

**The Houston Food Bank
and Subsidiaries**

Consolidated Financial Statements
and Independent Auditors' Report
for the years ended June 30, 2014 and 2013

The Houston Food Bank and Subsidiaries

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Independent Auditors' Report

To the Board of Directors of
The Houston Food Bank:

Report on the Financial Statements

We have audited the accompanying financial statements of The Houston Food Bank and Subsidiaries, which comprise the consolidated statements of financial position as of June 30, 2014 and 2013 and the related consolidated statements of activities, of functional expenses, and of 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.

Auditors' 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 our audits 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 auditors' 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 consolidated financial position of The Houston Food Bank and Subsidiaries as of June 30, 2014 and 2013 and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information included in the consolidating statement of financial position as of June 30, 2014 and the consolidating statement of activities for the year ended June 30, 2014 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Report Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 3, 2015 on our consideration of The Houston Food Bank and Subsidiaries' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 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 The Houston Food Bank and Subsidiaries' internal control over financial reporting and compliance.

Blazek & Vetterling

March 3, 2015

The Houston Food Bank and Subsidiaries

Consolidated Statements of Financial Position as of June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and cash equivalents (<i>Note 2</i>)	\$ 1,893,804	\$ 4,235,800
Accounts receivable:		
Government grants and contracts	584,706	683,598
Agency	347,026	440,890
Food and other inventory	9,037,794	15,131,216
Prepaid expenses and other assets	438,965	582,325
Pledges receivable (<i>Note 3</i>)	1,877,607	2,774,134
Debt issuance costs, net	343,900	356,959
Cash restricted by notes payable (<i>Notes 2 and 8</i>)	795,926	1,127,462
Investments (<i>Notes 4 and 5</i>)	8,618,772	8,485,738
Note receivable (<i>Note 6</i>)	36,856,479	36,856,479
Property and equipment, net (<i>Note 7</i>)	<u>55,569,656</u>	<u>56,572,745</u>
TOTAL ASSETS	<u>\$ 116,364,635</u>	<u>\$ 127,247,346</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 425,002	\$ 663,929
Accrued expenses	661,692	659,571
Deferred revenue	30,665	39,930
Notes payable		1,895,372
New market tax credits notes payable (<i>Note 8</i>)	<u>48,964,971</u>	<u>48,964,971</u>
Total liabilities	<u>50,082,330</u>	<u>52,223,773</u>
Net assets (<i>Note 12</i>):		
Unrestricted (<i>Note 9</i>)	62,184,154	70,517,152
Temporarily restricted (<i>Note 10</i>)	2,656,761	3,065,031
Permanently restricted (<i>Note 11</i>)	<u>1,441,390</u>	<u>1,441,390</u>
Total net assets	<u>66,282,305</u>	<u>75,023,573</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 116,364,635</u>	<u>\$ 127,247,346</u>

See accompanying notes to consolidated financial statements.

The Houston Food Bank and Subsidiaries

Consolidated Statement of Activities for the year ended June 30, 2014

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>TOTAL</u>
REVENUE:				
Donated food and household items <i>(Note 13)</i>	\$ 131,338,312			\$ 131,338,312
Contributions	9,466,814	\$ 1,862,932		11,329,746
Other in-kind contributions <i>(Note 13)</i>	2,061,953			2,061,953
Special events	1,862,508			1,862,508
Direct donor benefit costs	(62,882)			(62,882)
Government grants and contracts <i>(Note 14)</i>	5,298,742			5,298,742
Agency fees	2,229,303			2,229,303
Sales of purchased food	776,332			776,332
Building lease income	943,430			943,430
Food preparation fees	259,236			259,236
Investment return <i>(Note 4)</i>	1,300,485	202,542		1,503,027
Other income	<u>273,951</u>			<u>273,951</u>
Total revenue	155,748,184	2,065,474		157,813,658
Net assets released from restrictions:				
Capital expenditures	442,290	(442,290)		
Expenditures for program purposes	1,437,100	(1,437,100)		
Expiration of time restrictions	<u>594,354</u>	<u>(594,354)</u>		
Total	<u>158,221,928</u>	<u>(408,270)</u>		<u>157,813,658</u>
EXPENSES:				
Food distribution program	159,497,119			159,497,119
Management and general	3,963,749			3,963,749
Fundraising	<u>3,094,058</u>			<u>3,094,058</u>
Total expenses	<u>166,554,926</u>			<u>166,554,926</u>
CHANGES IN NET ASSETS	(8,332,998)	(408,270)		(8,741,268)
Net assets, beginning of year	<u>70,517,152</u>	<u>3,065,031</u>	<u>\$ 1,441,390</u>	<u>75,023,573</u>
Net assets, end of year	<u>\$ 62,184,154</u>	<u>\$ 2,656,761</u>	<u>\$ 1,441,390</u>	<u>\$ 66,282,305</u>

See accompanying notes to consolidated financial statements.

