

GEORGIA MOUNTAIN FOOD BANK, INC.

GAINESVILLE, GEORGIA

FINANCIAL STATEMENTS

FOR THE YEARS ENDED

June 30, 2013 and 2012

GEORGIA MOUNTAIN FOOD BANK, INC.  
GAINESVILLE, GEORGIA

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January 7, 2013

INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Georgia Mountain Food Bank, Inc.  
Gainesville, Georgia

We have audited the accompanying financial statements of Georgia Mountain Food Bank, Inc. (a nonprofit organization) which comprise the statement of financial position as of June 30, 2013 and 2012, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Georgia Mountain Food Bank, Inc. as of June 30, 2013 and 2012, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Alexander, Almand & Bangs, LLP*

GEORGIA MOUNTAIN FOOD BANK, INC.  
STATEMENTS OF FINANCIAL POSITION

	June 30,	
ASSETS	2013	2012
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 225,491	\$ 63,186
Accounts receivable:		
Accounts receivable - pledges	10,167	30
Accounts receivable - other	18,401	1,389
Inventory - donated	374,504	-
Prepaid expense	3,769	-
	632,332	64,605
<b>NON-CURRENT ASSETS</b>		
Accounts receivable - non-current pledges	20,333	-
<b>PROPERTY AND EQUIPMENT</b>		
Land	157,500	157,500
Land improvements	28,730	-
Building	923,288	-
Equipment, furniture & fixtures	206,985	25,517
Construction in progress	-	711,367
	1,316,503	894,384
Less accumulated depreciation	(64,888)	(9,308)
	1,251,615	885,076
<b>TOTAL ASSETS</b>	<b>\$ 1,904,280</b>	<b>\$ 949,681</b>

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

GEORGIA MOUNTAIN FOOD BANK, INC.  
STATEMENTS OF FINANCIAL POSITION

	June 30,	
	2013	2012
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 10,668	\$ 7,900
Accrued payroll liabilities	17,998	7,200
	<b>28,666</b>	<b>15,100</b>
<b>NET ASSETS</b>		
Unrestricted		
Board designated - property and equipment	1,251,615	868,867
Board designated - inventory	374,504	-
Undesignated	247,984	63,535
Total unrestricted	1,874,103	932,402
Temporarily restricted	1,511	2,179
	<b>1,875,614</b>	<b>934,581</b>
<b>TOTAL LIABILITIES NET ASSETS</b>	<b>\$ 1,904,280</b>	<b>\$ 949,681</b>

GEORGIA MOUNTAIN FOOD BANK, INC.  
STATEMENTS OF ACTIVITIES

	For the Year Ended June 30, 2013			For the Year Ended June 30, 2012		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenues and Support						
Contributions	\$ 282,900	\$ -	\$ 282,900	\$ 100,872	\$ -	\$ 100,872
Fundraising	215,171	-	215,171	179,473	-	179,473
Grants and foundations	134,166	529,047	663,213	-	788,013	788,013
Program service revenues	97,153	-	97,153	11,062	-	11,062
Special events	8,805	-	8,805	9,063	-	9,063
In-kind contributions:						
Donated food and product	2,331,243	-	2,331,243	254,513	-	254,513
Goods and services	23,049	-	23,049	80,281	-	80,281
Capitalized assets	35,953	-	35,953	107,500	-	107,500
Interest	61	-	61	124	-	124
Net assets released from restrictions:						
Satisfaction of payments	529,715	(529,715)	-	797,108	(797,108)	-
<b>Total Revenues and Support</b>	<b>3,658,216</b>	<b>(668)</b>	<b>3,657,548</b>	<b>1,539,996</b>	<b>(9,095)</b>	<b>1,530,901</b>
Expenses						
Program Services	2,478,582	-	2,478,582	492,938	-	492,938
Management and general	89,995	-	89,995	58,108	-	58,108
Fundraising	146,689	-	146,689	116,141	-	116,141
Total functional expenses	2,715,266	-	2,715,266	667,187	-	667,187
Costs of direct donor benefits	1,249	-	1,249	1,037	-	1,037
<b>Total Expenses</b>	<b>2,716,515</b>	<b>-</b>	<b>2,716,515</b>	<b>668,224</b>	<b>-</b>	<b>668,224</b>
<b>CHANGE IN NET ASSETS</b>	<b>941,701</b>	<b>(668)</b>	<b>941,033</b>	<b>871,772</b>	<b>(9,095)</b>	<b>862,677</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>932,402</b>	<b>2,179</b>	<b>934,581</b>	<b>60,630</b>	<b>11,274</b>	<b>71,904</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 1,874,103</b>	<b>\$ 1,511</b>	<b>\$ 1,875,614</b>	<b>\$ 932,402</b>	<b>\$ 2,179</b>	<b>\$ 934,581</b>

