

Audited Financial Statements



**Food Finders**  
Rescuing Food, Ending Hunger

December 31, 2016 and 2015

Quigley & Miron

Food Finders, Inc.  
Audited Financial Statements  
Table of Contents  
December 31, 2016 and 2015

Page  
Number

<b>Independent Auditor's Report .....</b>	<b>1</b>
<b>Audited Financial Statements</b>	
Statements of Financial Position .....	2
Statements of Activities .....	3
Statements of Functional Expenses.....	5
Statements of Cash Flows.....	7
Notes to Financial Statements.....	8

Suite 1660  
3550 Wilshire Boulevard  
Los Angeles, California 90010

Telephone: (213) 639-3550  
Facsimile: (213) 639-3555

Suite 700  
1999 South Bascom Avenue  
Campbell, California 95008

Telephone: (408) 614-0100  
Facsimile: (213) 639-3555

## Independent Auditor's Report

Board of Directors  
**Food Finders, Inc.**  
Lakewood, California

We have audited the accompanying financial statements of Food Finders, Inc. (Organization), a nonprofit organization, which comprise the statements of financial position as of December 31, 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

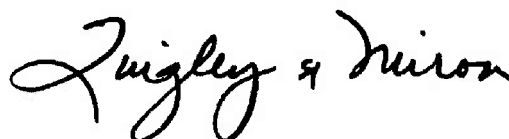
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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 Finders, Inc. as of December 31, 2016 and 2015, and the changes in its net assets and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Los Angeles, California  
November 3, 2017



Food Finders, Inc.  
 Statements of Financial Position  
 December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 170,375	\$ 270,976
Investments	7,478	6,871
Accounts receivable	9,302	3,695
Grants receivable		1,800
Prepaid expenses		3,203
Due from WNOOC	18,358	4,321
Property and equipment, net—Note 4	32,691	59,710
Deposits	4,527	5,028
<b>Total Assets</b>	<b><u>\$ 242,731</u></b>	<b><u>\$ 355,604</u></b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued liabilities	\$ 2,170	\$ 1,188
Credit cards payable	1,565	1,554
Accrued payroll and benefits	36,408	34,314
<b>Total Liabilities</b>	<b><u>40,143</u></b>	<b><u>37,056</u></b>
<b>Net Assets</b>		
Unrestricted	77,993	181,826
Temporarily restricted—Note 5	124,595	136,722
<b>Total Net Assets</b>	<b><u>202,588</u></b>	<b><u>318,548</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 242,731</u></b>	<b><u>\$ 355,604</u></b>

See notes to financial statements.

Food Finders, Inc.  
Statement of Activities  
Year Ended December 31, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>Public Support and Revenue</b>			
Government grants	\$ 4,500	\$	\$ 4,500
Grants and contributions	299,067	157,500	456,567
Special events, net—Note 6	45,817		45,817
Donated food—Note 7	14,078,940		14,078,940
Donated service hours—Note 7	229,199		229,199
Fiscal agent fees	45,155		45,155
Interest and dividends	352		352
Realized loss on sale of equipment	(2,446)		(2,446)
Unrealized gain on investments	353		353
	<hr/>	<hr/>	<hr/>
<b>Total Public Support and Revenue</b>	<b>14,700,937</b>	<b>157,500</b>	<b>14,858,437</b>
Net assets released from restrictions	169,627	(169,627)	
	<hr/>	<hr/>	<hr/>
<b>Total Public Support, Revenue and Reclassifications</b>	<b>14,870,564</b>	<b>(12,127)</b>	<b>14,858,437</b>
<b>Expenses</b>			
Program services	14,707,529		14,707,529
Management and general	109,824		109,824
Fundraising	157,044		157,044
	<hr/>	<hr/>	<hr/>
<b>Total Expenses</b>	<b>14,974,397</b>		<b>14,974,397</b>
<b>Change in Net Assets</b>	<b>(103,833)</b>	<b>(12,127)</b>	<b>(115,960)</b>
<b>Net Assets at Beginning of Year</b>	<b>181,826</b>	<b>136,722</b>	<b>318,548</b>
	<hr/>	<hr/>	<hr/>
<b>Net Assets at End of Year</b>	<b>\$ 77,993</b>	<b>\$ 124,595</b>	<b>\$ 202,588</b>
	<hr/>	<hr/>	<hr/>

See notes to financial statements.

