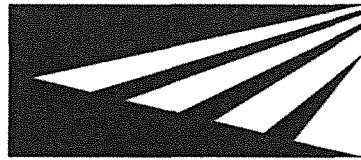


LONG ISLAND CARES, INC.
FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2015 AND 2014
TOGETHER WITH AUDITOR'S REPORT

LONG ISLAND CARES, INC.
FINANCIAL STATEMENTS AND AUDITOR'S REPORT
AS OF DECEMBER 31, 2015 AND 2014

INDEX

	<u>Page(s)</u>
Independent Auditor's Report	1-2
Statements Of Financial Position	3
Statements Of Activities And Changes In Net Assets	4
Statements Of Cash Flows (Indirect Method)	5
Notes To Financial Statements	6-15
Supplementary Schedule Of Revenues For The Year Ended December 31, 2015	16
Supplementary Schedule Of Revenues For The Year Ended December 31, 2014	17
Supplementary Schedule Of Functional Expenses For The Year Ended December 31, 2015	18
Supplementary Schedule Of Functional Expenses For The Year Ended December 31, 2014	19



NawrockiSmith

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Long Island Cares, Inc.:

We have audited the accompanying financial statements of Long Island Cares, Inc. (the "Organization"), which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities and changes in net assets, and cash flows for the years then ended, and the related notes to 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.

NawrockiSmith

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Long Island Cares, Inc. as of December 31, 2015 and 2014 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary schedules of revenues and functional expenses on pages 16-17 and 18-19, respectively, are presented for purposes of additional analysis and are 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 audits 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 taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 2016, on our consideration of the Organization's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Melville, New York
March 11, 2016



LONG ISLAND CARES, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2015 AND 2014

ASSETS	<u>2015</u>	<u>2014</u>
CURRENT ASSETS:		
Cash	\$ 2,341,895	\$ 3,755,230
Restricted cash	644,483	557,222
Accounts receivable, net of allowance for doubtful accounts of \$2,473 and \$2,500, respectively	536,166	504,570
Donated product	1,451,896	1,439,644
Inventory	70,646	67,303
Investments	1,575,577	42,107
Prepaid expense	<u>25,150</u>	<u>23,812</u>
Total current assets	6,645,813	6,389,888
FIXED ASSETS, net of accumulated depreciation of \$1,222,862 and \$1,215,233, respectively	2,937,352	2,592,490
OTHER ASSETS	<u>105,277</u>	<u>275,970</u>
Total assets	<u><u>\$ 9,688,442</u></u>	<u><u>\$ 9,258,348</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	\$ 629,966	\$ 670,048
Deferred revenue	<u>-</u>	<u>202,902</u>
Total current liabilities	<u>629,966</u>	<u>872,950</u>
NET ASSETS:		
Unrestricted:		
Designated for fixed assets	2,937,352	2,592,490
Designated for donated product	1,451,896	1,439,644
Undesignated	<u>3,901,915</u>	<u>3,622,011</u>
Total unrestricted net assets	8,291,163	7,654,145
Temporarily restricted	227,057	216,247
Permanently restricted	<u>540,256</u>	<u>515,006</u>
Total net assets	<u>9,058,476</u>	<u>8,385,398</u>
Total liabilities and net assets	<u><u>\$ 9,688,442</u></u>	<u><u>\$ 9,258,348</u></u>

The accompanying notes to financial statements
are an integral part of these statements.

LONG ISLAND CARES, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
CHANGE IN UNRESTRICTED NET ASSETS:		
Revenues	<u>\$ 15,941,830</u>	<u>\$ 15,442,826</u>
Expenses -		
Program services	13,526,608	14,673,277
Supporting services	712,479	705,416
Fundraising	<u>1,065,725</u>	<u>1,042,337</u>
Total expenses	<u>15,304,812</u>	<u>16,421,030</u>
Increase (decrease) in unrestricted net assets	<u>637,018</u>	<u>(978,204)</u>
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS:		
Revenues	135,982	148,145
Net assets released from restrictions	<u>(125,172)</u>	<u>(382,062)</u>
Increase (decrease) in temporarily restricted net assets	<u>10,810</u>	<u>(233,917)</u>
CHANGE IN PERMANENTLY RESTRICTED NET ASSETS:		
Revenues	<u>25,250</u>	<u>41,656</u>
Increase in permanently restricted net assets	<u>25,250</u>	<u>41,656</u>
CHANGE IN NET ASSETS	673,078	(1,170,465)
NET ASSETS, BEGINNING OF YEAR	<u>8,385,398</u>	<u>9,555,863</u>
NET ASSETS, END OF YEAR	<u>\$ 9,058,476</u>	<u>\$ 8,385,398</u>

The accompanying notes to financial statements
are an integral part of these statements.

