

Food Bank of South Central Michigan, Inc.

**Financial Statements
Years Ended December 31, 2017 and 2016**

FISHER SPIEGEL KUNKLE & GERBER, P.L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Food Bank of South Central Michigan, Inc.

Financial Statements
Years Ended December 31, 2017 and 2016

Food Bank of South Central Michigan, Inc.

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Report of Independent Accountants

To the Board of Directors
Food Bank of South Central Michigan, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Food Bank of South Central Michigan, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2017 and 2016, and the related 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.

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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Food Bank of South Central Michigan, Inc. as of December 31, 2017 and 2016, and the changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 5, 2018, on our consideration of Food Bank of South Central Michigan, Inc.'s 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 Food Bank of South Central Michigan, Inc.'s internal control over financial reporting and compliance.



FISHER SPIEGEL KUNKLE & GERBER, P.L.L.C.

Battle Creek, Michigan
May 8, 2018

Food Bank of South Central Michigan, Inc.

Statement of Financial Position

December 31,	2017	2016
ASSETS		
Current assets		
Cash and cash equivalents	\$1,055,666	\$1,017,389
Certificates of deposit	1,003,846	1,002,534
Accounts receivable	97,997	134,925
Grant receivable	0	12,500
United Way receivable	142,020	116,750
Grants receivable - community foundations	48,510	44,078
Interest receivable	600	600
Beneficial interest in assets held by community foundations (Note 6)	27,642	24,909
Inventory - Donated (Note 3)	565,094	679,910
Inventory - USDA (Note 3)	115,929	377,200
Inventory - Purchased	151,980	176,911
Employee advance	85	3,973
Prepaid expenses	12,128	20,395
Total current assets	3,221,497	3,612,074
Grant receivable - long term	12,500	0
Beneficial interest in assets held by community foundations (Note 6)	81,437	70,447
Investments (Note 2)	1,064,176	909,553
Fixed assets, net (Note 4)	1,101,482	1,159,169
Total assets	\$5,481,092	\$5,751,243
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 117,440	\$ 70,508
Accrued vacation	30,681	24,773
Accrued payroll	43,525	40,827
Other accrued expenses	9,329	6,555
Deferred revenue	484,499	513,157
Total current liabilities	685,474	655,820
Net Assets		
Unrestricted	4,333,301	4,728,305
Temporarily restricted (Note 1)	462,317	367,118
Total net assets	4,795,618	5,095,423
Total liabilities and net assets	\$5,481,092	\$5,751,243

Food Bank of South Central Michigan, Inc.

Statement of Activities Year Ended December 31, 2017

	Unrestricted	Temporarily Restricted	Total
Products donated and distributed:			
USDA	\$ 1,797,491	\$ 0	\$ 1,797,491
In kind contributions (Note 3)	9,847,819	0	9,847,819
Less: value of products distributed:			
USDA	(2,058,762)	0	(2,058,762)
In-kind contributions	(9,962,635)	0	(9,962,635)
Excess of products distributed over products donated	(376,087)	0	(376,087)
Support, revenue, and reclassifications:			
United Way	205,273	0	205,273
Donations and grants	1,299,456	339,552	1,639,008
Food Bank Council of Michigan	114,704	0	114,704
Fund raising	43,549	0	43,549
Program service fees	849,004	0	849,004
Interest/dividend income	68,618	0	68,618
Unrealized gain/(loss) on investments (Note 2)	98,627	0	98,627
Realized gain/(loss) on asset disposal	18,840	0	18,840
Change in beneficial interest	13,723	0	13,723
Miscellaneous	2,599	0	2,599
Net assets released from restrictions	244,353	(244,353)	0
Total support, revenue, and reclassifications	2,958,746	95,199	3,053,945
Expenses:			
Program operations	2,508,910	0	2,508,910
Management and general	306,293	0	306,293
Fund raising	162,460	0	162,460
Total expenses	2,977,663	0	2,977,663
Change in net assets	(395,004)	95,199	(299,805)
Net assets, at beginning of year	4,728,305	367,118	5,095,423
Net assets, at end of year	\$ 4,333,301	\$ 462,317	\$ 4,795,618

Food Bank of South Central Michigan, Inc.