Food Finders, Inc.  
Statement of Activities  
Year Ended December 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>Public Support and Revenue</b>			
Government grants	\$ 7,500	\$	\$ 7,500
Grants and contributions	394,350	235,310	629,660
Special events, net—Note 6	38,129		38,129
Donated food—Note 7	13,494,566		13,494,566
Donated service hours—Note 7	206,295		206,295
Other donated items—Note 7	7,562		7,562
Fiscal agent fees	9,120		9,120
Interest and dividends	150		150
Unrealized gain on investments	(87)		(87)
	<hr/>	<hr/>	<hr/>
<b>Total Public Support and Revenue</b>	<b>14,157,585</b>	<b>235,310</b>	<b>14,392,895</b>
Net assets released from restrictions	144,588	(144,588)	
	<hr/>	<hr/>	<hr/>
<b>Total Public Support, Revenue and Reclassifications</b>	<b>14,302,173</b>	<b>90,722</b>	<b>14,392,895</b>
<b>Expenses</b>			
Program services	14,093,563		14,093,563
Management and general	114,248		114,248
Fundraising	143,679		143,679
	<hr/>	<hr/>	<hr/>
<b>Total Expenses</b>	<b>14,351,490</b>		<b>14,351,490</b>
<b>Change in Net Assets</b>	<b>(49,317)</b>	<b>90,722</b>	<b>41,405</b>
<b>Net Assets at Beginning of Year</b>	<b>231,143</b>	<b>46,000</b>	<b>277,143</b>
	<hr/>	<hr/>	<hr/>
<b>Net Assets at End of Year</b>	<b>\$ 181,826</b>	<b>\$ 136,722</b>	<b>\$ 318,548</b>
	<hr/>	<hr/>	<hr/>

See notes to financial statements.

Food Finders, Inc.  
Statement of Functional Expenses  
Year Ended December 31, 2016

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries	\$ 222,788	\$ 52,733	\$ 133,264	\$ 408,785
Payroll taxes	17,053	4,036	10,200	31,289
Employee benefits	5,051	1,196	3,021	9,268
<b>Total Salaries and Payroll Taxes</b>	<b>244,892</b>	<b>57,965</b>	<b>146,485</b>	<b>449,342</b>
Food distributions	14,111,691			14,111,691
Volunteer service hours	229,199			229,199
Occupancy	27,606	10,338	1,960	39,904
Depreciation	27,395	1,023	1,400	29,818
Food delivery	27,599			27,599
Insurance	16,033	2,311	3,423	21,767
Advertising and promotion		16,137		16,137
Supplies	9,057	1,510		10,567
Contract services		9,500		9,500
Telephone	3,831	907	2,292	7,030
Volunteer development	6,669			6,669
Computer software and support		3,221		3,221
Repairs and maintenance	2,479	296	406	3,181
Bank and finance charges		2,304		2,304
Dues, fees, and subscriptions		2,193		2,193
Postage	1,078		1,078	2,156
Office		2,119		2,119
<b>Total Expenses</b>	<b>\$ 14,707,529</b>	<b>\$ 109,824</b>	<b>\$ 157,044</b>	<b>\$ 14,974,397</b>

See notes to financial statements

Food Finders, Inc.  
Statement of Functional Expenses  
Year Ended December 31, 2015

