

House District 1-7  
Senate District 1,2,3,4

THE TWENTY-SEVENTH LEGISLATURE  
APPLICATION FOR GRANTS AND SUBSIDIES  
CHAPTER 42F, HAWAII REVISED STATUTES

Log No:

For Legislature's Use Only

Type of Grant or Subsidy request:

- GRANT REQUEST – OPERATING                       GRANT REQUEST – CAPITAL                       SUBSIDY REQUEST

"Grant" means an award of state funds by the legislature, by an appropriation to a specified recipient, to support the activities of the recipient and permit the community to benefit from those activities.

"Subsidy" means an award of state funds by the legislature, by an appropriation to a recipient specified in the appropriation, to reduce the costs incurred by the organization or individual in providing a service available to some or all members of the public.

"Recipient" means any organization or person receiving a grant or subsidy.

STATE DEPARTMENT OR AGENCY RELATED TO THIS REQUEST (LEAVE BLANK IF UNKNOWN): \_\_\_\_\_

STATE PROGRAM I.D. NO. (LEAVE BLANK IF UNKNOWN): \_\_\_\_\_

1. APPLICANT INFORMATION:

Legal Name of Requesting Organization or Individual:  
**The Food Basket, Inc**  
Dba:  
**Hawaii Island's Food Bank**  
Street Address:  
**40 Holomua Street**  
Mailing Address:  
**40 Holomua Street**  
**Hilo, HI 96720**

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:

Name EN YOUNG  
Title Executive Director  
Phone # (808) 430-2554  
Fax # (808) 934-0701  
e-mail En.Young.foodbaskethi@gmail.com

3. TYPE OF BUSINESS ENTITY:

- NON PROFIT CORPORATION  
 FOR PROFIT CORPORATION  
 LIMITED LIABILITY COMPANY  
 SOLE PROPRIETORSHIP/INDIVIDUAL

6. DESCRIPTIVE TITLE OF APPLICANT'S REQUEST:

**INFRASTRUCTURE UPGRADES FOR CHARITABLE DISTRIBUTION PROGRAMS**

**COPY**

4. FEDERAL TAX ID #: \_\_\_\_\_  
5. STATE TAX ID #: \_\_\_\_\_

7. AMOUNT OF STATE FUNDS REQUESTED:

FISCAL YEAR 2015: \$ \$1,500,000

8. STATUS OF SERVICE DESCRIBED IN THIS REQUEST:

- NEW SERVICE (PRESENTLY DOES NOT EXIST)  
 EXISTING SERVICE (PRESENTLY IN OPERATION)

SPECIFY THE AMOUNT BY SOURCES OF FUNDS AVAILABLE AT THE TIME OF THIS REQUEST:

STATE \$ \_\_\_\_\_  
FEDERAL \$ \_\_\_\_\_  
COUNTY \$ \_\_\_\_\_  
PRIVATE/OTHER \$ 155300

TYPE NAME & TITLE OF AUTHORIZED REPRESENTATIVE:

AUTHORIZED SIGNATURE

EN YOUNG, EXECUTIVE DIRECTOR  
NAME & TITLE

1/29/14  
DATE SIGNED

## Application for Grants and Subsidies

*If any item is not applicable to the request, the applicant should enter "not applicable".*

### I. Background and Summary

This section shall clearly and concisely summarize and highlight the contents of the request in such a way as to provide the State Legislature with a broad understanding of the request. Include the following:

1. A brief description of the applicant's background;

**The Food Basket, Inc. dba Hawai`i Island's Food Bank has been engaged in collecting and providing food for needy residents of Hawai`i County for nearly three decades. The Food Basket was spun-off from the Roman Catholic Church in 2007 to become an independent non-profit and the only Food Bank in Hawaii County. The Food Basket currently aggregates, collects, warehouses, and distributes food over the 4,028 square miles of Hawai`i County. This includes implementing one (1) County and two (2) State Contracts for the distribution of food.**

2. The goals and objectives related to the request;

**The goal of this capital request is to assist The Food Basket with infrastructure costs. Much of the infrastructure, including the building and vehicles, were transferred by the Roman Catholic Church upon the incorporation of the new entity and has exceeded its useful life. Most of the vehicles were already fully depreciated before transfer, basically contributing no equity to The Food Basket. This request will allow us to update some of our dilapidated infrastructure, purchase new vehicles, and reduce the extremely high maintenance costs associated with aging equipment. Infrastructure upgrades will enhance services through more efficient and reliable distribution. Currently, two of our cargo vehicles are from model year 1995. Because of their suspect reliability, the Food Basket also incurs the costs of renting vehicles when the equipment is being serviced. By reducing costs and ensuring reliability, The Food Basket can provide continuous and consistent services that reach the rural areas who lack such supports the most.**