The Houston Food Bank and Subsidiaries

Consolidated Statement of Activities for the year ended June 30, 2013

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>TOTAL</u>
REVENUE:				
Donated food and household items <i>(Note 13)</i>	\$ 138,647,721			\$ 138,647,721
Contributions	7,999,640	\$ 3,558,385		11,558,025
Other in-kind contributions <i>(Note 13)</i>	1,087,576			1,087,576
Special events	1,827,174			1,827,174
Direct donor benefit costs	(41,592)			(41,592)
Government grants and contracts <i>(Note 14)</i>	5,187,415			5,187,415
Agency fees	2,303,218			2,303,218
Sales of purchased food	1,250,110			1,250,110
Building lease income	932,093			932,093
Food preparation fees	798,471			798,471
Investment return <i>(Note 4)</i>	1,037,665	150,153		1,187,818
Other income	<u>345,912</u>			<u>345,912</u>
Total revenue	161,375,403	3,708,538		165,083,941
Net assets released from restrictions:				
Capital expenditures	375,505	(375,505)		
Expenditures for program purposes	980,906	(980,906)		
Expiration of time restrictions	<u>569,374</u>	<u>(569,374)</u>		
Total	<u>163,301,188</u>	<u>1,782,753</u>		<u>165,083,941</u>
EXPENSES:				
Food distribution program	155,013,368			155,013,368
Management and general	4,268,172			4,268,172
Fundraising	<u>2,636,213</u>			<u>2,636,213</u>
Total expenses	<u>161,917,753</u>			<u>161,917,753</u>
CHANGES IN NET ASSETS	1,383,435	1,782,753		3,166,188
Net assets, beginning of year	<u>69,133,717</u>	<u>1,282,278</u>	<u>\$ 1,441,390</u>	<u>71,857,385</u>
Net assets, end of year	<u>\$ 70,517,152</u>	<u>\$ 3,065,031</u>	<u>\$ 1,441,390</u>	<u>\$ 75,023,573</u>

See accompanying notes to consolidated financial statements.

The Houston Food Bank and Subsidiaries

Consolidated Statement of Functional Expenses for the year ended June 30, 2014

	FOOD DISTRIBUTION PROGRAM	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL
Salaries	\$ 6,268,247	\$ 1,691,601	\$ 1,253,503	\$ 9,213,351
Contract labor and intern stipends	688,647	159,419	18,619	866,685
Payroll taxes and benefits	<u>1,466,442</u>	<u>395,947</u>	<u>293,025</u>	<u>2,155,414</u>
Total salaries and related expenses	8,423,336	2,246,967	1,565,147	12,235,450
Distributed donated food and supplies	139,006,024	3,657	38,368	139,048,049
Depreciation	2,809,156	212,060	115,754	3,136,970
Purchased food	2,436,350			2,436,350
Trucking expense	1,472,422			1,472,422
Utilities and telephone	907,909	186,941	70,273	1,165,123
Repairs and maintenance	1,030,757	44,817	57,489	1,133,063
Supplies and office expense	717,802	145,997	250,901	1,114,700
Printing and boxes	226,417	47,145	648,519	922,081
Professional fees	45,019	576,172	242,286	863,477
Value-added processing expense	794,112			794,112
Warehouse expense	612,272			612,272
Interest	378,171	28,548	15,583	422,302
Insurance	290,769	43,985	6,432	341,186
Advertising	21,959	251,054	32,714	305,727
Travel	186,237	16,070	28,043	230,350
Equipment rental	90,022	16,863	3,644	110,529
Training and seminars	9,568	45,986	7,857	63,411
Agency grants	34,747			34,747
Other	<u>4,070</u>	<u>97,487</u>	<u>11,048</u>	<u>112,605</u>
Total expenses	<u>\$ 159,497,119</u>	<u>\$ 3,963,749</u>	<u>\$ 3,094,058</u>	166,554,926
Direct donor benefit costs				<u>62,882</u>
Total				<u>\$ 166,617,808</u>

See accompanying notes to consolidated financial statements.

The Houston Food Bank and Subsidiaries

Consolidated Statement of Functional Expenses for the year ended June 30, 2013

	FOOD DISTRIBUTION PROGRAM	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL
Salaries	\$ 5,693,490	\$ 1,738,302	\$ 1,248,622	\$ 8,680,414
Contract labor and intern stipends	728,361	256,985	32,522	1,017,868
Payroll taxes and benefits	<u>1,234,673</u>	<u>376,963</u>	<u>270,772</u>	<u>1,882,408</u>
Total salaries and related expenses	7,656,524	2,372,250	1,551,916	11,580,690
Distributed donated food and supplies	135,349,988	718	7,127	135,357,833
Depreciation	2,274,561	171,703	93,726	2,539,990
Purchased food	2,749,722			2,749,722
Trucking expense	1,207,727			1,207,727
Utilities and telephone	756,562	166,651	63,177	986,390
Repairs and maintenance	1,130,984	36,964	61,744	1,229,692
Supplies and office expense	691,189	252,304	213,251	1,156,744
Printing and boxes	218,566	118,128	228,400	565,094
Professional fees	171,636	510,299	283,124	965,059
Value-added processing expense	1,360,677			1,360,677
Warehouse expense	490,811			490,811
Interest	400,625	30,243	16,508	447,376
Insurance	173,917	92,318	338	266,573
Advertising	9,626	281,319	41,826	332,771
Travel	190,800	48,197	45,078	284,075
Equipment rental	58,005	8,050	2,545	68,600
Training and seminars	24,573	86,784	27,453	138,810
Agency grants	54,219			54,219
Bad debt expense		59,010		59,010
Other	<u>42,656</u>	<u>33,234</u>		<u>75,890</u>
Total expenses	<u>\$ 155,013,368</u>	<u>\$ 4,268,172</u>	<u>\$ 2,636,213</u>	161,917,753
Direct donor benefit costs				<u>41,592</u>
Total				<u>\$ 161,959,345</u>

See accompanying notes to consolidated financial statements.

