

NEIGHBOR TO NEIGHBOR, INC.
**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

**Years Ended
May 31, 2016 and 2015**

NEIGHBOR TO NEIGHBOR, INC.

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Years Ended

May 31, 2016 and 2015

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Neighbor to Neighbor, Inc.

We have audited the accompanying financial statements of Neighbor to Neighbor, Inc. (a nonprofit organization), which comprise the statements of financial position as of May 31, 2016 and 2015, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free 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 Neighbor to Neighbor, Inc. as of May 31, 2016 and 2015, 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.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Supplemental Schedule Development of New Facility Summary on page 17 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.

Handwritten signature of Walter J. McKeever in black ink, followed by the letters "LLC" to the right.

Walter J. McKeever & Company, LLC
Greenwich, Connecticut
October 27, 2016

NEIGHBOR TO NEIGHBOR, INC.
STATEMENTS OF FINANCIAL POSITION
May 31, 2016 and 2015

	2016	2015
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 989,581	\$ 773,385
Investments (Note 5)	781,654	783,038
Other receivable	3,840	2,000
Inventory (Note 2)	80,862	59,223
Prepaid expenses	14,780	13,731
Total Current Assets	1,870,717	1,631,377
Fixed Assets		
Furniture and equipment	15,785	15,785
Vehicle	18,110	18,110
Leasehold improvements	43,657	43,657
New facility - construction in progress (Note 8)	488,759	149,622
	566,311	227,174
Less: Accumulated depreciation	(74,636)	(73,836)
Net Fixed Assets	491,675	153,338
Other Assets		
Prepaid lease expense (Note 8)	26,363	26,363
Total Assets	\$ 2,388,755	\$ 1,811,078
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 375	\$ 1,564
Accrued expenses		1,728
Total Current Liabilities	375	3,292
Net Assets		
Unrestricted		
Undesignated	1,158,524	1,126,489
Board designated (Note 6)		139,576
Net investment in new facility	488,759	149,622
Temporarily restricted (Note 7)	741,097	392,099
Total Net Assets	2,388,380	1,807,786
Total Liabilities and Net Assets	\$ 2,388,755	\$ 1,811,078

See accompanying notes to the financial statements.

NEIGHBOR TO NEIGHBOR, INC.
STATEMENT OF ACTIVITIES
For the Year Ended May 31, 2016

	Unrestricted	Temporarily Restricted	Total
REVENUES			
Contributions			
Foundations	\$ 110,601	\$ 60,500	\$ 171,101
Individuals and corporations	246,387	399,509	645,896
Religious and civic organizations	60,172	107,040	167,212
Grants	67,028		67,028
In-kind donations (Note 4)			
Clothing and housewares	940,990		940,990
Food	455,793		455,793
Rent	32,312		32,312
Special event revenue	55,199		55,199
Less: direct expenses	(17,746)		(17,746)
Investment income (Note 5)	7,035		7,035
Net assets released from restrictions	218,051	(218,051)	
	2,175,822	348,998	2,524,820
OPERATING EXPENSES			
Program expenses	1,779,332		1,779,332
General and administrative expenses	88,242		88,242
Fundraising expenses	59,797		59,797
	1,927,371		1,927,371
OTHER EXPENSES			
Capital project (Note 8)	16,855		16,855
	1,944,226		1,944,226
Change in Net Assets	231,596	348,998	580,594
Net Assets - beginning of year	1,415,687	392,099	1,807,786
Net Assets - end of year	\$ 1,647,283	\$ 741,097	\$ 2,388,380

See accompanying notes to the financial statements.

NEIGHBOR TO NEIGHBOR, INC.
STATEMENT OF ACTIVITIES
For the Year Ended May 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES			
Contributions			
Foundations	\$ 113,700	\$ 155,000	\$ 268,700
Individuals and corporations	289,707	198,099	487,806
Religious and civic organizations	62,066	1,500	63,566
Grants	53,097		53,097
In-kind donations (Note 4)			
Clothing and housewares	889,366		889,366
Food	361,777		361,777
Rent	32,312		32,312
Special event revenue			
Filling Bowls for Forty Years	102,572		102,572
Less: direct expenses	(29,220)		(29,220)
Investment income (Note 5)	51,847		51,847
	<u>1,927,224</u>	<u>354,599</u>	<u>2,281,823</u>
OPERATING EXPENSES			
Program expenses	1,659,115		1,659,115
General and administrative expenses	102,935		102,935
Fundraising expenses	34,499		34,499
	<u>1,796,549</u>	<u> </u>	<u>1,796,549</u>
OTHER EXPENSES			
Capital project (Note 8)	18,213		18,213
	<u>1,814,762</u>	<u> </u>	<u>1,814,762</u>
Change in Net Assets	112,462	354,599	467,061
Net Assets - beginning of year	<u>1,303,225</u>	<u>37,500</u>	<u>1,340,725</u>
Net Assets - end of year	<u>\$ 1,415,687</u>	<u>\$ 392,099</u>	<u>\$ 1,807,786</u>