LONG ISLAND CARES, INC.
STATEMENTS OF CASH FLOWS (INDIRECT METHOD)
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 673,078	\$ (1,170,465)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	208,404	184,607
Unrealized (gain) loss on investments	28,503	(4,109)
(Increase) decrease in restricted cash	(87,261)	42,111
Increase in accounts receivable	(31,596)	(49,730)
(Increase) decrease in donated product	(12,252)	804,238
Increase in inventory	(3,343)	(18,090)
(Increase) decrease in prepaid expense	(1,338)	6,208
(Increase) decrease in other assets	170,693	(255,772)
Increase (decrease) in accounts payable and accrued liabilities	(40,082)	155,486
Increase (decrease) in deferred revenue	(202,902)	40,464
Net cash provided (used) by operating activities	<u>701,904</u>	<u>(265,052)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	(553,266)	(103,476)
(Purchase) sale of investments	(1,561,973)	6,282
Net cash used by investing activities	<u>(2,115,239)</u>	<u>(97,194)</u>
NET DECREASE IN CASH	(1,413,335)	(362,246)
CASH, BEGINNING OF YEAR	<u>3,755,230</u>	<u>4,117,476</u>
CASH, END OF YEAR	<u>\$ 2,341,895</u>	<u>\$ 3,755,230</u>
CASH PAID DURING THE YEAR FOR:		
Interest	<u>\$ 1,512</u>	<u>\$ 1,500</u>
SUPPLEMENTAL CASH FLOW INFORMATION:		
Retirement of fully depreciated fixed assets	<u>\$ 200,775</u>	<u>\$ -</u>

The accompanying notes to financial statements
are an integral part of these statements.

LONG ISLAND CARES, INC.
NOTES TO FINANCIAL STATEMENTS

(1) **Background and current operational considerations**

Long Island Cares, Inc. (the "Organization") is a non-for-profit organization that is community based, regionally responsive, and works in partnership with other charitable agencies to fight hunger in Nassau and Suffolk Counties. The Harry Chapin Food Bank is Long Island's First Food Bank and, together with Community Outreach Programs such as New Paths to Achievement and Job Training, makes the Organization one of the New York Region's most comprehensive hunger action organizations. The Organization was founded in 1980 by the late singer/activist Harry Chapin in response to the immediate needs of hungry Long Islanders. It is continued today by his wife and partner Sandy Chapin. The Organization's goals are to provide emergency food where and when it is needed and to sponsor programs that help families achieve self-sufficiency. The Organization's aims are to promote the food welfare of the Long Island community; to raise the nutritional standards of community life; to bring into closer relation the resources and food needs of the community; and to encourage food self-reliance for all Long Islanders.

When The Harry Chapin Food Bank first opened its doors on Long Island in February 1982, it served a mere handful of agencies in Nassau and Suffolk Counties, New York. Today, the Organization distributes more than eight million pounds of food and supplies annually via over 590 food pantries, soup kitchens, shelters, group homes, day treatment facilities, senior nutrition sites and day care centers in Nassau and Suffolk Counties. These agencies, in turn, distribute the food and supplies to their clients and/or provide meals from the food received. The Organization obtains this food primarily through these four ways:

Government contracts: The Organization is the only contracted organization in the area for the distribution of food from the New York State Department of Health Hunger Prevention and Nutrition Assistance Program ("HPNAP") and the U.S. Department of Agriculture - The Emergency Food Assistance Program.

Feeding America: The Organization is a certified member of Feeding America, a national network of food banks and food rescue organizations. Through this membership, the Organization has access to donated food from regional and national food donors and share information and ideas with food banks and food rescue organizations throughout the United States.

Donations: Locally sponsored food drives provide a major source of donated food throughout the year. The Organization accepts donations from local community food drives of all sizes. Additionally, several regional food manufacturers, distributors, supermarkets and specialty stores donate food and other products to the Organization via a Store Pickup Program or through general deliveries to the Food Bank. Food donors are protected from liability by the Bill Emerson Good Samaritan Food Donation Act.