**Currently, The Food Basket has two (2) warehouses. Unlike any other Food Bank in Hawaii, the vast distances of Hawaii County necessitate the upkeep of more than a single warehouse. This increases overhead and maintenance costs. Both warehouses are on State lands with long-term leases expiring**

within the next three (3) years. The short leases prevent The Food Basket from installing efficiency measures such as photo-voltaic panels, as our agency is unable to find financing for a term shorter than the life of the system, which typically is twenty (20) years. Because of our need for commercial refrigeration and freezing, The Food Basket spends well over \$80,000 per year on electricity at current rates. This has a severe impact on our solvency. Furthermore, the state BLNR has recently denied The Food Basket's request to extend the Hilo lease term to an additional thirty-five (35) years. This has forced our agency to seek capital funds and move elsewhere.

3. The public purpose and need to be served;

Hawaii County has the highest poverty level in the State at 17% by last Census count. This is 7 % over the State average. Furthermore, our Island ranks lowest in economic indicators such as persons with post-secondary education and median household income, and highest in growth in the State and among the highest growth districts, Puna, in the nation. Due to the large distances, Hawaii County also boasts a high median travel time to work. With low land costs and generous public benefits, the demographics of those taking advantage of Hawaii Island are often low-income. This exacerbates the above-mentioned disparities between Hawaii County and the rest of the State. The Food Basket serves a basic need, the need for food, and because of the long travel distances and poor public transportation infrastructure we, unlike any other food bank, also solve the problem of food access in extremely rural areas. Food is a basic need a large part of any household's budget, regardless of economic class. By providing food for low-income children and families, homeless individuals, and fixed-income seniors, The Food Basket can reduce their food budget, put more money in their pockets, curtail the desperation that leads to stealing and other crime, and open the door for outreach to other health and human services thus providing a necessary public service.

Furthermore, The Food Basket is poised to become the food hub for local farmers in Hawaii County. By sourcing locally grown products through our federal grants and the Supplemental Nutrition Assistance Program (SNAP), The Food Basket can assist in solving two problems at once: hunger and food self-sufficiency. The Food Basket, with the proper infrastructure in place, will be able to convert SNAP dollars into fresh produce and deliver it to rural areas. This will assist with access issues to healthy, nutritious fruits and vegetables in areas without the luxury of a wide variety of food. We hope that in partnership with the State, County, and others, this will provide an integral piece in improving the County's health outcomes, stimulating local farm businesses, stabilizing produce prices, and bringing more money to the Hawai'i economy from outside the State.

4. Describe the target population to be served; and

Specifically, our major programs target low-income children and low, fixed-income Seniors. This is largely responsive to funder priorities. In addition, The Food Basket prides itself in our commitment to serve rural areas. With a severe dearth of services outside of Hilo and Kailua-Kona, The Food Basket has increased community outreach to the districts of Hamakua, Ka`u, and Kohala, all of whom contain aging populations of plantation workers who live primarily off of Social Security income. Although enrollment may fluctuate, Hawaii County at any one time has no more than three (3) public schools who are not Title I eligible, that is to say nearly all schools on the island have more than 50% of students on free and reduced lunch. Of the elementary schools, our target age, five (5) were over 90% with the highest at 97%. This means only three (3) children in the entire school were not on free and reduced lunch. This is compounded with low-access to food as Puna and Ka`u districts, each larger than the Island of Maui, have a combined total of four (4) major supermarkets. If The Food Basket were to receive more reliable infrastructure, our expansion preferences would be to serve low-income families in these areas as well.

The second targeted population are local farmers. The Food Basket purchases over \$200,000 in local produce per year. These purchases are made from local farmers on the Big Island. With a high demand for local food and a high low-income population, The Food Basket could easily source over \$1,000,000 in produce for needy individuals using SNAP (formerly food stamps) as a funding mechanism. This would assist in expanding markets and opportunities for our local partners.