See accompanying notes to the financial statements.

NEIGHBOR TO NEIGHBOR, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended May 31, 2016

	<u>Program</u>	<u>Management</u>	<u>Fundraising</u>	<u>Total</u>
Purchases - clothing and food	\$ 122,055	\$	\$	\$ 122,055
In-kind - clothing and food	1,375,144			1,375,144
Salaries, benefits and related taxes	218,875	43,843	36,424	299,142
Computer expenses		500	1,080	1,580
Depreciation		800		800
Dues and subscriptions		688		688
Insurance	2,941	1,447		4,388
Investment expense		8,439		8,439
Maintenance and repairs	13,490	632		14,122
Miscellaneous	115	903	450	1,468
Office expenses	4,998	3,633	710	9,341
Postage		602	2,357	2,959
Printing	930	807	10,127	11,864
Professional development	1,700	213	213	2,126
Professional services	3,210	12,517	4,380	20,107
Rent	29,690	7,422		37,112
Service charges		147	2,731	2,878
Telephone and internet		2,210		2,210
Travel	1,607			1,607
Volunteer and hospitality	4,577	899	1,325	6,801
Website		2,540		2,540
Total Expenses	<u>\$ 1,779,332</u>	<u>\$ 88,242</u>	<u>\$ 59,797</u>	<u>\$ 1,927,371</u>

See accompanying notes to the financial statements.

NEIGHBOR TO NEIGHBOR, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended May 31, 2015

	<u>Program</u>	<u>Management</u>	<u>Fundraising</u>	<u>Total</u>
Purchases - clothing and food	\$ 123,497	\$	\$	\$ 123,497
In-kind - clothing and food	1,254,676			1,254,676
Salaries, benefits and related taxes	223,134	52,303	14,546	289,983
Computer expenses			1,305	1,305
Depreciation		283		283
Dues and subscriptions		748		748
Insurance	2,605	1,991		4,596
Investment expense		8,480		8,480
Maintenance and repairs	10,988	2,747		13,735
Miscellaneous	110	6	385	501
Office expenses	1,567	6,622	211	8,400
Postage		1,794	2,681	4,475
Printing	2,219	666	7,832	10,717
Professional development		2,645		2,645
Professional services		13,765	3,802	17,567
Rent	29,690	7,422		37,112
Service charges		12	2,384	2,396
Telephone and internet		2,157		2,157
Travel	3,117			3,117
Volunteer and hospitality	7,512	1,025	1,353	9,890
Website		269		269
Total Expenses	\$ 1,659,115	\$ 102,935	\$ 34,499	\$ 1,796,549

See accompanying notes to the financial statements.

NEIGHBOR TO NEIGHBOR, INC.
STATEMENTS OF CASH FLOWS
For the Years Ended May 31, 2016 and 2015

	2016	2015
Cash flows from operating activities:		
Change in Net Assets	\$ 580,594	\$ 467,061
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	800	283
Unrealized loss (gain) on investments	14,954	(18,490)
Realized gain on sale of investments	(928)	(11,086)
Increase in other receivable	(1,840)	(2,000)
(Increase) Decrease in inventory	(21,639)	3,534
Increase in prepaid expenses	(1,049)	(3,944)
Increase in other assets		(26,363)
(Decrease) Increase in accounts payable	(1,189)	1,124
Decrease in accrued payroll		(10,511)
(Decrease) Increase in accrued expenses	(1,728)	1,728
Total adjustments	(12,619)	(65,725)
Net cash provided by operating activities	567,975	401,336
Cash flows from investing activities:		
Proceeds from the sale of investments	92,333	107,910
Purchase of investments	(105,234)	(50,230)
Purchase of furniture and equipment		(3,999)
New facility - construction in progress	(339,137)	(149,622)
Net cash used by investing activities	(352,038)	(95,941)
Net increase in cash and cash equivalents	215,937	305,395
Cash and cash equivalents - beginning of year	784,262	478,867
Cash and cash equivalents - end of year	\$ 1,000,199	\$ 784,262
<u>Summary of Cash and Cash Equivalents:</u>		
Cash - Operating	\$ 989,581	\$ 773,385
Investments	10,618	10,877
	\$ 1,000,199	\$ 784,262

See accompanying notes to the financial statements.