Statement of Activities Year Ended December 31, 2016

	Unrestricted	Temporarily Restricted	Total
Products donated and distributed:			
USDA	\$ 2,341,371	\$ 0	\$ 2,341,371
In kind contributions (Note 3)	11,746,129	0	11,746,129
Less: value of products distributed:			
USDA	(2,207,120)	0	(2,207,120)
In-kind contributions	(11,565,688)	0	(11,565,688)
Excess of products donated over products distributed	314,692	0	314,692
Support, revenue, and reclassifications:			
United Way	202,935	0	202,935
Donations and grants	1,169,491	336,137	1,505,628
Food Bank Council of Michigan	209,267	0	209,267
Fund raising	37,950	0	37,950
Program service fees	904,288	0	904,288
Interest/dividend income	48,466	0	48,466
Unrealized gain/(loss) on investments (Note 2)	49,714	0	49,714
Change in beneficial interest	7,685	0	7,685
Miscellaneous	2,484	0	2,484
Net assets released from restrictions	352,277	(352,277)	0
Total support, revenue, and reclassifications	2,984,557	(16,140)	2,968,417
Expenses:			
Program operations	2,820,137	0	2,820,137
Management and general	144,670	0	144,670
Fund raising	147,775	0	147,775
Total expenses	3,112,582	0	3,112,582
Change in net assets	186,667	(16,140)	170,527
Net assets, at beginning of year	4,541,638	383,258	4,924,896
Net assets, at end of year	\$ 4,728,305	\$ 367,118	\$ 5,095,423

Food Bank of South Central Michigan, Inc.

Statement of Functional Expenses Year Ended December 31, 2017

	Program Operations	Management and General	Fund raising	Total
Operating expenses				
Salaries	\$ 693,269	\$ 192,575	\$ 77,030	\$ 885,844
Payroll taxes and benefits (Note 5)	230,559	54,589	21,515	285,148
Total payroll related expenses	923,828	247,164	98,545	1,170,992
Food - purchased	941,861	0	0	941,861
Outside services	23,168	9,877	11,074	33,045
Professional fees	0	15,500	0	15,500
Supplies and office	16,334	1,094	438	17,428
Telephone and internet	7,018	1,571	734	8,589
Postage and shipping	91,992	440	1,439	92,432
Utilities	56,923	3,673	612	60,596
Transportation and travel	131,909	889	898	132,798
Conferences and meetings	8,548	100	2,326	8,648
Membership dues	34,798	0	0	34,798
Miscellaneous	0	5,879	25	5,879
Maintenance	81,505	1,111	518	82,616
Insurance	12,217	2,735	1,278	14,952
Fund raising	626	50	38,089	676
Total operating expenses before depreciation	2,330,727	290,083	155,976	2,620,810
Depreciation	178,183	16,210	6,484	194,393
Total operating expenses	\$ 2,508,910	\$ 306,293	\$ 162,460	\$2,977,663

Food Bank of South Central Michigan, Inc.

Statement of Functional Expenses Year Ended December 31, 2016

	Program Operations	Management and General	Fund raising	Total
Operating expenses				
Salaries	\$ 814,273	\$ 75,746	\$ 56,810	\$ 890,019
Payroll taxes and benefits (Note 5)	265,405	22,023	16,119	287,428
Total payroll related expenses	1,079,678	97,769	72,929	1,177,447
Food - purchased	1,043,940	0	0	1,043,940
Outside services	21,143	14,920	12,805	36,063
Professional fees	4,200	12,164	0	16,364
Supplies and office	30,902	784	497	31,686
Telephone and internet	8,083	752	564	8,835
Postage and shipping	67,439	910	0	68,349
Utilities	53,994	5,023	3,767	59,017
Transportation and travel	140,419	1,550	1,163	141,969
Conferences and meetings	6,876	640	480	7,516
Membership dues	36,125	0	0	36,125
Miscellaneous	6,017	546	410	6,563
Maintenance	89,975	547	411	90,522
Insurance	13,494	1,256	941	14,750
Fund raising	1,430	1,155	48,817	2,585
Total operating expenses before depreciation	2,603,715	138,016	142,784	2,741,731
Depreciation	216,422	6,654	4,991	223,076
Total operating expenses	\$ 2,820,137	\$ 144,670	\$ 147,775	\$3,112,582

Food Bank of South Central Michigan, Inc.