5. Describe the geographic coverage.

The Food Basket, Inc. covers the entire 4,028 square miles of Hawai`i Island. During our peak season, our vehicles can easily cover over 200 miles per week, per vehicle, as each warehouse is responsible for one side of the island. Our produce program, for example, delivers from Kapa`au at the north tip of Kohala, all the way to Na`alehu near the South Point of Ka`u. These runs include stops at the vulnerable communities of Honomu, Pepe`ekeeo, Pa`auilo, and Honoka`a in Hamakua, and Kealakekua, Miloli`i, and Ocean View on the south side. This project, although situated in Senate Districts 1 and 4, will affect services in all four Hawaii Senatorial districts.

## II. Service Summary and Outcomes

The Service Summary shall include a detailed discussion of the applicant's approach to the request. The applicant shall clearly and concisely specify the results, outcomes, and measures of effectiveness from this request. The applicant shall:

1. Describe the scope of work, tasks and responsibilities;

**As this is a capital request, The Food Basket will have little actual responsibilities other than project management. The scope of work will include the research and procurement of vehicles and equipment that meet specifications for the efficient distribution of food. Tasks and responsibilities will include soliciting bids, researching company specifications, and reporting for State expending agencies, including Davis-Bacon compliance and progress reports.**

2. Provide a projected annual timeline for accomplishing the results or outcomes of the service;

**The Food Basket, Inc has previously solicited bids for new vehicles, as such the acquisition of vehicles will be completed within ninety (90) days of contract execution. To comply with State procurement and cost principles, The Food Basket would re-post the bids in a generally circulated publication, as well as our website. After this process, The Food Basket would proceed to purchase.**

**For the construction phase, we expect planning and design to occur within the next few months while the supplemental budget is being decided at the Legislature. Using the past as an indicator of release, contract execution would probably not occur until late December or later, and thus construction would not begin in this case during calendar year 2014. The Food Basket is currently speaking to several firms who have interest in doing our design/planning pro bono, however as this is still being negotiated, we prefer not to disclose actual names. The County of Hawaii is currently experiencing about a 90-day backlog in permitting, thus, construction could possibly occur no earlier than the second quarter of 2015. As our facilities are simple warehouses, substantial completion will occur within five (5) months of breaking ground given sound project management. Given our simple floor plans and industrial style construction, we feel comfortable completion and implementation will occur within two (2) years of contract execution. However, without a firm release date, it is impossible to speculate on what work will occur within what year.**

3. Describe its quality assurance and evaluation plans for the request. Specify how the applicant plans to monitor, evaluate, and improve their results; and

**Fortunately, Capital Improvement Projects (CIP) are relatively straightforward with regard to measurable outcomes. The completion of the building within budget and on-time will serve as the key indicator of success for the CIP phase. Any costs outside of the budget will be absorbed by The Food Basket, Inc. The Food Basket will monitor progress through payroll reports and invoices from the chosen contractors, as well as site visits which State monitors are welcome to attend. The Food Basket, Inc. will ensure**

**quality and value through the guidance of the selected architectural and civil engineering firms, who will assist agency project managers with the technical aspects of construction.**

**With little selection as to local service providers, The Food Basket has already met with suppliers of the requested equipment. The procurement process will ensure quality by demanding the lowest price for the technical specification listed in the solicitation. To assist with service and maintenance of the specialized vehicles, part of the solicitation will include a service contract. Although all bidders will be welcome, the inclusion of a service contract will most likely prevent bidders from out of state from winning the competition.**

4. List the measure(s) of effectiveness that will be reported to the State agency through which grant funds are appropriated (the expending agency). The measure(s) will provide a standard and objective way for the State to assess the program's achievement or accomplishment. Please note that if the level of appropriation differs from the amount included in this application that the measure(s) of effectiveness will need to be updated and transmitted to the expending agency.

**Measures of effectiveness for the expending agency shall be adherence to the projected timeline. During contract negotiation, the State is free to suggest certain building characteristics or portions as benchmarks of completion. Thus, the State will have a blueprint for examining success. In addition to measures of effectiveness proposed for the CIP phase, The Food Basket is currently working on expanding produce purchases for needy individuals. With a conservative expansion, or doubling the current amount of produce purchased yearly, The Food Basket will repay the \$1.5M grant directly into the Hawaii island economy within three (3) years. At a more modest expansion, this will be five (5) years. With no expansion, The Food Basket will return the money into the economy within six (6) years.**

**The Food Basket also discloses distribution data to the Office of Community Services in the Department of Labor and Industrial Relations. Although these measures are not part of the request per se, government officials can review these reports to see**

### **III. Financial**

#### **Budget**

1. The applicant shall submit a budget utilizing the enclosed budget forms as applicable, to detail the cost of the request.