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries	\$ 204,645	\$ 48,439	\$ 122,412	\$ 375,496
Payroll taxes	18,101	4,284	10,827	33,212
Employee benefits	840	199	503	1,542
<b>Total Salaries and Payroll Taxes</b>	<b>223,586</b>	<b>52,922</b>	<b>133,742</b>	<b>410,250</b>
Food distributions	13,534,627			13,534,627
Volunteer service hours	206,295			206,295
Occupancy	23,603	8,727	1,604	33,934
Depreciation	38,054	650	889	39,593
Food delivery	31,799			31,799
Insurance	14,538	2,117	3,107	19,762
Advertising and promotion		26,047		26,047
Supplies	9,081	2,975		12,056
Contract services		10,119		10,119
Telephone	4,789	1,133	2,864	8,786
Volunteer development	3,771			3,771
Computer software and support		1,281		1,281
Repairs and maintenance	2,328	278	381	2,987
Bank and finance charges		2,420		2,420
Dues, fees, and subscriptions		2,513		2,513
Postage	1,092		1,092	2,184
Office		3,066		3,066
<b>Total Expenses</b>	<b>\$ 14,093,563</b>	<b>\$ 114,248</b>	<b>\$ 143,679</b>	<b>\$ 14,351,490</b>

See notes to financial statements



Food Finders, Inc.  
 Statements of Cash Flows  
 Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<b>Cash Flow from Operating Activities</b>		
Change in net assets	\$ (115,960)	\$ 41,405
Adjustments to reconcile change in net assets to net cash provided by (used in) operating expenses:		
Depreciation	29,818	39,593
Unrealized (gain) loss on investments	(353)	87
Loss on sale of equipment	2,446	
Donated investments	(156)	(2,453)
In-kind donation of transportation equipment		(7,562)
Changes in operating assets and liabilities:		
Accounts receivable	(5,607)	(3,695)
Grants receivable	1,800	36,298
Prepaid expenses	3,203	(3,203)
Due from WNOG	(14,037)	530
Deposits	501	(2,599)
Accounts payable and accrued liabilities	982	(471)
Credit cards payable	11	(416)
Accrued payroll and benefits	2,094	11,899
Due to WNOG		(1,269)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(95,258)</b>	<b>108,144</b>
<b>Cash Flow from Investing Activities</b>		
Reinvested dividends	(98)	(60)
Proceeds from sale of equipment	2,500	
Purchase of equipment	(7,745)	(31,624)
<b>Net Cash Used in Investing Activities</b>	<b>(5,343)</b>	<b>(31,684)</b>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(100,601)</b>	<b>76,460</b>
<b>Cash and Cash Equivalents at the Beginning of Year</b>	<b>270,976</b>	<b>194,516</b>
<b>Cash and Cash Equivalents at the End of Year</b>	<b>\$ 170,375</b>	<b>\$ 270,976</b>
<b>Supplementary Disclosures</b>		
Income taxes paid	<u>\$</u>	<u>\$</u>
Interest paid	<u>\$</u>	<u>\$</u>

See notes to financial statements.

**Food Finders, Inc.**  
**Notes to Financial Statements**  
**December 31, 2016 and 2015**

**Note 1—Organization**

Founded in February 1989, Food Finders, Inc. (Organization) is a food recovery organization that links donated food from more than 600 businesses and food vendors to non-profits that feed people or provide food, including pantries, shelters, and mission. It's primary goal is to reduce food waste while also feeding those in need and reducing hunger. The Organization serves all L.A. and Orange counties and beyond.

During the year ended December 31, 2016, the Organization rescued 8.6 million pounds of food, which equated to 7.2 million meals worth of food. The Organization engaged 71 new pantries, shelters and other recipient agencies and added 199 new partner food donors, exceeding both agency and donor goals for the year. The Organization conducted two food drives, Holiday and Summer to End Hunger, and participated in the May U.S. Postal Food Drive. Altogether, the food drives generated just shy of 130,000 pounds of food for distribution to partner agencies with families and children in need. In addition, the Organization's Food4Kids program grew to support 15 local Title I schools, with 380 bags of groceries being packed and delivered weekly. The Organization's volunteers provided more than 206,000 hours of time to ensure its program was successful and supported its mission of reducing hunger and food waste.

During the year ended December 31, 2015, the Organization rescued 7.98 million pounds of food from being wasted and redistributed it to help feed hungry people within communities throughout L.A. and Orange counties. In 2015, the Organization added a total of 198 new, regular, and consistent donors by year-end. In addition, partner agencies grew by 52, which exceeded original forecasts as well.