The Houston Food Bank and Subsidiaries

Consolidated Statements of Cash Flows for the years ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ (8,741,268)	\$ 3,166,188
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Depreciation	3,136,970	2,539,990
Amortization of debt issuance costs	13,059	8,706
Realized and unrealized gain on investments	(798,937)	(623,037)
Changes in operating assets and liabilities:		
Accounts receivable	192,756	395,683
Food and other inventory	6,093,422	(4,456,351)
Prepaid expenses and other assets	143,360	10,166
Pledges receivable	397,993	(1,142,395)
Accounts payable and accrued expenses	(236,806)	(1,045,324)
Deferred revenue	<u>(9,265)</u>	<u>29,345</u>
Net cash provided (used) by operating activities	<u>191,284</u>	<u>(1,117,029)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investments	1,684,969	811,445
Purchases of investments	(1,042,373)	(779,523)
Net change in money market mutual funds and cash held for investment	23,307	397,609
Net change in cash restricted by notes payable	331,536	1,134,563
Purchases of property and equipment	<u>(2,133,881)</u>	<u>(2,647,320)</u>
Net cash used by investing activities	<u>(1,136,442)</u>	<u>(1,083,226)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from contributions restricted for capital campaign	498,534	4,189,132
Payments of notes payable	<u>(1,895,372)</u>	<u>(537,175)</u>
Net cash provided (used) by financing activities	<u>(1,396,838)</u>	<u>3,651,957</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(2,341,996)	1,451,702
Cash and cash equivalents, beginning of year	<u>4,235,800</u>	<u>2,784,098</u>
Cash and cash equivalents, end of year	<u>\$ 1,893,804</u>	<u>\$ 4,235,800</u>
<i>Supplemental disclosure of cash flow information:</i>		
Interest paid	\$431,806	\$462,917

See accompanying notes to consolidated financial statements.

The Houston Food Bank and Subsidiaries

Notes to Consolidated Financial Statements for the years ended June 30, 2014 and 2013

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization – The Houston Food Bank is a Texas nonprofit organization founded in 1982 to help feed the hungry by seeking food donations and distributing them to local charitable agencies that care for the needy. The Houston Food Bank is a certified affiliate of Feeding America.

Houston Food Bank Endowment (the Endowment) was organized in 1990 as a Texas nonprofit organization to receive and maintain contributed funds and to support The Houston Food Bank. The Houston Food Bank is the sole member of the Endowment.

The Mary Barden Keegan Food Fund, Inc. (MBKFF) was organized in 2000 as a Texas nonprofit corporation to receive and maintain contributed funds to support End Hunger Network, Houston (End Hunger) or its successor organization. The Houston Food Bank is the sole member of MBKFF.

HFB QALICB LLC (QALICB) was organized in 2010 as a Texas limited liability company. The Houston Food Bank has a 99.9% membership interest and MBKFF has a 0.10% membership interest in QALICB. QALICB was organized to acquire and remodel a warehouse facility (the Portwall facility) for use by The Houston Food Bank.

Basis of consolidation – These financial statements include the assets, liabilities, net assets, and activities of The Houston Food Bank, the Endowment, MBKFF, and QALICB (collectively The Food Bank). All balances and transactions between the consolidated entities have been eliminated.

Federal income tax status – The Houston Food Bank, the Endowment, and MBKFF are exempt from federal income tax under §501(c)(3) of the Internal Revenue Code. The Houston Food Bank is classified as a public charity under §170(b)(1)(A)(vi). The Endowment is classified as a Type I supporting organization under §509(a)(3). MBKFF is classified as a Type I supporting organization under §509(a)(3). The Houston Food Bank, the Endowment, and MBKFF file annual federal information returns that are subject to routine examination; however, there are no examinations for any tax periods currently in progress. QALICB files an annual U. S. Return of Partnership Income that is subject to routine examination; however, there are no examinations for any tax periods currently in progress. The Houston Food Bank, the Endowment, MBKFF and QALICB believe they are no longer subject to examinations of returns for tax years ended before June 30, 2011.

Cash equivalents include highly liquid financial instruments with original maturities of three months or less. Cash and cash equivalents held for long-term purposes are classified as investments.

Certificates of deposit – non-negotiable are reported at face value plus accrued interest.

Allowance for uncollectible receivables – An allowance for accounts receivable and pledges receivable is provided when management believes the balance may not be collected in full. It is The Food Bank's policy to write off receivables against the allowance when management determines the receivable will not be collected. The allowance is determined using a combination of historical loss experience and individual account-by-account analysis of accounts receivable balances and pledges receivable balances each period. It is possible that management's estimate regarding collectability will change in the near term resulting in a change in the carrying value of accounts receivable and pledges receivable.

Food and other inventory consist primarily of canned goods, produce, and durable household goods. Donated food inventory is valued at approximate average wholesale value of one pound of donated product based on the national per pound price as provided by the most recent Feeding America Product Valuation Survey. Purchased food is valued at the cost of products purchased as determined by the first-in, first-out method. Inventory also includes items donated by a home improvement store for use by agencies. These items are valued at approximate fair market value on the date of contribution. The Food Bank recognizes donated food, commodities, and other goods as inventory and as contributions in these consolidated financial statements.

Pledges receivable that are expected to be collected within one year are reported at net realizable value. Amounts expected to be collected in more than one year are discounted to estimate the present value of future cash flows.

Debt issuance costs represent costs incurred related to the issuance of the new market tax credits notes payable and are amortized over the term of the debt.