Buying leverage: The Organization gains buying leverage through their administration of government contracts. The Organization uses this leverage to purchase other food at favorable prices.

The Harry Chapin Food Bank is a contracted agency for the distribution of Federal commodities through The Emergency Food Assistance Program ("TEFAP"), administered by the New York State Office of General Services under a continuous agreement effective May 1989. In addition, the Organization, under a five-year contract renewed annually, is responsible for the support services of the HPNAP Program administered by the New York State Department of Health. The current annual contract is renewed through June 30, 2016. The supported service provides nutritional assistance to various high-risk groups of individuals, including the homeless, at approved food and nutrition service sites. The Organization also has contractual agreements with Nassau and Suffolk Counties for the acquisition and distribution of emergency food and supplies.

In addition to the network of agencies supported through The Harry Chapin Food Bank, Long Island Cares, Inc. helps get food and assistance into the hands of those in need via:

Emergency Food Pantries located at the Organization's Nassau Service Center in Freeport, the Organization's South Shore Service Center in Lindenhurst, and the Organization's Harry Chapin Food Bank and Humanitarian Center in Huntington Station. These First Stop Food Pantries provide individuals and families in need with up to five days' worth of food, along with information about critical community resources such as food stamps, Child Health Plus, WIC, heating and utility assistance, employment resources and mortgage assistance.

Mobile Services (MORE) Vans which provide information, referral assistance and emergency food to people at times when their neighborhood pantries are not open in user-friendly locations such as libraries and shopping centers.

The Pet Pantry, operated in partnership with the Animal Relief Fund Inc. ("ARF"), which makes pet food supplied by ARF and many pet food corporations available to pet-owning families in need.

Beyond feeding the hungry, the Organization works to address the root causes of hunger itself through:

Community outreach programs such as New Paths to Achievement and job training. These programs work with individuals most at risk of needing emergency food assistance during their lifetime, helping them acquire job skills and confidence to help them achieve self-sufficiency.

School Tools program, which sends a positive message about the importance of education by making new school supplies available to children in need of assistance.

Kids' Café After-School Food and Mentoring Program, which provides free nutritious meals and snacks to these children in a safe environment.

Pack It Up For Kids, a weekend food program providing nonperishable, easy-to-prepare nutritious food for children on weekends and during school vacation periods when food resources are limited.

Summer Food Service Program, designed to fill the nutritional gap for children in needy areas during the summer.

Hunger Education, an important tool in the fight against hunger. The Organization gives presentations to schools, clubs, religious organizations and local community groups to help them understand why many people in the United States are hungry, and what organizations like Long Island Cares, Inc. are doing to address the problem.

Veterans' Services, which offer a variety of support services to veterans and their families who might be experiencing difficulties returning to the workforce, financial hardships or food insecurity.

(2) **Summary of significant accounting policies:**

The accompanying financial statements include the assets, liabilities, revenues and expenses of all the funds of the Organization which are reflected under the accrual basis of accounting. The following is a summary of significant accounting policies followed by the Organization:

Financial statement presentation -

The accompanying financial statements include the accounts of the Organization's programs, administration and fundraising. The Organization presents its financial statements in accordance with U.S. generally accepted accounting principles which require that the Organization's financial statements distinguish between unrestricted, temporarily restricted and permanently restricted net assets and changes in net assets. The Organization's net assets consist of the following:

Unrestricted - net assets of the Organization which have not been restricted by an outside donor or by law and are therefore available for use in carrying out the operations of the Organization.

Temporarily restricted - net assets of the Organization which have been limited by donor-imposed stipulations or by law that either expire with the passage of time or can be fulfilled and removed by the actions of the Organization pursuant to those stipulations.

Permanently restricted - net assets of the Organization which have been restricted by donors to be maintained in perpetuity by the Organization.

The Organization follows U.S. generally accepted accounting principles regarding Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") and Enhanced Disclosures for All Endowment Funds which require a portion of a donor-restricted endowment fund that is not classified as permanently restricted net assets to be classified as temporarily restricted net assets until appropriated for expenditure.

As required by U.S. generally accepted accounting principles, the Organization also presented Statements of Cash Flows for the years ended December 31, 2015 and 2014.