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

GEORGIA MOUNTAIN FOOD BANK, INC.  
STATEMENTS OF FUNCTIONAL EXPENSES

	For the Year Ended June 30, 2013				For the Year Ended June 30, 2012			
	Program Services	Management & General	Fundraising	Totals	Program Services	Management & General	Fundraising	Totals
Advertising and promotion	\$ 18,797	\$ 1,993	\$ 7,690	\$ 28,480	\$ 5,184	\$ 5,276	\$ 12,573	\$ 23,033
Communication and technology	15,393	4,130	3,100	22,623	8,119	972	391	9,482
Depreciation	44,465	5,558	5,558	55,581	3,338	66	153	3,557
Direct Mailings	-	-	106,074	106,074	-	-	78,465	78,465
Employee benefits	26,130	8,567	3,259	37,956	16,272	2,034	2,034	20,340
Food Programs	42,766	-	-	42,766	14,461	-	-	14,461
Insurance expense	9,615	10,156	1,011	20,782	1,605	1,243	201	3,049
Other employee expenses	6,095	3,767	299	10,161	5,601	489	-	6,090
Other miscellaneous costs	8,930	6,228	87	15,245	2,617	5,307	3,541	11,465
Payroll taxes	16,015	3,463	2,164	21,642	6,809	2,310	675	9,794
Postage	2,752	118	1,061	3,931	3,440	283	50	3,773
Professional fees	384	7,978	-	8,362	-	4,676	-	4,676
Printing and publications	3,483	-	956	4,439	2,489	101	37	2,627
Repairs and maintenance	3,253	244	-	3,497	139	-	-	139
Salaries and wages	227,162	29,585	10,931	267,678	88,526	19,686	8,961	117,173
Supplies	18,336	1,016	587	19,939	3,909	1,964	1,891	7,764
Taxes and licenses	1,893	-	-	1,893	25	25	-	50
Transportation	38,464	-	-	38,464	12,534	106	-	12,640
Travel	6,918	71	143	7,132	4,195	-	-	4,195
Utilities	23,169	5,323	2,818	31,310	-	-	-	-
Inkind goods and services:								
Donated food and product	1,956,739	-	-	1,956,739	254,513	-	-	254,513
Goods and services	7,823	1,798	951	10,572	59,162	13,570	7,169	79,901
<b>Total expenses</b>	<b>\$ 2,478,582</b>	<b>\$ 89,995</b>	<b>\$ 146,689</b>	<b>\$ 2,715,266</b>	<b>\$ 492,938</b>	<b>\$ 58,108</b>	<b>\$ 116,141</b>	<b>\$ 667,187</b>

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

GEORGIA MOUNTAIN FOOD BANK, INC.  
STATEMENTS OF CASH FLOWS

	For the Year Ended June 30,	
	2013	2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess of support and revenues over expenses	\$ 941,033	\$ 862,677
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	55,581	3,557
Inkind donation - food and product	(374,504)	-
Inkind donation - capitalized assets	(35,953)	(107,500)
(Increase) decrease in assets:		
Accounts receivable - pledges	(30,470)	3,113
Accounts receivable - other	(17,012)	(1,005)
Prepaid expenses	(3,769)	-
Increase (decrease) in liabilities:		
Accounts payable	2,768	7,470
Accrued payroll liabilities	10,798	4,948
	<u>548,472</u>	<u>773,260</u>
<b>CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of building & equipment - inkind (capital)	(1,097,534)	(8,220)
Purchase of land	-	(50,000)
Construction in progress	711,367	(711,367)
	<u>(386,167)</u>	<u>(769,587)</u>
<b>CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>		
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	162,305	3,673
<b>CASH AT BEGINNING OF YEAR</b>	<u>63,186</u>	<u>59,513</u>
<b>CASH AT END OF YEAR</b>	<u>\$ 225,491</u>	<u>\$ 63,186</u>
Non-cash transactions consist of in-kind	<u>\$ 2,390,245</u>	<u>\$ 442,294</u>
Amounts paid for:		
Interest	<u>\$ -</u>	<u>\$ -</u>
Income Tax	<u>\$ -</u>	<u>\$ -</u>