2. The applicant shall provide its anticipated quarterly funding requests for the fiscal year 2015.  
**The Food Basket, in this table, is assuming a release date near the end of 2014.**

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Grant
		\$773,000	\$727,000	<b>\$1,500,000</b>

3. The applicant shall provide a listing of all other sources of funding that they are seeking for fiscal year 2015.  
**Mckinerny Foundation- \$67,000 (approved)**  
**Weinberg Foundation- \$250,000**  
**In-Kind design/planning \$40,000**
4. The applicant shall provide a listing of all state and federal tax credits it has been granted within the prior three years. Additionally, the applicant shall provide a listing of all state and federal tax credits they have applied for or anticipate applying for pertaining to any capital project, if applicable. N/A
5. The applicant shall provide the balance of its unrestricted current assets as of December 31, 2013.

**Financial Statements for year end 2013 have not been audited, currently the unaudited balance of unrestricted funds is \$416, 190.83 exclusive of fixed assets and inventory. Total assets inclusive of fixed assets include \$1,688,502.21 before audit.**

#### **IV. Experience and Capability**

##### **A. Necessary Skills and Experience**

The applicant shall demonstrate that it has the necessary skills, abilities, knowledge of, and experience relating to the request. State your experience and appropriateness for providing the service proposed in this application. The applicant shall also provide a listing of verifiable experience of related projects or contracts for the most recent three years that are pertinent to the request.

**The Food Basket, Inc. currently possesses staff that are experienced in the implementation of capital campaigns and projects. Our Board of Directors currently includes a number of small businesses with facilities, a banker with commercial financing experience, and the Deputy Director of the County of Hawaii Public Works Department. The Executive Director, En Young, has over five (5) years of direct experience in the release, negotiation, administration, monitoring, and evaluation of 42F Grant-in-Aid contracts, as well as State purchasing and procurement experience in 103D and 103F**

**contracts, having been the contract administrator or program specialist for nearly one hundred (100) State contracts. This experience was accrued in an office with one of the highest volumes of 42F grants, the Office of Community Services, Program ID LBR903.**

**B. Facilities**

The applicant shall provide a description of its facilities and demonstrate its adequacy in relation to the request. If facilities are not presently available, describe plans to secure facilities. The applicant shall also describe how the facilities meet ADA requirements, as applicable.

**Construction services to be rendered do not require ADA accessibility, however the new building will be built to ADA requirements to allow us to serve the maximum amount of people possible in house. Currently, as we are in an aging facility, the upstairs offices are not ADA compliant, although the downstairs area where we interface with the public has bathrooms, ramps, and meeting rooms that meet the qualifications for both ADA and commercial facilities.**



**V. Personnel: Project Organization and Staffing**

**A. Proposed Staffing, Staff Qualifications, Supervision and Training**

The applicant shall describe the proposed staffing pattern and proposed service capacity appropriate for the viability of the request. The applicant shall provide the qualifications and experience of personnel for the request and shall describe its ability to supervise, train and provide administrative direction relative to the request.

**The Food Basket, Inc. will not directly provide the services or staffing. Rather, The Food Basket will procure the services of a licensed General Contractor to supervise, perform, or otherwise cause the work to be completed. This Contractor will be compliant with all State and Federal regulations, as well as be versed in Davis-Bacon and 104D State of Hawaii labor compliance laws for public projects. The Food Basket staffing pattern will consist solely of the Board Chair, Executive Director and the Grants and Events Planner. The Board Chair will authorize payments, the Executive Director will supervise the compliance based on his experience with State contracts, and the Grants and Events Planner will prepare reports in accordance with State contract requirements. No other duties will be performed directly by agency staff.**

**B. Organization Chart**

The applicant shall illustrate the position of each staff and line of responsibility/supervision. If the request is part of a large, multi-purpose organization, include an organizational chart that illustrates the placement of this request.

**Description: With a small agency such as The Food Basket, there exists ample communication between levels of management and line-level employees. As stated above, little staff involvement will be needed for the project. There exists a direct line of communication between the Board of Directors and the Executive Director to ensure timely approval of payments and decision making.**

*See attached Organizational Chart*

**C. Compensation**

The applicant shall provide the annual salaries paid by the applicant to the three highest paid officers, directors, or employees of the organization by position..

<b>Executive Director</b>	<b>\$65,000/yr</b>
<b>Operations Manager</b>	<b>\$44,000/yr</b>
<b>Grants and Events Developer</b>	<b>\$40,000/yr</b>

## **VI. Other**

### **A. Litigation**

The applicant shall disclose any pending litigation to which they are a party, including the disclosure of any outstanding judgment. If applicable, please explain.