Investments are reported at fair value. Investment return is reported in the statement of activities as an increase in unrestricted net assets unless the use of income is limited by donor-imposed restrictions. Investment return whose use is restricted by the donor is reported as an increase in temporarily restricted net assets.

Note receivable is reported at its outstanding principal balance. The note receivable is considered to be fully collectible, and accordingly, no allowance for doubtful accounts has been provided. In making that determination, management evaluated the financial condition of the borrower, the estimated value of the underlying collateral, and current economic conditions. Interest on the note receivable is recognized over the term of the note receivable and is calculated using the simple-interest method on principal amounts outstanding.

Property and equipment are reported at cost, if purchased, or at fair value at the date of gift, if donated. Depreciation is provided on a straight-line basis over estimated useful lives of 40 years for buildings and 5 years for furniture, equipment, and motor vehicles.

Net asset classification – Contributions, investment return, and the related net assets are classified based on the existence or absence of donor-imposed restrictions, as follows:

- *Unrestricted net assets* include those net assets whose use is not restricted by donor-imposed stipulations, even though their use may be limited in other respects, such as by contract or board designation.
- *Temporarily restricted net assets* include contributions and investment return restricted by the donor for specific purposes or time periods. When a purpose restriction is accomplished or a time restriction ends, temporarily restricted net assets are released to unrestricted net assets.
- *Permanently restricted net assets* include contributions that donors have restricted in perpetuity. Investment return on permanently restricted net assets is temporarily restricted until used in accordance with donor restrictions.

Contributions are recognized as revenue at fair value when an unconditional commitment is received from the donor. Contributions received with donor stipulations that limit their use are classified as restricted support. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are classified as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained,

The Food Bank reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Non-cash contributions – Donated materials and use of facilities are recognized at fair value as contributions when an unconditional commitment is received from the donor. The related expense is recognized as the item is used. Contributions of services are recognized when services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. A substantial number of volunteers have contributed significant amounts of time in connection with the food distribution program for which no amount has been recorded in the financial statements because the donated services did not meet the criteria for recognition under generally accepted accounting principles.

Government grants and contracts are recognized when the related services are provided. Advances received for services not yet performed are reported in the statement of financial position as deferred revenue.

Agency fees represent fees paid by agencies for food handling charges and are recognized when shipments of food are made to the agencies.

Sales of purchased food are recognized as revenue when shipments of food are made to agencies.

Food preparation fees represent fees paid by agencies for reimbursement of costs of processing, cooking, and freezing meats for distribution. Fees are recognized when the meals are delivered.

Advertising costs are expensed as incurred.

Estimates – Management must make estimates and assumptions to prepare financial statements in accordance with generally accepted accounting principles. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, the amounts reported as revenue and expenses, and the allocation of expenses among various functions. Actual results could vary from the estimates that were used.

NOTE 2 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

	<u>2014</u>	<u>2013</u>
Demand deposits	\$ 2,589,730	\$ 5,263,262
Certificates of deposit – non-negotiable	<u>100,000</u>	<u>100,000</u>
Total cash and cash equivalents	2,689,730	5,363,262
Cash restricted by notes payable	<u>(795,926)</u>	<u>(1,127,462)</u>
Cash and cash equivalents	<u>\$ 1,893,804</u>	<u>\$ 4,235,800</u>

Demand deposits exceed the federally insured limit per depositor per institution.

NOTE 3 – PLEDGES RECEIVABLE

Pledges receivable consist of the following:

	<u>2014</u>	<u>2013</u>
Total pledges receivable	\$ 1,887,328	\$ 2,799,933
Discount to estimated present value at 0.41% to 0.88%	<u>(9,721)</u>	<u>(25,799)</u>
Total pledges receivable, net	<u>\$ 1,877,607</u>	<u>\$ 2,774,134</u>

Pledges receivable at June 30, 2014 are expected to be collected as follows:

Receivable in one year	\$ 900,303
Receivable in one to five years	<u>987,025</u>
Total pledges receivable	<u>\$ 1,887,328</u>

At June 30, 2014, approximately 32% of pledges receivable are due from one donor. At June 30, 2013, approximately 29% of pledges receivable are due from one donor.

NOTE 4 – INVESTMENTS

Investments consist of the following:

	<u>2014</u>	<u>2013</u>
Equity securities	\$ 2,878,582	\$ 2,316,436
Debt securities	2,166,704	2,266,065
Domestic equity mutual funds	1,727,101	2,006,961
International equity mutual funds	1,430,601	1,347,700
Money market mutual funds	240,086	57,154
Asset-backed securities	154,628	173,330
Certificates of deposit – negotiable	19,980	110,763
Cash	<u>1,090</u>	<u>207,329</u>
Total investments	<u>\$ 8,618,772</u>	<u>\$ 8,485,738</u>

Investments are exposed to various risks such as interest rate, market and credit risks. Because of these risks, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position and statement of activities.

Investment return, including earnings on cash and cash equivalents, consists of the following:

	<u>2014</u>	<u>2013</u>
Interest and dividends	\$ 704,090	\$ 564,781
Realized and unrealized gain on investments	<u>798,937</u>	<u>623,037</u>
Total investment return	<u>\$ 1,503,027</u>	<u>\$ 1,187,818</u>

Investment management fees of approximately \$32,000 and \$44,000 at June 30, 2014 and 2013, respectively, are included in management and general expenses in the statement of activities.