Revenue and expense recognition -

Contributions are recognized as income when received and are considered to be available for unrestricted use unless specifically restricted by the donor. Revenues under contracts for service are generally recognized as earned. Contract advances arise from payments received under contracts for service in advance of revenue recognition. Expenses are recognized when incurred. The Organization allocates its expenses on a functional basis among its various programs and supporting services. Expenses that can be identified with a specific program or supporting service are allocated directly according to their natural expense classification. Other expenses that are common to several functions are allocated by various rational bases.

In-kind contributions -

The Organization follows U.S. generally accepted accounting principles regarding accounting for contributions received and contributions made with respect to donated product including donated food, supplies and Federal commodities. Donated product received, distributed and on hand are accounted for at fair value. The fair value of donated product received and distributed during the year is reflected in the accompanying financial statements as in-kind contributions and in-kind expenses. Significant fluctuations in operating results may occur due to variances in quantity and valuation of donated product.

The Organization has received professional services on a pro-bono basis. The value of these services for the years ended December 31, 2015 and 2014 was \$38,313 and \$36,729, respectively. Such amounts are reflected in the accompanying financial statements as in-kind contributions and in-kind expenses.

Cash -

All highly liquid investments purchased with a maturity of three months or less are considered to be cash, principally money market funds.

Investments -

Investments are recorded at fair value. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Organization follows U.S. generally accepted accounting principles regarding fair value measurements which establish a fair value hierarchy requiring an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements).

Donated product -

Donated product represents the fair value of donated food, supplies and Federal commodities on hand as of year-end.

Inventory -

Inventory is stated at the lower of cost (first-in, first-out method) or market.

Fixed assets -

Fixed assets are stated at cost or current fair value for donated items. Maintenance and repairs are expensed as incurred. Depreciation is provided using the straight-line method over the estimated useful lives of the assets (generally periods of three to forty years).

Impairment of long-lived assets and long-lived assets to be disposed of -

The Organization follows the provisions of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") on accounting for the impairment or disposal of long-lived assets which require that long-lived assets and certain identifiable intangibles be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. These provisions did not have an impact on the Organization's financial position, results of activities or liquidity during the years ended December 31, 2015 and 2014.

Conditional asset retirement obligations -

The FASB ASC on accounting for conditional asset retirement and environmental obligations requires the Organization to recognize a liability for the fair value of its legal obligation to perform an asset retirement activity, even though uncertainty exists about the timing and/or method of settlement, if and when the fair value of the liability can be reasonably estimated. As of December 31, 2015 and 2014, the Organization has met the provisions of and is in compliance with these requirements and no obligation currently exists.

Donated services -

A number of volunteers have donated significant amounts of their time in the Organization's program services, administration and fundraising campaigns. However, since these services do not meet the criteria for recognition under U.S. generally accepted accounting principles, they are not reflected in the accompanying financial statements.

Income taxes -

The Organization is a nonprofit organization exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of the New York State tax law.

Uncertainty in income taxes -

The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. Periods ending December 31, 2012 and subsequent remain subject to examination by the applicable taxing authorities.

The use of estimates in the preparation of financial statements -

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Estimates include the valuation allowance for accounts receivable, depreciation and certain accrued expenses. Actual results may differ from those estimates.

(3) Fair value measurement:

The FASB *Fair Value Measurement* standard clarifies the definition of fair value for financial reporting, establishes framework for measuring fair value, and requires additional disclosure about the use of fair value measurements in an effort to make the measurement of fair value more consistent and comparable. The Organization has adopted the standard for its financial assets and liabilities measured on a recurring and nonrecurring basis.

Fair Value Measurement defines fair value as the amount that would be received from the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants, i.e. an exit price. The three levels of fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reported entity has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The following methods and assumptions were used by the Organization in addressing the fair value of financial instruments:

Cash -

The carrying amounts reported in the Statements of Financial Position for cash approximate those assets' fair values (which include certificates of deposit).

Money market -

Composed of funds invested in accounts at various financial institutions, such accounts are valued based on the amount of deposited funds and net investment earnings less withdrawals and fees. The money market funds consist primarily of cash and cash equivalents, U.S. government stock, foreign stock, and bonds. The fund seeks to maintain a stable net asset value ("NAV") of \$1.

U.S. equities -

U.S. equities are invested principally in stocks, which can be actively or passively (index fund) managed. U.S. equities are principally categorized according to company size, the investment style of the holdings in the portfolio and geography. Size is determined by a company's market capitalization, while the investment style, reflected in the fund's stock holdings, is also used to categorize equity mutual funds.