NEIGHBOR TO NEIGHBOR, INC.
NOTES TO FINANCIAL STATEMENTS
May 31, 2016 and 2015

NOTE 1. NATURE OF ORGANIZATION AND OPERATIONS

Neighbor to Neighbor, Inc. ("Neighbor to Neighbor" or the "Organization") is a Connecticut not-for-profit organization. The Organization was originally called the Greenwich Committee for Foreign Relief, Inc. and was formed in 1948. Through a restatement of its Articles of Association in July 1975, the Organization was renamed as Neighbor to Neighbor, Inc. Neighbor to Neighbor, Inc. is dedicated to serving residents in need throughout the Greenwich area. They improve lives by providing for the exchange of food, clothing and basic living essentials in an atmosphere of kindness and respect. Neighbor to Neighbor offers assistance through two programs: a food pantry and a clothing room. The food pantry offers free nutritious weekly food to residents of Greenwich, Connecticut, as well as emergency food to residents of Stamford, Connecticut and Port Chester, New York. The clothing room offers free seasonal clothing, linens, and household items to residents of Greenwich and Stamford, Connecticut and Port Chester, New York. The families served by Neighbor to Neighbor are referred by social service agencies and religious organizations.

Neighbor to Neighbor receives support almost entirely from community contributions in the form of cash, goods and services.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board. Accounting standards require the Organization to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

(Continued)

NEIGHBOR TO NEIGHBOR, INC.
NOTES TO FINANCIAL STATEMENTS
May 31, 2016 and 2015
(Continued)

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fixed Assets

Furniture and equipment, a vehicle and leasehold improvements are recorded at cost and depreciated on a straight line basis over their estimated useful lives which range from three to five years. The Organization uses a threshold of \$1,000 for capitalization effective June 1, 2013. Construction of the new facility is being recorded at cost and capitalized as incurred; however, depreciation will not begin until the new facility is put into service.

Investments

Investments are recorded at fair value in accordance with accounting standards. See Note 4 for a discussion of fair value measurements. Unrealized gains and losses are included in the change in net assets in the statement of activities.

Inventory

Inventories are stated at the lower of cost or market. Cost is determined on a standard cost basis that approximates the first-in, first-out (FIFO) method. The Organization uses the *Salvation Army Valuation Guide for Donated Items* to value clothing and housewares. A physical inventory is taken annually at the end of each fiscal year for valuation purposes.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted, depending on the existence and/or nature of any donor restrictions. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. All donor restricted contributions are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restrictions.

Promises To Give

In accordance with generally accepted accounting principles, the Organization is required to recognize all grants (unconditional promises to give) when the grant is made rather than when the monies are received. Pursuant with the Organization's policy and in conformity with accounting standards, Neighbor to Neighbor does not recognize conditional promises to give as revenue until the condition is met or the grant funds are received.

Donated Securities

All securities donated to the Organization is valued as a contribution at fair market value at the date of receipt. A realized gain (loss) is recognized when the stock is subsequently sold.

(Continued)

NEIGHBOR TO NEIGHBOR, INC.
NOTES TO FINANCIAL STATEMENTS
May 31, 2016 and 2015
(Continued)

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Services

Numerous volunteers donate significant time and perform a variety of tasks that assist the Organization. No value for these services has been reflected in the financial statements since it does not meet the criteria for recognition under current accounting standards as no objective basis is available to measure their value. Recognition is required for contributed services which create or enhance nonfinancial assets or require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

Neighbor to Neighbor, Inc. is a "not-for-profit" organization as described in Section 509(a)(1) and 170(b)(1)(A)(vi) of the Internal Revenue Code and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization accounts for uncertainty in income tax positions in the financial statements by applying a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. Management has analyzed the tax positions taken or expected to be taken and has concluded that as of May 31, 2016, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Federal information returns are subject to examination for a period of three years from the filing date of the return; fiscal years ended May 31, 2013 – May 31, 2015 remain open.