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

GEORGIA MOUNTAIN FOOD BANK, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
For the Years Ended June 30, 2013 and 2012

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

The Georgia Mountain Food Bank, Inc. (GMFB) was created on November 7, 2007. GMFB is a nonprofit organization with the mission to mobilize resources to fight hunger in our community. The core work of GMFB is the collection and distribution of donated food and other grocery products to charitable agencies in a 5 county service area in northeast Georgia including Dawson, Forsyth, Hall, Lumpkin, and Union counties serving low-income and needy people. GMFB supplements donated and surplus food and products with the purchase of specific food and grocery items. GMFB also conducts hunger research and participates in hunger awareness campaigns in order to educate and inform the public regarding the problems of hunger. GMFB is affiliated with the Atlanta Community Food Bank which is a member of the Feeding America network (formerly America's Second Harvest – The Nation's Food Bank Network).

**Primary Programs**

The primary program of the GMFB is general food distribution: GMFB's core program which includes the distribution of food and products to charitable agencies located in a 5 county service area, as mutually contracted with the Atlanta Community Food Bank to be Dawson, Forsyth, Hall, Lumpkin and Union counties. In addition, other GMFB programs include:

**Rural Delivery Program:** GMFB partners with rural agencies that rely on delivery to their location. Currently, GMFB operates 1 tractor, 3 refrigerated trailers, and 2 refrigerated box trucks and provides direct door-to-door delivery to 18 feeding partners.

**Mobile Food Pantries:** The majority of the food that GMFB acquires from donors is distributed to clients through the 57 hunger relief partners in northeast Georgia. However, many communities and neighborhoods do not have access to pantries for a number of reasons and the GMFB has responded by utilizing volunteers and delivering food directly to people in need via the mobile pantry program. Since the program began in June 2012, through the end of this fiscal year 134,000 and 4,600 households have been served.

**Munch Bunch Snack Program:** Provides healthy snacks to at-risk children through a variety of existing community locations where they congregate such as Boys & Girls Clubs, churches, after-school programs or public schools. In fiscal year 2012-13, GMFB served over 500 enrolled in area programs.

**Senior Brown Bag Program:** Provides nutritious food including fresh produce, baked goods, and personal hygiene products to seniors at three sites. On average, 80 seniors are served weekly through this program. GMFB works with Meals on Wheels in Hall County, through the partner agency network to provide emergency food boxes distributed for holidays and/or inclement weather.

**Backpacks for Kids:** GMFB has plans to launch a pilot program in Blairsville, Ga. (Union county) in the fall of 2013. Partnering church groups and community service organizations in the area, the Food Bank plans to provide take home bags of nutritious food to elementary children enrolled in the Union county school system. GMFB also supports other area backpack groups as a part of its partner agency network that serves hundreds of children each week.

**Community Assistance Programs:** In the tax season of 2012, the GMFB participated in the Volunteer Income Tax Assistance (VITA) program operated by the Gainesville Community Service Center, serving as trained volunteers that provide free tax filing assistance to low-and-moderate-income workers, applying for Earned Income Tax Credit (EITC) and the Child Tax Credit. GMFB operates a site at the Boomershine Family Logistics Center for tax season 2013, once again partnering with the Gainesville Community Service Center.

GEORGIA MOUNTAIN FOOD BANK, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
For the Years Ended June 30, 2013 and 2012

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Summer Lunch Bags:** Each year, during the summer break of public school systems, the GMFB participates in the USDA Summer Food Service Program, partnering with several local organizations, community groups, businesses and individuals to provide healthy meals to at-risk children. Beginning in 2010, the Summer Lunch Bag program has increased the number of feeding sites and children served year over year. GMFB plans to serve over 17,000 meals by the end of summer 2013.

**Basis of Accounting**

The financial statements are prepared on the accrual basis in conformity with generally accepted accounting principles.

**Basis of Presentation**

GMFB follows FASB ASC 958, which establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into three net asset categories according to externally (donor) imposed restrictions. FASB ASC 958 requires that unconditional promises to give be recorded as receivables and revenues and requires the organization to distinguish between contributions received for each net asset category in accordance with donor imposed restrictions. A description of the three net asset categories follows.