Real estate -

Investments in real estate securities can be subject to fluctuations in the value of the underlying properties, the effect of economic conditions on real estate values, changes in interest rates and risks related to renting properties, such as rental defaults.

Fixed income -

Investments fluctuate in value in response to changes in interest rates and credit risk.

Tangible assets -

Investments are highly volatile and are speculative. Prices may be affected by overall market movements, changes in interest rates and other factors such as weather, disease, embargoes and international political and economic developments.

Hedge funds -

Investments involves a substantially more complicated set of risk factors than traditional investments in stocks or bonds, including the risks of using derivatives, leverage and short sales which can magnify potential for gains or losses.

The following table represents the Organization's fair value hierarchy for investments as of December 31, 2015:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Money market	\$ 392,331	\$ 392,331	\$ -	\$ -
U.S. equities	832,219	832,219	-	-
Real estate	29,013	29,013	-	-
Fixed income	110,529	110,529	-	-
Tangible assets	79,348	79,348	-	-
Hedge funds	132,137	132,137	-	-
	<u>\$ 1,575,577</u>	<u>\$ 1,575,577</u>	<u>\$ -</u>	<u>\$ -</u>

The following table represents the Organization's fair value hierarchy for investments as of December 31, 2014:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Money market	\$ 4,352	\$ 4,352	\$ -	\$ -
U.S. equities	37,755	37,755	-	-
	<u>\$ 42,107</u>	<u>\$ 42,107</u>	<u>\$ -</u>	<u>\$ -</u>

(4) Fixed assets

Fixed assets as of December 31, 2015 and 2014 are comprised of the following:

	<u>2015</u>	<u>2014</u>
Land	\$ 885,500	\$ 885,500
Building	1,427,183	1,427,183
Building improvements	588,804	637,239
Office equipment	344,887	331,569
Vehicles	342,254	292,354
Warehouse equipment	571,586	233,878
	<u>4,160,214</u>	<u>3,807,723</u>
Less: accumulated depreciation	<u>1,222,862</u>	<u>1,215,233</u>
	<u>\$ 2,937,352</u>	<u>\$ 2,592,490</u>

(5) Line of credit

The Organization has a \$300,000 line of credit with a bank. The loan is secured by equipment and bears interest at a variable rate equal to the bank's prime rate plus .75% per annum. The line is fully available as of December 31, 2015.

(6) Temporarily restricted net assets

Temporarily restricted net assets are available for or relate to the following purposes:

	<u>2015</u>	<u>2014</u>
Knapp Swezey - Children's Mobile Food Truck	\$ 104,227	\$ -
Countess Moira - Hope for the Homeless	40,000	40,000
TEFAP Handling Fees	38,856	42,216
Bank of America - Brentwood School Pantry	11,248	-
TD Charitable - Kids Café Program	7,809	-
Food Supply Purchase Donations	5,920	17,023
MSC Industrial Direct	4,500	-
Gift Cards and Certificates	3,730	6,585
Grace's Table	3,546	-
Pangaea Foundation - Vets Work Program	2,569	7,909
Wells Fargo - New Paths to Achievement	2,000	-
Target - Pack It Up for Kids Food	1,800	-
BNY Mellon - Vets Program	852	-
Newsday - Pack It Up for Kids Food	-	36,000
Walmart Foundation - School Pantry program	-	27,230
Knapp Swezey - Holiday Meals for Families	-	22,500
Schneidman Family - Pack It Up for Kids Food	-	7,500
Women's Group of Greens - Summer Feeding	-	3,006
Shoprite LPGA - Summer Feeding Program	-	2,278
Board members - Pack It Up for Kids Food	-	2,000
Macy's - Huntington Station food	-	2,000
	<u>\$ 227,057</u>	<u>\$ 216,247</u>

(7) **Permanently restricted net assets (endowment funds)**

Permanently restricted net assets relate to an endowment of \$540,256 to be maintained in perpetuity, the income from which is expendable to support general operations.

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 applicable law requires the Organization to retain as a fund of perpetual duration. There were no such deficiencies as of December 31, 2015 and 2014.

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to protect the original value of the gift.

The Uniform Prudent Management of Institutional Funds Act ("UPMIFA") requires 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, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

Net assets associated with endowment funds are classified and reported based on the existence or absence of donor imposed restrictions.