Reclassification

Certain amounts in the prior year have been reclassified to conform to the current year presentation.

NOTE 3. CONCENTRATION OF CREDIT RISK

The Organization maintains its cash balances at two financial institutions. Federal Deposit Insurance Corporation (FDIC) insures the cash maintained at a financial institution up to \$250,000. The maximum loss that would result from cash on deposit in excess of the insured limits at May 31, 2016 and 2015 is \$756,471 and \$538,240, respectively.

The Organization's investments are maintained at one investment firm. The investments are protected by the Securities Investor Protection Corporation (SIPC) which provides coverage for securities up to \$500,000 (\$250,000 maximum on cash) and the investment firm has purchased additional coverage for the balance of the Organization's account in excess of the \$500,000. As of May 31, 2016 and 2015, the Organization had no securities on deposit in excess of the insured limits. (Continued)

NEIGHBOR TO NEIGHBOR, INC.
NOTES TO FINANCIAL STATEMENTS
May 31, 2016 and 2015
(Continued)

NOTE 4. IN-KIND DONATIONS

In-kind contributions are reflected as contributions at fair value at the date of donation and are reported as unrestricted support unless specific donor stipulations specify how donated assets must be used. The Organization received in-kind donations for clothing, housewares, food and rent. The value of the donated services totaled \$1,429,095 and \$1,283,455 for the years ended May 31, 2016 and 2015, respectively.

NOTE 5. INVESTMENTS

The Organization's investments are reported at fair value in the accompanying statements of financial position. Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, the Organization believes its valuation methods are appropriate and consistent with other market participants; the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The fair value measurements authoritative literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels as defined below.

Level 1 Fair Value Measurements:

Unadjusted quoted prices in active markets for identical assets that the Organization has the ability to access at the measurement date. This level has the highest priority.

Level 2 Fair Value Measurements:

Inputs other than quoted prices within Level 1 that are observable for the identical assets, either directly or indirectly. Fair value is determined through the use of models or other valuation methodologies such as analysis of yields currently available on comparable securities of issuers with similar credit ratings.

Level 3 Fair Value Measurements:

Inputs are unobservable for the identical asset and include situations where there is little, if any, market activity for the asset. The inputs for determination of fair value are based upon the best available information in the circumstances; therefore, a management judgment or estimation is necessary to estimate fair value. This level has the lowest priority.

All of the Organization's investments are valued using quoted prices in active markets for identical assets (Level 1).

NEIGHBOR TO NEIGHBOR, INC.
NOTES TO FINANCIAL STATEMENTS
May 31, 2016 and 2015
(Continued)

NOTE 5. INVESTMENTS (Continued)

	Fair Market Value	Quoted Prices in Active Markets for Identical Assets (Level 1)
<u>May 31, 2016:</u>		
Cash Equivalents	\$ 10,618	\$ 10,618
Mutual Funds	304,858	304,858
Exchange - Traded Funds	322,473	322,473
Equities	143,705	143,705
	<u>\$ 781,654</u>	<u>\$ 781,654</u>
 <u>May 31, 2015:</u>		
Cash Equivalents	\$ 10,877	\$ 10,877
Mutual Funds	303,388	303,388
Exchange - Traded Funds	324,802	324,802
Equities	143,971	143,971
	<u>\$ 783,038</u>	<u>\$ 783,038</u>

Investment return for the years ended May 31, 2016 and 2015 is summarized as follows:

	<u>2016</u>	<u>2015</u>
Interest and dividend income	\$ 21,061	\$ 22,271
Realized gain	928	11,086
Unrealized (loss) gain	(14,954)	18,490
	<u>\$ 7,035</u>	<u>\$ 51,847</u>

NOTE 6. BOARD DESIGNATED NET ASSETS

The Board of Directors originally designated \$500,000 as a "Discretionary Reserve" for the purpose of covering 1) any future costs it might incur in order to expand or move its operating space and/or 2) any financial shortfall which may arise as a result of an emergency funding requirement. During the years ended May 31, 2016 and 2015, this was reduced by \$139,576 and \$194,198 respectively to cover expenses specifically related to the capital project. \$166,226 was spent for the same purposes prior to June 1, 2014 resulting in all funds being used.