NOTE 5 – FAIR VALUE MEASUREMENTS

Generally accepted accounting principles require that certain assets and liabilities be reported at fair value and establish a hierarchy that prioritizes inputs used to measure fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The three levels of the fair value hierarchy are as follows:

- *Level 1* – Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the reporting date.
- *Level 2* – Inputs are other than quoted prices included in Level 1, which are either directly observable or can be derived from or corroborated by observable market data at the reporting date.
- *Level 3* – Inputs are not observable and are based on the reporting entity’s assumptions about the inputs market participants would use in pricing the asset or liability.

Assets measured at fair value on a recurring basis at June 30, 2014 are as follows:

	<u>LEVEL 1</u>	<u>LEVEL 2</u>	<u>LEVEL 3</u>	<u>TOTAL</u>
Equity securities:				
Consumer staples	\$ 546,443			\$ 546,443
Energy	382,456			382,456
International	353,115			353,115
Information technology	344,752			344,752
Preferred stock	335,002			335,002
Consumer discretionary	243,659			243,659
Financial	231,947			231,947
Healthcare	210,863			210,863
Capital goods	147,687			147,687
Materials	82,658			82,658
Debt securities:				
Municipal bonds		\$ 1,108,796		1,108,796
Corporate bonds and notes		1,057,908		1,057,908
Domestic equity mutual funds:				
Mid-cap	1,345,031			1,345,031
Large-cap	382,070			382,070
International equity mutual funds:				
Large-cap	791,011			791,011
Strategic	431,778			431,778
Emerging markets	207,812			207,812
Money market mutual funds	240,086			240,086
Asset-backed securities		154,628		154,628
Certificates of deposit – negotiable		19,980		19,980
Total investments measured at fair value	<u>\$ 6,276,370</u>	<u>\$ 2,341,312</u>	<u>\$ 0</u>	8,617,682
Cash held as investments				<u>1,090</u>
Total investments				<u>\$ 8,618,772</u>

Assets measured at fair value on a recurring basis at June 30, 2013 are as follows:

	<u>LEVEL 1</u>	<u>LEVEL 2</u>	<u>LEVEL 3</u>	<u>TOTAL</u>
Equity securities:				
Consumer staples	\$ 521,240			\$ 521,240
Energy	318,104			318,104
International	297,158			297,158
Information technology	256,769			256,769
Preferred stock	223,550			223,550
Consumer discretionary	212,250			212,250
Financial	138,941			138,941
Healthcare	176,855			176,855
Capital goods	106,518			106,518
Materials	65,051			65,051
Debt securities:				
Municipal bonds		\$ 1,240,312		1,240,312
Corporate bonds and notes		1,025,753		1,025,753
Domestic equity mutual funds:				
Mid-cap	1,413,809			1,413,809
Large-cap	593,152			593,152
International equity mutual funds:				
Large-cap	821,338			821,338
Strategic	348,442			348,442
Emerging markets	177,920			177,920
Money market mutual funds	57,154			57,154
Asset-backed securities		173,330		173,330
Certificates of deposit – negotiable		110,763		110,763
Total investments measured at fair value	<u>\$ 5,728,251</u>	<u>\$ 2,550,158</u>	<u>\$ 0</u>	8,278,409
Cash held as investments				<u>207,329</u>
Total investments				<u>\$ 8,485,738</u>

Valuation methods used for assets measured at fair value on a recurring basis are as follows:

- *Equity securities* are valued at the closing price reported on the active market on which the individual securities are traded.
- *Municipal bonds, corporate bonds and notes, asset-backed securities, and certificates of deposit – negotiable* are valued using prices obtained from independent quotation bureaus that use computerized valuation formulas which may include market-corroborated inputs for credit risk factors, interest rate, yield curves, and broker quotes to calculate fair values.
- *Mutual funds* are valued at the net asset value of shares held at year end.

These valuation methods may produce a fair value that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while The Food Bank believes its valuation methods are appropriate, the use of different methods or assumptions could result in a different fair value measurement at the reporting date.

Financial instruments – The carrying value of The Food Bank’s financial instruments including cash, pledges receivable, other short-term assets and liabilities, notes receivable, and debt approximates fair value at June 30, 2014 and 2013.

NOTE 6 – NOTE RECEIVABLE

The Food Bank entered into an agreement on June 23, 2010 to lend \$36,856,479 to Chase NMTC Houston Food Bank Investment Fund, LLC (Chase NMTC Fund). The note is secured by Chase NMTC Fund's membership interest in NDC New Markets Investments LIX, LLC (NDC CDE), Business Loan Conduit No. 10, LLC (CRF CDE), and NDC New Markets Investment 46, LLC (LISC CDE), (collectively the CDEs) and other cash accounts held by a secured party. The interest rate on the note is fixed at 1%. Interest is payable quarterly beginning September 2010 until December 2017. All principal and unpaid interest is due and payable in June 2040. Interest earned in 2014 and 2013 was \$368,565 and \$368,215, respectively. At June 30, 2013, \$30,714 of interest income is receivable. The Food Bank may accelerate the maturity date of the note to December 2017 with 30-days notice to Chase NMTC Fund.