**Note 2—Summary of Significant Accounting Policies**

Basis of Accounting—The Organization uses the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

Financial Statement Presentation—The Organization recognizes contributions, including unconditional promises to give, as revenue in the period received. Contributions and net assets are classified on the existence or absence of donor-imposed restrictions. The net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets—Net assets that are not subject to donor-imposed stipulations and that may be expendable for any purpose in performing the primary objectives of the Organization.

Temporarily restricted net assets—Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or passage of time. As the restrictions are satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying financial statements as net assets released from restrictions.

Permanently restricted net assets—Net assets for which the donor has stipulated that the principal be maintained into perpetuity. The Organization had no permanently restricted net assets at December 31, 2016 and 2015.

**Food Finders, Inc.**

**Notes to Financial Statements—Continued**

**Note 2—Summary of Significant Accounting Policies—Continued**

The Organization records restricted support as unrestricted support where the donor-restrictions have been satisfied within the reporting period.

Income Taxes—The Organization is a nonprofit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (Code) and Section 23701(d) of the California Revenue and Taxation Code. Accordingly, no provision for income taxes is included in the financial statements. In addition, the Organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Code. Accounting standards require an organization to evaluate its tax positions and provide for a liability for any positions that would not be considered 'more likely than not' to be upheld under a tax authority examination. Management has evaluated its tax positions and has concluded that a provision for a tax liability is not necessary at December 31, 2016 and 2015. Generally, the Organization's information returns remain open for examination for a period of three years (federal) or four years (state of California) from the date of filing.

Cash and Cash Equivalents—For the purpose of the statement of cash flows, the Organization considers cash on hand and cash in other depository institutions with an original maturity of three months or less to be cash equivalents.

Investments—The Organization records investments at their fair market value. Contributed securities are stated at their market value on the date of donation. Realized gains and losses on sales of securities are determined based on the cost of the individual securities and the sale price at the date of sale. Unrealized gains and losses on marketable securities are calculated as the difference between cost and market of all securities on hand from one year to the next based on market value at December 31, 2016 and 2015, and are reported in the statements of activities.

Accounts Receivable—Accounts receivable at December 31, 2016 consists of balances due from a third-party donation agency, stated at the amount management expects to collect.

Grants Receivable—Grants receivable at December 31, 2016 and 2015 consist of amounts due from local foundations and organizations, stated at the amount management expects to collect.

WNOC—During the year ending December 31, 2014, the Organization entered into an agreement to become the fiscal agent for Waste Not OC (WNOC), a collaborative group of nonprofit organizations seeking to meet the nutritional needs of the community and protect the environment by facilitating the donation and distribution of wholesome surplus food. The Organization collected revenues and incurred expenses on WNOC's behalf, which are not reflected on the Organization's statement of activities. Instead, the Organization recorded the amounts due from and due to WNOC on its statement of financial position for these respective items.

**Food Finders, Inc.**

**Notes to Financial Statements—Continued**

**Note 2—Summary of Significant Accounting Policies—Continued**

Property and Equipment—Property and equipment are stated at cost if purchased or estimated fair market value at date of gift, less accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the respective assets, which is five to seven years. Additions and improvements that increase the capacity or lengthen the useful lives of the assets are capitalized. Individual items valued at less than \$1,000 are expensed when purchased or donated. Repairs and maintenance are expensed as incurred.

Concentration of Credit Risk—Financial instruments which potentially subject the Organization to concentrations of credit risk consist of cash and cash equivalents, investments, and receivables. The Organization places its cash and cash equivalents with high credit quality financial institutions where the funds are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. The Organization's cash and cash equivalent balances are typically not in excess of the FDIC insurance limits.

Cash held in investment accounts at investment custodians are insured by the Securities Investors Protection Corporation (SIPC) up to \$250,000 and the investments in securities are insured up to \$500,000. At times, such balances are in excess of the FDIC and SIPC coverage limits. Management regularly reviews the financial stability of its cash depositories and its allocation of investments and deems the risk of loss due to these concentrations to be minimal.