**Unrestricted net assets** have no donor-imposed restrictions,

**Temporarily restricted net assets** have donor-imposed restrictions that are satisfied either by the passage of time or expenditures that meet the donor-specified purpose, and

**Permanently restricted net assets** have donor-imposed restrictions which do not expire.

**Expiration of Donor-Imposed Restrictions**

The expiration of a donor-imposed restriction on a contribution or on endowment income is recognized in the period in which the restriction expires and at that time the related resources are reclassified to unrestricted net assets. The restriction expires when the stipulated time has elapsed, when the specified purpose for which the resource was restricted has been fulfilled, or both. Temporality restricted revenues whose restrictions are satisfied in the current year are presented as unrestricted revenues.

GMFB follows the policy of reporting donor-imposed restricted contributions and endowment income whose restrictions are met within the same fiscal year as unrestricted support.

**Public Support and Revenue**

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. The main sources of direct public support are from individual and corporate contributors.

**Property and Equipment**

Property and equipment are valued at actual cost. Donated property and equipment is valued at fair market value at the date of donation. Depreciation is provided using the straight-line basis over the following useful lives:

Building	30	years
Cooler/Freezer	20	years
Furniture and Equipment	3 - 20	years
Land Improvements	15	years

GEORGIA MOUNTAIN FOOD BANK, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
For the Years Ended June 30, 2013 and 2012

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

**Income Tax**

Georgia Mountain Food Bank, Inc. qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for income taxes. The Internal Revenue Service has classified the organization as a publicly supported organization under sections 509(a)(1) and 170(b)(1)(A)(vi).

The Agency adopted FASB ASC 740, *Income Taxes Overall Disclosure, Unrecognized Tax Benefit Related Disclosures*, as of January 1, 2009. Management has established procedures to identify any unrecognized tax benefit. There were no unrecognized tax benefits for the year ended June 30, 2013 and 2012.

**Cash and Cash Equivalents**

GMFB considers only cash accounts and certificates of deposit with maturities of less than three months as cash equivalents.

**Inventory**

Inventory consists primarily of donated foods and related consumer products. Donated inventory has been valued at \$ 1.69 per pound in 2013 and \$ 1.66 per pound in 2012. This value was derived from Feeding America, and management believes it is a fair representation of value.

**Contributed Services, Facilities, and Food**

GMFB values all donated services and facilities at FMV at the time of the donation. Food donated is valued using an average rate per pound of food.

**Advertising**

GMFB expenses advertising costs as incurred.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates.

**NOTE 2 - PLEDGES RECEIVABLE**

Pledges receivable as of June 30, 2013 and 2012 total \$ 30,500 and \$ 30, respectively. All of these amounts are deemed to be fully collectible and no allowance for uncollectible pledges is made. All of these pledges are for general support. Of these amounts, \$ 10,167 is deemed collectible within the next year, \$ 10,167 for fiscal year 2015, and \$ 10,166 for fiscal year 2016.

**NOTE 3 - ADMINISTRATIVE AND PROGRAM SERVICE ALLOCATION**

Expenses are allocated between program, administrative, and fundraising based on estimated percentages and vary with each expenditure.

GEORGIA MOUNTAIN FOOD BANK, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
For the Years Ended June 30, 2013 and 2012

**NOTE 4 - COMPENSATED ABSENCES**

GMFB maintains a compensated absence policy as follows: Sick leave is earned after 3 months of employment and paid at the employee's current pay rate. A cumulative total of 7 days per calendar year are available and unused sick leave is not carried forward to subsequent calendar years. Vacation time is accrued beginning with the first year of employment and may be taken by the employee after one full year of employment. Vacation time is deemed earned on the first day of the calendar year and must be used by the end of the calendar year. Vacation time is earned on the following schedule of employment and is paid out at the employee's current pay rate:

One year of employment	5 days
Two to five years of employment	10 days
Five to ten years of employment	15 days
Ten years or more of employment	20 days

**NOTE 5 - CONCENTRATIONS OF CREDIT RISK**

GMFB maintains its demand deposits at high quality financial institutions. For the years ended June 30, 2013 and 2012 all cash amounts on deposit are fully insured.

