endowment. Accordingly, over the long term, GCFD expects the current spending policy to allow its endowment to grow at a rate sufficient to offset or exceed inflation plus required spending, and investment management fees. This is consistent with GCFD's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, GCFD relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). GCFD targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Information regarding the endowment net assets as of June 30, 2015 and 2015 and changes in endowment net assets for the years then ended follows.

ENDOWMENT NET ASSETS YEAR ENDED JUNE 30, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Founders' Fund endowment	\$ 39,991,979	\$ -	\$ -	\$ 39,991,979
Freedom from Hunger Fund endowment - Board-designated	473,093	-	-	473,093
Freedom from Hunger Fund endowment - Donor-restricted	-	-	38,374	38,374
	\$ 40,465,072	\$ -	\$ 38,374	\$ 40,503,446

ENDOWMENT NET ASSETS YEAR ENDED JUNE 30, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Founders' Fund endowment	\$ 38,923,974	\$ -	\$ -	\$ 38,923,974
Freedom from Hunger Fund endowment - Board-designated	473,093	-	-	473,093
Freedom from Hunger Fund endowment - Donor-restricted	-	-	38,374	38,374
	\$ 39,397,067	\$ -	\$ 38,374	\$ 39,435,441

CHANGES IN ENDOWMENT NET ASSETS YEAR ENDED JUNE 30, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment Net Assets, Beginning of Year	\$ 39,397,067	\$ -	\$ 38,374	\$ 39,435,441
Investment Return				
Investment income	682,365	-	-	682,365
Net appreciation (depreciation) (realized and unrealized)	(303,798)	480	-	(303,318)
Total Investment Return	378,567	480	-	379,047
Board transfers	688,958	-	-	688,958
Produce purchases	480	(480)	-	-
Endowment Net Assets, End of Year	\$ 40,465,072	\$ -	\$ 38,374	\$ 40,503,446

CHANGES IN ENDOWMENT NET ASSETS YEAR ENDED JUNE 30, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment Net Assets, Beginning of Year	\$ 29,517,065	\$ -	\$ 35,699	\$ 29,552,764
Investment Return				
Investment income	556,403	-	-	556,403
Net appreciation (realized and unrealized)	3,321,688	4,586	-	3,326,274
Total Investment Return	3,878,091	4,586	-	3,882,677
Board transfers	5,997,325	-	-	5,997,325
Contributions	-	-	2,675	2,675
Produce purchases	4,586	(4,586)	-	-
Endowment Net Assets, End of Year	\$ 39,397,067	\$ -	\$ 38,374	\$ 39,435,441

Note 9 - Retirement Plan

GCFD sponsors a defined-contribution retirement plan for all employees. Employees are subject to a graded vesting schedule and are 100 percent vested when they reach six years of service. During 2014 GCFD contributed \$378,677 to the plan. The Plan was amended as of March 1, 2014. Effective with the plan year beginning July 1, 2014, there are two special service requirements in order to receive an employer contribution, 1) complete a 'Year of Service' and 2) be employed by GCFD on the last day of the Plan Year (June 30, 2015). GCFD made a contribution of \$239,592 for the fiscal year ending June 30, 2015.

Note 10 - Related Parties

GCFD has a conflict-of-interest policy whereby Board members must advise the Board of Directors of any direct or indirect material interest in any transaction or relationship with GCFD and not participate in discussions and decisions regarding any action affecting their individual, professional or business interests.

During the year ended June 30, 2015 and 2014, GCFD had revenue from the sale of food products in the amount of \$0 and \$13,305, respectively from member agencies with which members of the Board of Directors of GCFD are affiliated.

Note 11 - Other Cash Flow Information

During the year ending June 30, 2015 \$2,183,229 of investments were sold and are included in receivable from investment redemption. These sales settled subsequent to June 30, 2015.

Note 12 - New Accounting Pronouncement

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers (Topic 606), which will supersede the current revenue recognition requirements in Topic 605, Revenue Recognition. The ASU is based on the principles that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU also requires additional disclosure about the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. The new guidance will be effective for the Food Depository's year ending June 30, 2020. The ASU permits the new revenue recognition guidance to be applied using one of two retrospective application methods. The Food Depository has not yet determined which application method it will use or the potential effects of new standard on the financial statements, if any.



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