Management has also reviewed receivables for collectability and determined that no allowance for uncollectible receivables was necessary at December 31, 2016 and 2015.

Donated Services—A substantial number of businesses and unpaid volunteers make significant contributions of time to the Organization's fundraising and operations. Contributed services are recorded at fair value at the date of donation only if the services (a) create or enhance nonfinancial assets, or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Contributed services that do not meet the criteria are not recognized.

Donated Materials—Donated materials are recorded at their fair market value where an objective basis is available to measure their value. Such items are capitalized or charged to operations or fundraising expenses, as appropriate.

Functional Expenses—The costs of providing the Organization's program and supporting services have been summarized on a functional basis. Accordingly, certain costs have been allocated between the program and supporting services benefited.

Use of Estimates—The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. The most sensitive estimates affecting the financial statements are the valuation of donated food, and the valuation of donated volunteer service hours.

## Food Finders, Inc.

### Notes to Financial Statements—Continued

#### Note 2—Summary of Significant Accounting Policies—Continued

Reclassifications—Certain amounts in 2015 have been reclassified to conform with the 2016 financial statement presentation.

#### Note 3—Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Accounting standards establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy is categorized into three levels based on the inputs as follows:

Level 1—Quoted market prices in active markets for identical assets or liabilities. Level 1 assets include equity securities and mutual funds valued at the closing price reported on the active market on which the individual securities are traded.

Level 2—Observable market-based inputs, either directly or indirectly, but are other than quoted prices in actively traded markets. Level 2 inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and other observable inputs that can be corroborated by observable market data.

Level 3—Unobservable inputs that are supported by little or no market activity which are significant to the fair value of the asset or liability. Unobservable inputs reflect the best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the determination for which category within the fair value hierarchy is appropriate is based on the lowest level input that is significant to the fair value measurement in its entirety.

Investments at December 31, 2016 and 2015 consist of mutual funds and equities which are considered Level 1 assets for fair value purposes.

#### Note 4—Property and Equipment, Net

Property and equipment at December 31, 2016 and 2015 consist of the following:

	<u>2016</u>	<u>2015</u>
Transportation equipment	\$ 195,412	\$ 200,358
Leasehold improvements	8,791	8,791
Equipment	50,227	42,481
	<u>254,430</u>	<u>251,630</u>
Less accumulated depreciation	<u>(221,739)</u>	<u>(191,920)</u>
Net	<u>\$ 32,691</u>	<u>\$ 59,710</u>

**Food Finders, Inc.****Notes to Financial Statements—Continued****Note 5—Temporarily Restricted Net Assets**

Temporarily restricted net assets are restricted for the following purposes:

	<u>2016</u>	<u>2015</u>
Critical needs	\$ 80,000	\$ 134,922
Food and related supplies	24,855	
Holiday Program	7,724	
Seniors	7,427	
Summer Projects	2,620	
Internship	1,200	
Other	769	
Time		1,800
<b>Totals</b>	<b><u>\$ 124,595</u></b>	<b><u>\$ 136,722</u></b>

**Note 6—Special Events, Net**

The Organization conducted fundraising events to assist in funding operations. Revenues from these events in excess of expenses are for unrestricted purposes. A summary of gross revenues and expenses is as follows:

	<u>2016</u>	<u>2015</u>
Revenues	\$ 64,336	\$ 57,868
Less donor benefit expense	(18,519)	(19,739)
<b>Net</b>	<b><u>\$ 45,817</u></b>	<b><u>\$ 38,129</u></b>

Total fundraising expenses for the years ended December 31, 2016 and 2015 consist of the following:

	<u>2016</u>	<u>2015</u>
Fundraising expenses per statement of functional expenses	\$ 157,044	\$ 143,679
Special event expenses	18,519	19,739
<b>Net</b>	<b><u>\$ 175,563</u></b>	<b><u>\$ 163,418</u></b>

**Note 7—Donated Materials and Services**

Donated materials for the years ended December 31, 2016 and 2015 consist primarily of food donations valued at \$1.67 and \$1.70 per pound, respectively. This valuation is based on a cost study conducted for Feeding America (formerly America's Second Harvest). For the years ended December 31, 2016 and 2015, the Organization recognized donated food totaling \$14,078,940 and \$13,494,566, respectively. Food donations are included in the food distributions caption of the functional expense schedule.