NOTE 7 – PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	<u>2014</u>	<u>2013</u>
Land	\$ 5,210,382	\$ 5,210,382
Buildings	48,506,541	48,385,194
Furniture and equipment	6,950,968	5,483,840
Motor vehicles	<u>4,369,161</u>	<u>3,823,755</u>
Total property and equipment, at cost	65,037,052	62,903,171
Accumulated depreciation	<u>(9,467,396)</u>	<u>(6,330,426)</u>
Property and equipment, net	<u>\$ 55,569,656</u>	<u>\$ 56,572,745</u>

NOTE 8 – NEW MARKET TAX CREDITS NOTES PAYABLE

QALICB executed a loan agreement on June 23, 2010, that provides for borrowings of \$12,125,000, \$26,500,000 and \$10,339,971 from NDC CDE, CRF CDE, and LISC CDE, respectively. The loans are to finance the purchase and renovations of the Portwall facility and are intended to be treated as a “qualified low-income community investment” for purposes of generating New Market Tax Credits under Section 45D of the Internal Revenue Code of 1986, as amended. The loans are secured by a property deed of trust, security agreement and fixture filing on this property and a guaranty by The Food Bank.

Pursuant to the issuance of the New Market Tax Credits Financing Commitment, QALICB is required to maintain certain funds at JPMorgan Chase Bank, N.A. At June 30, 2014 and 2013, \$795,926 and \$1,127,462 is held at JPMorgan Chase Bank, N.A. for this purpose, respectively.

Each loan accrues interest at 0.814%, payable quarterly beginning in September 2010 with the principal balance due in its entirety on the stated maturity dates. QALICB is not permitted to prepay any portion of the loans until the seventh anniversary of the loan. The balances outstanding on the notes payable, maturity dates and repayment terms are as follows:

	<u>AMOUNT</u>
Note payable to Business Loan Conduit No. 10, LLC, matures on June 23, 2040, with principal payments commencing in September 2020.	\$ 20,146,863

Note payable to NDC New Markets Investment 46, LLC, matures on June 23, 2040, with principal payments commencing in September 2020.	8,878,237
Note payable to NDC New Markets Investments LIX, LLC, matures on June 21, 2040, with principal payments commencing in September 2020.	7,832,827
Note payable to Business Loan Conduit No. 10, LLC, matures on June 23, 2040, with principal payments commencing in September 2030.	6,353,137
Note payable to NDC New Markets Investment 46, LLC, matures on June 23, 2040, with principal payments commencing in September 2030.	3,059,263
Note payable to NDC New Markets Investments LIX, LLC, matures on June 21, 2040, with principal payments commencing in September 2030.	2,507,144
Note payable to NDC New Markets Investment 46, LLC, matures on June 23, 2017, with principal payments commencing in September 2030.	<u>187,500</u>
Total new market tax credits notes payable	<u>\$ 48,964,971</u>

At any time after the seventh anniversary and before the eighth anniversary of the note receivable, JPMorgan Chase Bank, N.A. can exercise its put option to sell its interest in the Chase NMTC Fund to The Food Bank for \$1,000. After exercising its option to purchase the interest in the Chase NMTC Fund, The Food Bank may cancel the new market tax credits notes payable.

For the years ended June 30, 2014 and 2013, interest expense of \$422,302 and \$447,376, respectively, was recognized.

NOTE 9 – UNRESTRICTED NET ASSETS

Unrestricted net assets consist of the following:

	<u>2014</u>	<u>2013</u>
Undesignated	\$ 57,124,712	\$ 66,073,450
Board-designated – quasi-endowment for general operations	<u>5,059,442</u>	<u>4,443,702</u>
Total unrestricted net assets	<u>\$ 62,184,154</u>	<u>\$ 70,517,152</u>

NOTE 10 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	<u>2014</u>	<u>2013</u>
Time restricted	\$ 905,434	\$ 1,358,009
Backpack Buddies	841,753	1,109,396
Accumulated earnings on general endowment	290,754	140,192
Equipment and infrastructure	263,336	177,627
Food purchase	192,055	
Other	<u>163,429</u>	<u>279,807</u>
Total temporarily restricted net assets	<u>\$ 2,656,761</u>	<u>\$ 3,065,031</u>

NOTE 11 – PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets are invested to support the following:

	<u>2014</u>	<u>2013</u>
Houston Food Bank Endowment – general operations	\$ 946,390	\$ 946,390
End Hunger central building	<u>495,000</u>	<u>495,000</u>
Total permanently restricted net assets	<u>\$ 1,441,390</u>	<u>\$ 1,441,390</u>

NOTE 12 – ENDOWMENT FUNDS

The Board of Directors of the Endowment has interpreted the Texas Uniform Prudent Management of Institutional Funds Act (TUPMIFA) 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, The Food Bank classifies the original value of gifts donated to the permanent endowment as permanently restricted net assets. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Endowment in a manner consistent with the standard of prudence prescribed by TUPMIFA. In accordance with TUPMIFA, the Endowment considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

Return Objectives and Risk Parameters

The Endowment has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to The Food Bank while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Endowment must hold in perpetuity or for a donor-specified period, as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets of the Endowment are invested in a manner that will seek to maintain a level of portfolio risk that is no more than 125% of the risk of the portfolio's tactical index. The Endowment expects its endowment funds, over time, to provide an average rate-of-return net of investment management expenses of 5%, plus the annual rate of inflation over any 10-year period.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Endowment relies on a total return strategy in which investment return is achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Endowment 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.

Spending Policy

The Endowment has a policy of not appropriating more than 5% of the endowment fund's average market value as of the end of the last three fiscal years prior to the year in which the distribution is planned. In establishing this policy, the Endowment considered the long-term expected return and the effects of inflation on its endowment. This is consistent with the Endowment'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.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or TUPMIFA requires the Endowment to retain as a fund of perpetual duration. Deficiencies of this nature are reported as unrestricted net assets.