**There exists no pending litigation.**

### **B. Licensure or Accreditation**

The applicant shall specify any special qualifications, including but not limited to licensure or accreditation that applicant possesses relevant to this request.

**No particular licensure or accreditation exists for the project manager. However, food banking requires certain Federal and Department of Health certifications, all of which are up to date.**

**BUDGET REQUEST BY SOURCE OF FUNDS**  
(Period: July 1, 2014 to June 30, 2015)

App **The Food Basket, Inc.**

<b>BUDGET CATEGORIES</b>	<b>Total State Funds Requested (a)</b>	<b>(b)</b>	<b>(c)</b>	<b>(d)</b>
<b>A. PERSONNEL COST</b>				
1. Salaries				
2. Payroll Taxes & Assessments				
3. Fringe Benefits				
<b>TOTAL PERSONNEL COST</b>				
<b>B. OTHER CURRENT EXPENSES</b>				
1. Airfare, Inter-Island				
2. Insurance				
3. Lease/Rental of Equipment				
4. Lease/Rental of Space				
5. Staff Training				
6. Supplies				
7. Telecommunication				
8. Utilities				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
<b>TOTAL OTHER CURRENT EXPENSES</b>				
<b>C. EQUIPMENT PURCHASES</b>	<b>22,265</b>			
<b>D. MOTOR VEHICLE PURCHASES</b>	<b>273,000</b>			
<b>E. CAPITAL</b>	<b>1,204,735</b>			
<b>TOTAL (A+B+C+D+E)</b>	<b>1,500,000</b>			
<b>SOURCES OF FUNDING</b>		Budget Prepared By:		
(a) Total State Funds Requested	1,500,000	En Young	808 430-2554	
(b)		Name (Please type or print)	Phone	
(c)		[Redacted Signature]	1/21/14	
(d)			Date	
<b>TOTAL BUDGET</b>	<b>1,500,000</b>	En Young, Executive Director		
		Name and Title (Please type or print)		

# BUDGET JUSTIFICATION PERSONNEL - SALARIES AND WAGES

**Applicant:**                     The Food Basket                    

Period: July 1, 2014 to June 30, 2015

POSITION TITLE	FULL TIME EQUIVALENT	ANNUAL SALARY A	% OF TIME ALLOCATED TO GRANT REQUEST B	TOTAL STATE FUNDS REQUESTED (A x B)
N/A				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
<b>TOTAL:</b>				
<b>JUSTIFICATION/COMMENTS:</b>				

## BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

Applicant:     The Food Basket, Inc.          Period: July 1, 2014 to June 30, 2015

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
Three Door Refrigerators	7.00	\$3,180.72	\$ 22,265.04	22265
			\$ -	
			\$ -	
			\$ -	
			\$ -	
<b>TOTAL:</b>	7		\$ 22,265.04	22,265
<b>JUSTIFICATION/COMMENTS:</b>				

DESCRIPTION OF MOTOR VEHICLE	NO. OF VEHICLES	COST PER VEHICLE	TOTAL COST	TOTAL BUDGETED
Box Reefer Truck, 19 ft.	2.00	\$82,500.00	\$ 165,000.00	165000
Refrigerated Cargo Van	2.00	\$54,000.00	\$ 108,000.00	108000
			\$ -	
			\$ -	
			\$ -	
<b>TOTAL:</b>	4		\$ 273,000.00	273,000
<b>JUSTIFICATION/COMMENTS:</b> The vast distances between the warehouses of The Food Basket necessitate refrigerated cargo trucks and vans to keep food at safe temperatures during distribution				

## BUDGET JUSTIFICATION CAPITAL PROJECT DETAILS

Applicant:           The Food Basket          

Period: July 1, 2014 to June 30, 2015

FUNDING AMOUNT REQUESTED						
TOTAL PROJECT COST	ALL SOURCES OF FUNDS RECEIVED IN PRIOR YEARS		STATE FUNDS REQUESTED	OF FUNDS REQUESTED	FUNDING REQUIRED IN SUCCEEDING YEARS	
	FY: 2012-2013	FY: 2013-2014	FY:2014-2015	FY:2014-2015	FY:2015-2016	FY:2016-2017
PLANS						
LAND ACQUISITION						
DESIGN						
CONSTRUCTION		88300	1204735			
EQUIPMENT		67000				
<b>TOTAL:</b>		<b>155300</b>	<b>1,204,735</b>			
<b>JUSTIFICATION/COMMENT</b>	The short lease on our Hilo and Kona properties does not allow us to put in efficiency measures, State funds will assist in building out our new sites					