The Organization estimates the value of contributed truck driver services at \$15 per hour. For the years ended December 31, 2016 and 2015, contributed service hours totaled 15,280 and 13,753, respectively.

## Food Finders, Inc.

### Notes to Financial Statements—Continued

#### Note 7—Donated Materials and Services—Continued

The Organization recognized contributed services valued at \$229,199 and \$206,295, respectively, included in the volunteer service hours caption of the functional expense schedule.

During the year ended December 31, 2015, the Organization recorded \$7,562 of in-kind income related to the donation of transportation equipment.

#### Note 8—Lease Commitments

In April 2015, the Organization entered into a sixty-three-month lease agreement for an office facility located in Lakewood, California, commencing on June 1, 2015 after vacating the previously occupied office facility. The terms of the agreement require monthly payments of \$3,018 and are subject to annual increases. Facility expenses for the years ended December 31, 2016 and 2015 totaled \$33,744 and \$24,316, respectively. Future minimum payments under this lease are as follows:

<u>Year Ending December 31,</u>	
2017	\$ 37,959
2018	39,096
2019	40,269
2020	27,482
<b>Total</b>	<b><u>\$ 144,806</u></b>

#### Note 9—Recent Accounting Pronouncements

Fair Value Measurement—In May 2015, the FASB issued Accounting Standards Update No. 2015-07 (ASU 2015-07), Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities that Calculate Net Asset Value per Share (or its Equivalent). ASU 2015-07 removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using net asset value per share as a practical expedient. For nonpublic business entities, ASU 2015-07 is effective for fiscal years beginning after December 15, 2016, with early adoption permitted. The Organization is currently evaluating the impact that the adoption of ASU 2017-07 will have on its financial statements.

Leases—In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842), which requires organizations that lease assets (lessees) to recognize the assets and related liabilities for the rights and obligations created by the leases on the statement of financial position for leases with terms exceeding 12 months. ASU No. 2016-02 defines a lease as a contract or part of a contract that conveys the right to control the use of identified assets for a period of time in exchange for consideration. The lessee in a lease will be required to initially measure the right-of-use asset and the lease liability at the present value of the remaining lease payments, as well as capitalize initial direct costs as part of the right-of-use asset. ASU No. 2016-02 is effective for the Organization in 2020; early adoption is permitted. The Organization is currently evaluating the impact that the adoption of ASU 2016-02 will have on its financial statements.

**Food Finders, Inc.**

**Notes to Financial Statements—Continued**

**Note 9—Recent Accounting Pronouncements—Continued**

Net Assets Presentation—In August 2016, the FASB issued ASU No. 2016-14, Presentation of Financial Statements of Not-for-Profit Entities, which is intended to improve how a not-for-profit entity classifies its net assets, as well as the information it presents in its financial statements about its liquidity and availability of resources, expenses and investment returns, and cash flows. The guidance replaces the three classes of net assets currently presented on the statement of financial position with two new classes of net assets, which are based on the existence or absence of donor-imposed restrictions. ASU No. 2016-14 includes specific disclosure requirements intended to improve a financial statement user's ability to assess an entity's available financial resources, along with its management of liquidity and liquidity risk. The guidance requires all not-for-profit entities to present expenses by both their natural and functional classification in a single location in the financial statements. ASU No. 2016-14 is effective for the Organization in 2018. Early adoption is permitted. The Organization is currently evaluating the impact that the adoption of ASU 2016-14 will have on its financial statements.

**Note 10—Subsequent Events**

Management evaluated all activities of Food Finders, Inc. through November 3, 2017, which is the date the financial statements were available to be issued, and concluded that no other material subsequent events have occurred that would require adjustment to the financial statements or disclosure in the notes to the financial statements.