Statement of Cash Flows

Years ended December 31,	2017	2016
Cash flows from operating activities:		
Change in net assets	\$ (299,805)	\$ 170,527
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	200,877	228,067
Loss (gain) on sale of assets	(18,840)	0
Unrealized (gain) loss on investments	(98,627)	(49,714)
Change in beneficial interest in assets	(13,723)	(7,685)
(Increase) decrease in:		
Accounts and United Way receivables	11,658	103,605
Grants receivable - community foundations	(4,432)	(2,743)
Grant receivable	0	8,000
Inventory	401,018	(279,956)
Employee advance	3,888	(3,973)
Prepaid expenses	8,267	16,674
Increase (decrease) in:		
Accounts payable	46,932	14,281
Accrued vacation	5,908	3,914
Accrued payroll	2,698	5,363
Other accrued expenses	2,774	5,280
Deferred revenue	(28,658)	(19,823)
Net cash provided by operating activities	219,935	191,817
Cash flows from investing activities:		
Purchase of fixed assets	(149,250)	(27,603)
Proceeds on sale of fixed assets	24,900	0
Purchase of certificates of deposits	(1,312)	(500,571)
Purchase of investments	(55,996)	(41,943)
Net cash used in investing activities	(181,658)	(570,117)
Net increase (decrease) in cash and cash equivalents	38,277	(378,300)
Cash and cash equivalents, at beginning of year	1,017,389	1,395,689
Cash and cash equivalents, at end of year	\$1,055,666	\$1,017,389

Food Bank of South Central Michigan, Inc.

Notes to Financial Statements

1. **Nature of Entity and Significant Accounting Policies**

Statement of Purpose - Food Bank of South Central Michigan, Inc. (the "Organization") purpose is to glean, collect, warehouse and facilitate the distribution of food, to have the right to receive donations for the purpose of adequately conducting and maintaining such facilities and to purchase, manage, own, lease or rent facilities that may be necessary or convenient for the purpose of operation as a community food bank. The Organization charges a shared maintenance fee for food distributed to other non-profit agencies within south central Michigan. Shared maintenance fees are based on the operating costs of the food bank and are charged on a per pound basis.

The Organization does not require any collateral on its accounts receivable from member agencies throughout south central Michigan.

Use of Estimates - The Organization uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported support, revenue and expenses. Actual results could differ from those estimates.

Basis of Accounting - The accompanying financial statements have been prepared on the accrual basis of accounting.

Cash and Cash Equivalents - The Organization considers its investments in money market funds and certificates of deposit to be cash equivalents.

Accounts Receivable - Accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Based on management's assessment of the credit history with customers having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year-end will be immaterial.

Fixed Assets - Fixed assets are recorded at cost or at the value at the time of donation, less accumulated depreciation, which is computed using the straight-line method over the following estimated useful lives:

Vehicles	5-7 years
Furniture and equipment	3-10 years
Building	31.5 years
Land improvements	15 years

Food Bank of South Central Michigan, Inc.

Notes to Financial Statements

1. **Nature of Entity and Significant Accounting Policies - Continued**

Costs of maintenance and repairs are charged to expense when incurred; renewals and improvements greater than \$1,000 are capitalized. The cost and related accumulated depreciation of equipment sold or otherwise retired are removed from the accounts and related gains or losses are reflected in income.

Tax Status - The Organization is exempt from federal income taxes as a non-profit organization under the Internal Revenue Code Section 501(c)(3) and has been classified as an organization that is not a private foundation under Section 509(a)(2). Tax returns remain statutorily open for review by tax authorities.

Donated Services - No amounts have been reflected in the financial statements for donated services. The Organization pays for most services requiring specific expertise. However, volunteers donated many hours of service during the years ended December 31, 2017 and 2016 to the operation of the Organization including organizational mailings, packing of groceries, and other miscellaneous services.

Affiliated Organizations - The Organization is a certified affiliate of Feeding America, a national network of food banks throughout the country, and is affiliated with the Food Bank Council of Michigan, an organization that supports member food banks through funding and food allocation. The Organization receives a substantial amount of its food from Feeding America (48% and 45% in 2017 and 2016, respectively) and Food Bank Council of Michigan (15% and 14% in 2017 and 2016, respectively), at minimal cost which is distributed to other organizations for a service fee. Additionally, the Organization receives substantial support from various United Ways.