(Continued)

NEIGHBOR TO NEIGHBOR, INC.
NOTES TO FINANCIAL STATEMENTS
May 31, 2016 and 2015
(Continued)

NOTE 7. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets as of May 31, 2016 total \$741,097 as follows:

- 1) Capital Campaign \$738,456 – development of the new facility on Christ Church Campus
- 2) Baby Products \$2,641 – contributions for the purchase of baby products.

NOTE 8. CAPITAL PROJECT

Neighbor to Neighbor currently rents two noncontiguous basement spaces from Christ Church in Greenwich, Connecticut. Christ Church parishioners responded overwhelmingly in June 2014 by voting to approve a resolution dedicating a plot of land on the Christ Church campus to Neighbor to Neighbor under a long term ground lease. The Organization will build a new facility for their food pantry and clothing room, greatly improving their service to the community. The Organization has engaged the services of consultants to advise on the legal, zoning, construction and capital requirements of the project.

On February 18, 2015, the Organization entered into a pledged gift agreement with a donor in the amount of \$1 million. The pledge will be released in three installments upon specific completion phases of the new facility. A challenge grant up to \$500,000, separate and apart from the gift, was also made by the donor to match gifts raised as part of the Capital Campaign.

During the year ended May 31, 2015, Neighbor to Neighbor incurred legal fees in the amount of \$26,363 related to negotiation of the new facility lease agreement with Christ Church, which will commence on the date the certificate of occupancy is given. The legal expenses were recorded as a prepaid expense and will be amortized over a 25 year period (term of lease of agreement), in which Neighbor to Neighbor will pay a fixed minimum rent of \$1 per year. Following the end of the initial lease term, Neighbor to Neighbor will be given the option to extend the lease for an additional term of 25 years.

NOTE 9. COMMITMENTS

Neighbor to Neighbor rents space from Christ Church in Greenwich, Connecticut for use in its operations. The terms of the original lease were five years commencing February 15, 2005 with monthly rent of \$300 payable in advance of each month. Effective September 18, 2007, the original lease was amended since the Organization expanded its operations and began to rent additional space from the Church. The monthly rent increased to \$400 payable in advance of each month. The Organization is responsible for the proper use, neatness and cleanliness of all the facilities it uses inside and outside of the buildings. In the absence of other written agreements, the term of the lease will automatically extend year to year thereafter.

(Continued)

NEIGHBOR TO NEIGHBOR, INC.
NOTES TO FINANCIAL STATEMENTS
May 31, 2016 and 2015
(Continued)

NOTE 10. SUBSEQUENT EVENTS

On May 16, 2016, the Board of Directors unanimously voted in favor to change the fiscal year end to June 30. This change allows the Organization to have enough time to analyze and report on their largest food drive that takes place every May, and to adequately compare reporting to other not for profits on a common period.

Management has evaluated subsequent events through October 27, 2016, the date which the financial statements were available for issue.

SUPPLEMENTARY INFORMATION

**NEIGHBOR TO NEIGHBOR, INC.
SUPPLEMENTAL SCHEDULE
DEVELOPMENT OF NEW FACILITY SUMMARY
For the Year Ended May 31, 2016**

	<u>Board Designated</u>	<u>Temporarily Restricted</u>
REVENUES		
Funds designated by the Board for the new facility - Year ended May 31, 2011	\$ 500,000	\$
Contributions		
Individuals and corporations - Year ended May 31, 2014		37,500
Individuals and corporations - Year ended May 31, 2015		198,099
Individuals and corporations - Year ended May 31, 2016		399,509
Foundations and organizations - Year ended May 31, 2015		155,000
Foundations and organizations - Year ended May 31, 2016		164,765
	<u>500,000</u>	<u>954,873</u>
CAPITALIZED ACTIVITY		
New facility - construction in progress		
Year ended May 31, 2015	(149,622)	
Year ended May 31, 2016	(122,721)	(216,417)
Legal fees - new facility lease		
Year ended May 31, 2015	(26,363)	
	<u>(298,706)</u>	<u>(216,417)</u>
EXPENSES		
Capital Project		
Year ended May 31, 2010 & 2011	(12,568)	
Year ended May 31, 2013	(71,259)	
Year ended May 31, 2014	(82,399)	
Year ended May 31, 2015	(18,213)	
Year ended May 31, 2016	(16,855)	
	<u>(201,294)</u>	
Net Balance	<u>\$</u>	<u>\$ 738,456</u>