Changes in endowment net assets for the years ended December 31, 2015 and 2014 are as follows:

	<u>2015</u>	<u>2014</u>
Endowment net assets, beginning of year	\$ 515,006	\$ 473,350
Investment income (loss)	(7,064)	2,467
Released to operations	-	(2,467)
Endowment contributions	<u>32,314</u>	<u>41,656</u>
Endowment net assets, end of year	<u>\$ 540,256</u>	<u>\$ 515,006</u>

(8) **Employee benefit plan**

The Organization has a 403(b) Tax Deferred Annuity Plan (the "Plan"). Eligible participants in the Plan may contribute up to 25% of compensation, but not in excess of the maximum allowed under the Internal Revenue Code. In 2015, the Organization matched employee contributions to the Plan up to a maximum of 3% of the employee's annual salary.

(9) Concentrations of credit risk

The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash, however, during 2014, the Organization opened several new accounts with various banks to mitigate concentrations of credit risk.

(10) Commitments and contingencies:

Future minimum lease commitments -

The Organization is obligated under various operating leases for certain equipment and space expiring through 2022.

The future minimum lease payments under these leases are as follows:

Year ending December 31,

2016	\$ 189,755
2017	189,755
2018	166,335
2019	89,803
2020	25,657
Thereafter	<u>28,313</u>
	<u>\$ 689,618</u>

(11) Fundraising activities

<u>2015</u>	<u>Gross Revenues</u>	<u>Direct Fundraising</u>	<u>Fundraising Income, net</u>
Direct Mailing Appeals	\$ 1,242,435	\$ 423,081	\$ 819,354
Awards Dinner	175,282	61,380	113,902
Golf Outing	131,160	45,929	85,231
Motorcycle Ride	71,793	25,141	46,652
Sneakers and Sandals	31,648	11,082	20,566
Other fundraising activities	169,732	96,267	73,465
	<u>\$ 1,822,050</u>	<u>\$ 662,880</u>	<u>\$ 1,159,170</u>
<u>2014</u>	<u>Gross Revenues</u>	<u>Direct Fundraising</u>	<u>Fundraising Income, net</u>
Direct Mailing Appeals	\$ 1,283,253	\$ 425,598	\$ 857,655
Golf Outing	147,980	61,437	86,543
Awards Dinner	106,778	44,226	62,552
Motorcycle Ride	63,494	16,316	47,178
Concert Events	50,000	47,082	2,918
Other fundraising activities	172,477	76,279	96,198
	<u>\$ 1,823,982</u>	<u>\$ 670,938</u>	<u>\$ 1,153,044</u>

(12) **Subsequent events**

The Organization has evaluated subsequent events through March 11, 2016 which is the date these financial statements were available to be issued, noting no matters requiring further consideration or disclosure.

LONG ISLAND CARES, INC.
SUPPLEMENTARY SCHEDULE OF REVENUES
FOR THE YEAR ENDED DECEMBER 31, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
Public Support And Fundraising:				
Contributions	\$ 1,005,511	\$ -	\$ 25,250	\$ 1,030,761
Fundraising	1,822,050	-	-	1,822,050
Grants	505,176	135,982	-	641,158
Foundation support	396,100	-	-	396,100
Corporate support	130,506	-	-	130,506
	<u>3,859,343</u>	<u>135,982</u>	<u>25,250</u>	<u>4,020,575</u>
Government Support:				
HPNAP	1,278,929	-	-	1,278,929
Suffolk County	205,014	-	-	205,014
Other grants	1,244,044	-	-	1,244,044
	<u>2,727,987</u>	<u>-</u>	<u>-</u>	<u>2,727,987</u>
Distribution Revenue And Handling Fees:				
Food Bank Agencies	175,799	-	-	175,799
HPNAP	158,294	-	-	158,294
TEFAP	296,203	-	-	296,203
Suffolk County	13,028	-	-	13,028
	<u>643,324</u>	<u>-</u>	<u>-</u>	<u>643,324</u>
Other Income:				
In-kind contributions	8,605,906	-	-	8,605,906
Miscellaneous	480	-	-	480
Unrealized loss on investments	(28,503)	-	-	(28,503)
Interest income	8,121	-	-	8,121
	<u>8,586,004</u>	<u>-</u>	<u>-</u>	<u>8,586,004</u>
Subtotal	<u>15,816,658</u>	<u>135,982</u>	<u>25,250</u>	<u>15,977,890</u>
Net Assets Released From Restrictions:				
Food Bank	125,172	(125,172)	-	-
	<u>125,172</u>	<u>(125,172)</u>	<u>-</u>	<u>-</u>
Total revenues	<u>\$ 15,941,830</u>	<u>\$ 10,810</u>	<u>\$ 25,250</u>	<u>\$ 15,977,890</u>

The accompanying notes to financial statements should be read in conjunction with this schedule.