As an affiliate of Feeding America, the Organization is required to maintain a reserve fund equal to or greater than 25% of annual operating expenses.

Related Party - The Organization hired the finance director's father as a utility truck driver. Total payments for services were \$17,965 and \$14,345 in 2017 and 2016, respectively.

Uninsured Cash Balances - The Organization has bank deposits in excess of the limits insured through the Federal Depository Insurance Company of \$511,464 and \$514,770 at December 31, 2017 and 2016, respectively.

Deferred Revenue - Deferred revenue consists of funds received by the Organization for future food distributions for specific member agencies.

Food Bank of South Central Michigan, Inc.

Notes to Financial Statements

1. **Nature of Entity and Significant Accounting Policies - Continued**

Temporarily Restricted Net Assets - Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. The temporarily restricted net assets are restricted as follows:

December 31,	2017	2016
Childhood Hunger and backpack program	\$ 120,603	\$ 107,900
Giving Garden	0	2,799
Fresh food initiative	58,734	3,750
Food purchases	20,700	20,885
Warehouse improvements and transportation	118,559	115,032
For subsequent years' operating/ program expenses	143,721	116,752
	<u>\$ 462,317</u>	<u>\$ 367,118</u>

Accounting Pronouncements - The Financial Accounting Standards Board issued Topic 842 "Leases", a new accounting for leases that will be effective in 2020. A lessor should recognize in the statement of financial position a liability for the present value of leases and an right of use asset representing its right to use the asset over the lease term. The Organization will implement the new standard in 2020.

Not-For-Profit - In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, which affects all nonprofit organizations. The ASU significantly amends the standards for the presentation and accompanying disclosures of the financial statements of nonprofit organizations. The ASU is effective for fiscal years beginning after December 15, 2017. The Organization will implement the new standard in 2019.

Food Bank of South Central Michigan, Inc.

Notes to Financial Statements

1. Nature of Entity and Significant Accounting Policies - Continued

Financial Instruments - In January 2016, the FASB issued ASU 2016-01, *Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*, which makes targeted improvements in the recognition, measurement, presentation, and disclosure of financial instruments. For nonprofit organizations, ASU 2016-01 is effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. Generally, nonprofit organizations may adopt the provisions of the ASU earlier as of fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. However, the ASU allows nonprofit organizations the option to (1) adopt the presentation guidance in FASB ASC 825-10-45-5 through 45-7 regarding financial liabilities for which the fair value option is elected and (2) not disclose the information regarding the fair value of financial instruments set forth in FASB ASC 825-10-50 in financial statements of fiscal years or interim periods that have not yet been made available for issuance.

Subsequent Events - Subsequent events have been evaluated through May 8, 2018, which is the date the financial statements were available to be issued.

2. Investments

Investments - Investments are valued at market as determined by stock market quotations and by savings bond redemption values at December 31, 2017 and 2016. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

The major types of investments are as follows:

December 31, 2017	Market Value	Cost
United States Savings		
Bonds, Series EE	\$ 2,000	\$ 2,000
Mutual funds	1,062,176	710,097
	<u>\$1,064,176</u>	<u>\$ 712,097</u>
December 31, 2016	Market Value	Cost
United States Savings		
Bonds, Series EE	\$ 2,000	\$ 2,000
Mutual funds	907,553	653,985
	<u>\$ 909,553</u>	<u>\$ 655,985</u>

All investments are considered long term and are held to earn investment income. All investment income, realized and unrealized gains (losses), are shown as unrestricted in the Statement of Activities as all investments are unrestricted.

Food Bank of South Central Michigan, Inc.

Notes to Financial Statements

3. Inventory

Inventory includes food items that were purchased at cost and donated product valued at a per pound rate as determined by Feeding America at the national level on a first-in first-out (FIFO) basis.