**NOTE 6 – DONATED FACILITIES, SERVICES, AND FOOD**

**Goods, Services, and Occupancy** – Contributed goods and services are recognized by GMFB if the goods and services received (a) create or enhance long-lived assets (b) are required goods necessary for the operations of the GMFB or (c) require specialized skills, which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Donated goods include furniture, fixtures, and equipment. Donated services include professional fees. The total fair market value of goods and services totals \$ 52,877 and \$ 114,281 for the years ended June 30, 2013 and 2012. For approximately six weeks in the current year, the GMFB conducted operations out of a donated operations center. Donated facilities are recorded at their fair market value at the time of donation. The total fair market value of donated facilities totals \$ 6,125 and \$ 73,500 for the years ended June 30, 2013 and 2012. Total goods, services, and occupancy equal \$ 59,002 and \$ 187,781 for the years ended June 30, 2013 and 2012, respectively.

**Food** - The GMFB receives a significant amount of contributed food inventory that is recorded in the accompanying financial statements as unrestricted inkind contributions, net of amounts related to food that unusable or spoiled when received. Food items are valued using a weighted average price per pound determined using studies commissioned by Feeding America, the nation's largest nongovernmental food distribution program.

As of June 30, 2013 and 2012 the weighted average value of contributed food was \$ 1.69 and \$ 1.66 per pound, respectively. GMFB receives food donations from local corporations and food drives. These food donations are distributed to partner agencies located in the GMFB's service area. For the year ended June 30, 2013 and 2012 the Agency received 1,379,434 and 153,321 pounds of food valued at \$ 1.69 and \$ 1.66 per pound totaling \$ 2,331,243 and \$ 254,513, respectively.

GMFB also acts as a redistribution facility for food donations on behalf of the Atlanta Community Food Bank (ACFB). The Agency redistributed 1,175,873 and 1,326,075 pounds of food on behalf of the ACFB for the years ended June 30, 2013 and 2012, respectively. These amounts are not included in the donated food in the previous paragraph.

**NOTE 7 – NET ASSETS**

Temporarily restricted net assets consist of amounts for the summer feeding program of \$ 1,511 and construction of a new operations facility.

GEORGIA MOUNTAIN FOOD BANK, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
For the Years Ended June 30, 2013 and 2012

**NOTE 7 – NET ASSETS (CONT'D)**

	For the Year Ended June 30,	
	2013	2012
Beginning Balance	\$ 2,179	\$ 11,274
Increases:		
North Ga. Comm. Foundation	319,047	543,661
Junior League	-	7,000
Jackson EMC	10,000	-
Medical Center Foundation	-	237,352
Anonymous Donor	200,000	-
Total Increases	529,047	788,013
Decreases:		
Summer Feeding Program	10,668	9,095
Capital Campaign	519,047	788,013
Total Decreases	529,715	797,108
Ending TRNA	\$ 1,511	\$ 2,179

**NOTE 8 – RETIREMENT PLAN**

In the prior year, the GMFB implemented a retirement plan on behalf of the employees of the GMFB. The GMFB makes a contribution equal to 7.5% of the qualified employee's salary on a quarterly basis into an account held at Wells Fargo on behalf of the employee. Employees are eligible for this contribution after 3 years of employment. The total employer contribution for the years ended June 30, 2013 and 2012 was \$ 9,111 and \$ 4,111, respectively. These amounts are included in the caption "Employee Benefits".

**NOTE 9 – CONSTRUCTION AND REAL ESTATE**

During the prior year, the GMFB began construction on a new operations facility located on Calvary Industrial Blvd., Gainesville, Georgia. The building was completed and placed into service in the current year. The total cost of the land, building and land improvements totals \$ 1,109,518. Of these total costs, \$ 672,166 was granted to the GMFB from the North Georgia Community Foundation, \$ 237,352 was contributed by the Medical Center Foundation, and \$ 200,000 was contributed by an anonymous donor.

**NOTE 10 – NORTH GEORGIA COMMUNITY FOUNDATION**

The North Georgia Community Foundation maintains the GMFB Lindsay Robertson Operating Fund and the GMFB Logistics Building Fund. At June 30, 2013, the funds had balances of \$ 13,300 and \$ 34, respectively. These funds are not carried on the books of the GMFB.

**NOTE 11 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through January 7, 2013, the date the financial statements were available to be issued, and determined that no material subsequent events have occurred.