LONG ISLAND CARES, INC.
SUPPLEMENTARY SCHEDULE OF REVENUES
FOR THE YEAR ENDED DECEMBER 31, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
Public Support And Fundraising:				
Contributions	\$ 1,052,979	\$ -	\$ 41,656	\$ 1,094,635
Fundraising	1,823,982	-	-	1,823,982
Grants	336,762	148,145	-	484,907
Foundation support	270,000	-	-	270,000
Corporate support	110,581	-	-	110,581
	<u>3,594,304</u>	<u>148,145</u>	<u>41,656</u>	<u>3,784,105</u>
Government Support:				
HPNAP	1,460,372	-	-	1,460,372
Suffolk County	205,338	-	-	205,338
Other grants	386,049	-	-	386,049
	<u>2,051,759</u>	<u>-</u>	<u>-</u>	<u>2,051,759</u>
Distribution Revenue And Handling Fees:				
Food Bank Agencies	154,256	-	-	154,256
HPNAP	170,636	-	-	170,636
TEFAP	270,622	-	-	270,622
Suffolk County	12,862	-	-	12,862
	<u>608,376</u>	<u>-</u>	<u>-</u>	<u>608,376</u>
Other Income:				
In-kind contributions	8,781,041	-	-	8,781,041
Miscellaneous	9,850	-	-	9,850
Unrealized gain on investments	4,109	-	-	4,109
Interest income	11,325	-	-	11,325
	<u>8,806,325</u>	<u>-</u>	<u>-</u>	<u>8,806,325</u>
Subtotal	<u>15,060,764</u>	<u>148,145</u>	<u>41,656</u>	<u>15,250,565</u>
Net Assets Released From Restrictions:				
Food Bank	382,062	(382,062)	-	-
	<u>382,062</u>	<u>(382,062)</u>	<u>-</u>	<u>-</u>
Total revenues	<u>\$ 15,442,826</u>	<u>\$ (233,917)</u>	<u>\$ 41,656</u>	<u>\$ 15,250,565</u>

The accompanying notes to financial statements should be read in conjunction with this schedule.

LONG ISLAND CARES, INC.
SUPPLEMENTARY SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015

	Food Bank Fund	Community Outreach Fund	Management and General	Fundraising	Totals
In-kind expenses	\$ 8,528,236	\$ 9,415	\$ 653	\$ 55,351	\$ 8,593,655
Salaries	1,044,085	496,770	432,937	236,339	2,210,131
Grant food purchases	786,274	-	-	-	786,274
HPNAP food purchases	699,457	-	-	-	699,457
Fundraising	-	-	-	662,880	662,880
Payroll taxes and benefits	318,816	106,910	76,103	46,642	548,471
Depreciation	158,329	27,067	9,145	13,863	208,404
Transportation	182,632	-	-	-	182,632
CACFP food purchases	122,787	-	-	-	122,787
Suffolk County food purchases	122,144	-	-	-	122,144
Facility rent	4,769	104,633	-	-	109,402
Food Bank food purchases	88,424	-	-	-	88,424
Utilities	69,666	12,345	3,527	2,646	88,184
Professional fees	1,022	1,316	73,010	606	75,954
Building maintenance and sanitation	58,617	10,389	3,033	2,227	74,266
HPNAP operational support	69,618	-	-	-	69,618
Grants to agencies	65,755	-	-	-	65,755
Advertising	32,452	32,264	-	-	64,716
Insurance	36,372	8,332	3,510	8,601	56,815
Equipment rental and maintenance	29,919	10,290	9,317	7,198	56,724
Bank charges and miscellaneous fees	18	-	43,342	98	43,458
Telephone and internet	12,668	15,627	5,789	6,987	41,071
SFSP food purchases	37,917	-	-	-	37,917
Program operations	35,594	1,316	-	-	36,910
Dues and membership fees	18,910	1,242	13,147	55	33,354
Consultants	8,439	8,238	10,865	4,058	31,600
Supplies-office	17,110	6,598	2,349	4,294	30,351
Travel	13,673	7,856	5,597	1,825	28,951
Printing	9,839	9,644	5,415	-	24,898
Nassau County food purchases	20,671	-	-	-	20,671
Promotional items	228	2,062	7,786	9,301	19,377
Supplies-warehouse	15,418	-	-	-	15,418
Postage and mailing	6,552	4,364	2,839	1,372	15,127
HPNAP capital equipment	10,989	-	-	-	10,989
Food acquisition handling fees	8,935	-	-	-	8,935
Conference fees	290	294	3,749	1,325	5,658
HPNAP sanitation/safety supplies	4,815	-	-	-	4,815
HPNAP client choice	2,632	-	-	-	2,632
Freight	2,625	-	-	-	2,625
Permits and licenses	1,014	180	52	37	1,283
Damage/shortage	1,133	-	-	-	1,133
Property taxes	520	92	26	20	658
Data security and disposal	-	-	288	-	288
Total expenses	\$ 12,649,364	\$ 877,244	\$ 712,479	\$ 1,065,725	\$ 15,304,812