Donated product and inventory are valued in accordance with FASB Accounting Standard Codification 958, NPO Entities. In kind contributions includes donated product in the amount of \$9,847,819 and \$11,746,129 for 2017 and 2016, based primarily on \$1.73 and \$1.67 per pound value, respectively. Donated USDA product is valued at published values per pound. At December 31, 2017 and 2016, donated inventory values are \$565,094 and \$679,910, and was primarily valued at \$1.52 and \$1.67 per pound, respectively. Increases and decreases in inventory levels may have a significant impact on the net increase (decrease) of the Organization's net assets.

4. Fixed Assets

Fixed assets are comprised of the following:

December 31,	2017	2016
Land	\$ 10,000	\$ 10,000
Land improvements	72,630	72,630
Building	1,629,403	1,625,108
Furniture and equipment	910,153	886,045
Vehicles	713,374	817,307
	<u>3,335,560</u>	<u>3,411,090</u>
Less - accumulated depreciation	(2,234,078)	(2,251,921)
	<u>\$ 1,101,482</u>	<u>\$ 1,159,169</u>

5. Defined Contribution Plan

The Organization has a defined contribution 403(b) plan covering full time employees over age 21 who have attained 1,000 hours of service within a twelve month period. Contributions are made at a percent determined annually by the Board of each employee's gross annual pay. For the years ended December 31, 2017 and 2016, the Organization's contribution rate was 4%. For 2017 and 2016, the board approved a match of 100% for those employees deferring up to 6% of their wages. Contributions totaled \$52,803 and \$46,586 for the years ended December 31, 2017 and 2016, respectively.

Food Bank of South Central Michigan, Inc.

Notes to Financial Statements

6. Beneficial Interest in Assets Held by Community Foundations

Beneficial interest in assets represents pooled fund investments with community foundations. The pooled funds consist of mutual funds, corporate stocks and bonds, U.S. government securities, and other investments.

Beneficial interest results when a nonprofit organization establishes a fund at a community foundation with its own funds and specifies itself as the beneficiary of that fund. The foundation maintains unilateral variance power and legal ownership of agency endowment funds and as such continues to report the funds as assets and offsetting liabilities of the foundation. Funds are distributed based on spending rate policies. In accordance with FASB Accounting Standards Codification 958-605, Transfers of Assets to a NPO or Charitable Trust that Raises or Holds Contributions for Others, an asset has been established for the fair market value of the funds, which is generally equivalent to the present value of future payments expected to be received by the Organization. Beneficial interest in assets is comprised of the following:

December 31,	2017	2016
Funds held at Battle Creek Community Foundation	\$38,884	\$34,118
Funds held at Kalamazoo Community Foundation	60,082	52,380
Funds held at Jackson Community Foundation	10,113	8,858
	<u>\$109,079</u>	<u>\$95,356</u>
December 31,	2017	2016
Beginning of year balance	\$95,356	\$87,671
Contributions	0	0
Net investment earnings, gains, and losses	14,367	8,415
Grants or scholarships	0	0
Administrative expenses	(644)	(730)
	<u>\$109,079</u>	<u>\$95,356</u>

7. Endowment Funds

The Organization has endowment funds administered by various community foundations. These funds are irrevocably invested and are managed by the foundations for a fee. The principal balances, including accumulated earnings of these funds at December 31, 2017 and 2016 amounted to \$102,315 and \$87,467, respectively. The foundations have variance power over the donor designated funds and may, at their discretion vary the purpose, use or method of administration of the funds. Earnings on these funds, as determined by the foundations, are available annually for distribution to the Organization for operations, at the discretion of the foundations, and therefore, are not reflected in the Organization's financial statements until available for distribution.

Food Bank of South Central Michigan, Inc.

Notes to Financial Statements

8. Fair Value Measurements

Fair values of assets measured on a recurring basis at December 31, 2017 and 2016 are as follows:

December 31, 2017	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)
U.S. Savings Bonds, Series EE	\$ 2,000	\$ 2,000
Mutual funds	1,062,176	1,062,176
Total	\$ 1,064,176	\$ 1,064,176
December 31, 2016		
U.S. Savings Bonds, Series EE	\$ 2,000	\$ 2,000
Mutual funds	907,533	907,533
Total	\$ 909,533	\$ 909,533

Fair values for short-term investments are determined by reference to quoted market prices and other relevant information generated by market transactions.

9. Reclassification

Certain amounts in the 2016 financial statements have been reclassified to conform with the 2017 financial statement presentation.