Endowment net asset composition as of June 30, 2014 is as follows:

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>TOTAL</u>
Board-designated endowment funds	\$ 5,059,442			\$ 5,059,442
Donor-restricted endowment funds	<u> </u>	<u>\$ 290,754</u>	<u>\$ 946,390</u>	<u>1,237,144</u>
Endowment net assets	<u>\$ 5,059,442</u>	<u>\$ 290,754</u>	<u>\$ 946,390</u>	<u>\$ 6,296,586</u>

Endowment net asset composition as of June 30, 2013 is as follows:

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>TOTAL</u>
Board-designated endowment funds	\$ 4,443,702			\$ 4,443,702
Donor-restricted endowment funds	<u> </u>	<u>\$ 140,192</u>	<u>\$ 946,390</u>	<u>1,086,582</u>
Endowment net assets	<u>\$ 4,443,702</u>	<u>\$ 140,192</u>	<u>\$ 946,390</u>	<u>\$ 5,530,284</u>

Changes in net assets of the endowment funds are as follows:

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>TOTAL</u>
Endowment net assets, June 30, 2012	\$ 4,040,185	<u>\$ 41,523</u>	<u>\$ 946,390</u>	<u>\$ 5,028,098</u>
Investment return:				
Interest and dividends	68,755	16,812		85,567
Net realized and unrealized gain	<u>545,314</u>	<u>133,341</u>		<u>678,655</u>
Total investment return	<u>614,069</u>	<u>150,153</u>		<u>764,222</u>
Distribution	(175,030)	(42,798)		(217,828)
Investment management fees	<u>(35,522)</u>	<u>(8,686)</u>		<u>(44,208)</u>
Endowment net assets, June 30, 2013	<u>4,443,702</u>	<u>140,192</u>	<u>946,390</u>	<u>5,530,284</u>
Investment return:				
Interest and dividends	177,691	43,449		221,140
Net realized and unrealized gain	<u>650,630</u>	<u>159,093</u>		<u>809,723</u>
Total investment return	<u>828,321</u>	<u>202,542</u>		<u>1,030,863</u>
Distribution	(186,684)	(45,648)		(232,332)
Investment management fees	<u>(25,897)</u>	<u>(6,332)</u>		<u>(32,229)</u>
Endowment net assets, June 30, 2014	<u>\$ 5,059,442</u>	<u>\$ 290,754</u>	<u>\$ 946,390</u>	<u>\$ 6,296,586</u>

NOTE 13 – NON-CASH CONTRIBUTIONS

Food donations – The majority of food distributed by The Food Bank is received by contributions from general public donations and from the U. S. Department of Agriculture (USDA). The estimated value of these contributions is recognized in the financial statements as contribution revenue and inventory or program expenses if distributed during the year. The pounds collected are recorded by The Food Bank staff at the time of receipt based on actual weight. The total value of contributed food for the years ended June 30, 2014 and 2013 is as follows:

	<u>2014</u>			<u>2013</u>		
	<u>POUNDS</u>	<u>VALUE PER POUND</u>	<u>AMOUNT</u>	<u>POUNDS</u>	<u>VALUE PER POUND</u>	<u>AMOUNT</u>
General donations	62,498,337	\$1.72	\$ 107,497,139	58,446,141	\$1.69	\$ 98,773,979
USDA	<u>13,861,147</u>	\$1.72	<u>23,841,173</u>	<u>23,593,931</u>	\$1.69	<u>39,873,742</u>
Total	<u>76,359,484</u>		<u>\$ 131,338,312</u>	<u>82,040,072</u>		<u>\$ 138,647,721</u>

Other donations – During 2014, The Food Bank received \$2,061,953 of other donated property, goods and services, including \$1,208,770 of items from a home improvement store for use by agencies, \$711,142 from a grocery store for use by agencies and \$142,041 of miscellaneous goods and services. During 2013, The Food Bank received \$1,087,576 of other donated property, goods and services, including \$1,061,971 of items from a home improvement store for use by agencies and \$25,605 of miscellaneous goods and services.

NOTE 14 – GOVERNMENT GRANTS AND CONTRACTS

The Food Bank is party to contracts with federal, state and local governmental agencies. Should these contracts not be renewed, a replacement for this source of support may not be forthcoming and related expenses would not be incurred. Sources of government grants and contracts are as follows:

	<u>2014</u>	<u>2013</u>
U. S. Department of Agriculture	\$ 3,491,784	\$ 4,432,371
Texas Department of Agriculture	1,446,977	
U. S. Department of Health and Human Services	152,148	474,473
Federal Department of Homeland Security	143,198	186,613
City of Houston	53,062	93,958
Other	<u>11,573</u>	
Total federal, state, and city grants and contracts	5,298,742	5,187,415
U. S. Department of Agriculture commodities	<u>23,841,173</u>	<u>39,873,742</u>
Total government grants and contracts	<u>\$ 29,139,915</u>	<u>\$ 45,061,157</u>

The grants from federal and state funding sources require fulfillment of certain conditions as set forth in the grant contracts and are subject to review and audit by the awarding agencies. Such reviews and audits could result in the discovery of unallowable activities and unallowable costs. Consequently, any of the funding sources may, at their discretion, request reimbursement for expenses or return of funds as a result of non-compliance by The Food Bank with the terms of the contracts. Management believes such disallowances, if any, would not be material to The Food Bank's financial position or changes in net assets.