The accompanying notes to financial statements should be read in conjunction with this schedule.

LONG ISLAND CARES, INC.
SUPPLEMENTARY SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2014

	Food Bank Fund	Community Outreach Fund	Management and General	Fundraising	Totals
In-kind expenses	\$ 9,527,407	\$ 8,691	\$ 3,200	\$ 45,982	\$ 9,585,280
Salaries	1,057,238	442,018	427,688	207,684	2,134,628
HPNAP food purchases	1,163,712	-	-	-	1,163,712
Fundraising	-	-	-	670,938	670,938
Payroll taxes and benefits	295,817	96,828	96,751	55,960	545,356
Grant food purchases	357,506	-	-	-	357,506
Transportation	187,339	-	-	-	187,339
Depreciation	140,732	24,217	8,384	11,274	184,607
Grants to clients	-	127,306	-	-	127,306
Suffolk County food purchases	120,584	-	-	-	120,584
Utilities	85,325	15,121	4,320	3,241	108,007
HPNAP operational support	104,003	-	-	-	104,003
CACFP food purchases	99,318	-	-	-	99,318
Building maintenance and sanitation	68,652	12,166	3,476	2,607	86,901
Grants to agencies	75,307	-	-	-	75,307
Facility rent	950	69,588	-	-	70,538
Equipment rental and maintenance	35,246	14,078	6,506	5,414	61,244
HPNAP capital equipment	59,128	-	-	-	59,128
Bank charges and miscellaneous fees	998	2,862	45,480	4,680	54,020
SFSP food purchases	49,901	-	-	-	49,901
Educational supplies	35,330	14,170	-	-	49,500
Insurance	33,411	7,933	3,841	3,467	48,652
Advertising	23,295	23,545	-	-	46,840
Food Bank food purchases	44,516	-	-	-	44,516
Telephone and internet	15,425	14,745	4,342	8,799	43,311
Workshop and education	36,979	3,725	-	-	40,704
Supplies-office	21,658	6,748	3,069	1,987	33,462
Temporary personnel	203	2,105	29,268	337	31,913
Consultants	8,466	4,931	14,385	1,656	29,438
Printing	11,594	9,768	7,700	-	29,062
Travel	16,634	5,758	3,475	912	26,779
Dues and membership fees	20,106	930	3,639	705	25,380
Conference fees	524	1,882	16,978	395	19,779
Supplies-warehouse	19,376	-	-	-	19,376
Postage and mailing	7,313	3,885	3,197	4,136	18,531
Promotional items	970	1,818	2,846	12,127	17,761
Professional fees	-	-	16,500	-	16,500
HPNAP client choice	15,393	-	-	-	15,393
HPNAP sanitation/safety supplies	10,389	-	-	-	10,389
Food acquisition handling fees	3,400	-	-	-	3,400
Damage/shortage	2,381	-	-	-	2,381
Freight	830	-	-	-	830
Property taxes	514	91	26	20	651
Permits and licenses	423	75	21	16	535
Data security and disposal	-	-	324	-	324
Total expenses	\$ 13,758,293	\$ 914,984	\$ 705,416	\$ 1,042,337	\$ 16,421,030

The accompanying notes to financial statements should be read in conjunction with this schedule.