NOTE 15 – FREEZER LEASE

The Food Bank entered into a 20-year lease agreement on February 15, 2010 to rent the freezer facility at the Portwall facility effective April 2010. The lease agreement includes two five-year renewal options. The following is a schedule of future rent income as of June 30, 2014:

2015	\$ 883,398
2016	883,398
2017	883,398
2018	883,398
2019	883,398
Thereafter through 2030	<u>10,184,462</u>
Total	<u>\$ 14,601,452</u>

Rental income of \$943,430 and \$932,093 has been recognized in the financial statements related to this lease agreement for 2014 and 2013, respectively.

NOTE 16 – EMPLOYEE BENEFIT PLAN

The Food Bank offers a defined contribution §401(k) benefit plan to qualified employees. The Food Bank matches 50% of an employee's contribution up to 6% of the employee's compensation. Contributions made by The Food Bank vest at the end of one year. The Food Bank's contributions to the plan totaled \$86,646 in 2014 and \$90,937 in 2013.

NOTE 17 – RELATED PARTY TRANSACTIONS

A Board member is an employee of a utility company that The Food Bank paid approximately \$684,000 during 2014.

NOTE 18 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 3, 2015, which is the date that the financial statements were available for issuance. As a result of this evaluation, no events were identified that are required to be disclosed or would have a material impact on reported net assets or changes in net assets.

The Houston Food Bank and Subsidiaries

Consolidating Statement of Financial Position as of June 30, 2014

	HOUSTON FOOD BANK	QALICB	ENDOWMENT	ELIMINATIONS	TOTAL
ASSETS					
Cash and cash equivalents	\$ 1,893,804				\$ 1,893,804
Accounts receivable:					
Government grants and contracts	584,706				584,706
Agency	347,026				347,026
Intercompany	2,228,134		\$ 82,456	\$ (2,310,590)	
Food and other inventory	9,037,794				9,037,794
Prepaid expenses and other assets	287,512	\$ 151,453			438,965
Pledges receivable	1,877,607				1,877,607
Debt issuance costs, net		343,900			343,900
Cash restricted by notes payable		795,926			795,926
Investments	2,404,642		6,214,130		8,618,772
Note receivable	36,856,479				36,856,479
Property and equipment, net	<u>8,521,768</u>	<u>47,047,888</u>			<u>55,569,656</u>
TOTAL ASSETS	<u>\$ 64,039,472</u>	<u>\$ 48,339,167</u>	<u>\$ 6,296,586</u>	<u>\$ (2,310,590)</u>	<u>\$ 116,364,635</u>
LIABILITIES AND NET ASSETS					
Liabilities:					
Accounts payable	\$ 425,002				\$ 425,002
Accrued expenses	628,932	\$ 32,760			661,692
Intercompany payables		2,310,590		\$ (2,310,590)	
Deferred revenue	30,665				30,665
New market tax credits notes payable		<u>48,964,971</u>			<u>48,964,971</u>
Total liabilities	<u>1,084,599</u>	<u>51,308,321</u>		<u>(2,310,590)</u>	<u>50,082,330</u>
Net assets:					
Unrestricted	60,093,866	(2,969,154)	\$ 5,059,442		62,184,154
Temporarily restricted	2,366,007		290,754		2,656,761
Permanently restricted	<u>495,000</u>		<u>946,390</u>		<u>1,441,390</u>
Total net assets	<u>62,954,873</u>	<u>(2,969,154)</u>	<u>6,296,586</u>		<u>66,282,305</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 64,039,472</u>	<u>\$ 48,339,167</u>	<u>\$ 6,296,586</u>	<u>\$ (2,310,590)</u>	<u>\$ 116,364,635</u>

The Houston Food Bank and Subsidiaries

Consolidating Statement of Activities for the year ended June 30, 2014

	HOUSTON FOOD BANK	QALICB	ENDOWMENT	ELIMINATIONS	TOTAL
REVENUE:					
Donated food and household items	\$ 131,338,312				\$ 131,338,312
Contributions	11,562,078			\$ (232,332)	11,329,746
Other in-kind contributions	2,061,953				2,061,953
Special events	1,862,508				1,862,508
Direct donor benefit costs	(62,882)				(62,882)
Government grants and contracts	5,298,742				5,298,742
Agency fees	2,229,303				2,229,303
Sales of purchased food	776,332				776,332
Building lease income	21,886	\$ 1,328,211		(406,667)	943,430
Food preparation fees	259,236				259,236
Investment return	471,034	1,130	\$ 1,030,863		1,503,027
Other income	<u>273,951</u>				<u>273,951</u>
Total revenue	<u>156,092,453</u>	<u>1,329,341</u>	<u>1,030,863</u>	<u>(638,999)</u>	<u>157,813,658</u>
EXPENSES:					
Food distribution program	158,490,112	1,413,674		(406,667)	159,497,119
Management and general	3,430,506	501,014	264,561	(232,332)	3,963,749
Fundraising	<u>3,039,543</u>	<u>54,515</u>			<u>3,094,058</u>
Total expenses	<u>164,960,161</u>	<u>1,969,203</u>	<u>264,561</u>	<u>(638,999)</u>	<u>166,554,926</u>
CHANGES IN NET ASSETS	(8,867,708)	(639,862)	766,302	0	(8,741,268)
Net assets, beginning of year	<u>71,822,581</u>	<u>(2,329,292)</u>	<u>5,530,284</u>	<u>0</u>	<u>75,023,573</u>
Net assets, end of year	<u>\$ 62,954,873</u>	<u>\$(2,969,154)</u>	<u>\$ 6,296,586</u>	<u>\$ 0</u>	<u>\$ 66,282,305</u>