**DECLARATION STATEMENT OF  
APPLICANTS FOR GRANTS AND SUBSIDIES PURSUANT TO  
CHAPTER 42F, HAWAII REVISED STATUTES**


The undersigned authorized representative of the applicant certifies the following:

- 1) The applicant meets and will comply with all of the following standards for the award of grants and subsidies pursuant to Section 42F-103, Hawaii Revised Statutes:
  - a) Is licensed or accredited, in accordance with federal, state, or county statutes, rules, or ordinances, to conduct the activities or provide the services for which a grant or subsidy is awarded;
  - b) Complies with all applicable federal and state laws prohibiting discrimination against any person on the basis of race, color, national origin, religion, creed, sex, age, sexual orientation, or disability;
  - c) Agrees not to use state funds for entertainment or lobbying activities; and
  - d) Allows the state agency to which funds for the grant or subsidy were appropriated for expenditure, legislative committees and their staff, and the auditor full access to their records, reports, files, and other related documents and information for purposes of monitoring, measuring the effectiveness, and ensuring the proper expenditure of the grant or subsidy.
- 2) The applicant meets the following requirements pursuant to Section 42F-103, Hawaii Revised Statutes:
  - a) Is incorporated under the laws of the State; and
  - b) Has bylaws or policies that describe the manner in which the activities or services for which a grant or subsidy is awarded shall be conducted or provided.
- 3) If the applicant is a non-profit organization, it meets the following requirements pursuant to Section 42F-103, Hawaii Revised Statutes:
  - a) Is determined and designated to be a non-profit organization by the Internal Revenue Service; and
  - b) Has a governing board whose members have no material conflict of interest and serve without compensation.

Pursuant to Section 42F-103, Hawaii Revised Statutes, for grants or subsidies used for the acquisition of land, when the organization discontinues the activities or services on the land acquired for which the grant or subsidy was awarded and disposes of the land in fee simple or by lease, the organization shall negotiate with the expending agency for a lump sum or installment repayment to the State of the amount of the grant or subsidy used for the acquisition of the land.

Further, the undersigned authorized representative certifies that this statement is true and correct to the best of the applicant's knowledge.

En Young  
(Typed Name of Individual or Organization)

  
(Signature)

1/27/14  
(Date)

En Young  
(Typed Name)

Executive Director  
(Title)

## **Attachments**

- A. IRS Non-profit approval letter**
- B. Certificate of Vendor Compliance**
- C. Agency Financial Statement**
- D. Organizational Chart**
- E. Redacted Conflict of Interest Statement**
- F. Sample Bid Response with Specifications for Box Truck**



INTERNAL REVENUE SERVICE  
P. O. BOX 2508  
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

JUL 31 2008

Date:

THE FOOD BASKET INC  
140 B HOLOMUA ST  
HILO, HI 96720-3050

Employer Identification Number:

DLN:

Contact Person:

SHERRY Q WAN

ID#

Contact Telephone Number:

(877) 829-5500

Accounting Period Ending:

June 30

Public Charity Status:

170(b)(1)(A)(vi)

Form 990 Required:

Yes

Effective Date of Exemption:

May 2, 2007

Contribution Deductibility:

Yes

Advance Ruling Ending Date:

June 30, 2012

Addendum Applies:

No

Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. During your advance ruling period, you will be treated as a public charity. Your advance ruling period begins with the effective date of your exemption and ends with advance ruling ending date shown in the heading of the letter.

Shortly before the end of your advance ruling period, we will send you Form 8734, Support Schedule for Advance Ruling Period. You will have 90 days after the end of your advance ruling period to return the completed form. We will then notify you, in writing, about your public charity status.

Please see enclosed Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, for some helpful information about your responsibilities as an exempt organization.

Letter 1045 (DO/CG)

THE FOOD BASKET INC

Sincerely,



Robert Choi  
Director, Exempt Organizations  
Rulings and Agreements

Enclosures: Publication 4221-PC  
Statute Extension

Part X Public Charity Status (Continued)

- e 509(a)(4)—an organization organized and operated exclusively for testing for public safety.
- f 509(a)(1) and 170(b)(1)(A)(iv)—an organization operated for the benefit of a college or university that is owned or operated by a governmental unit.
- g 509(a)(1) and 170(b)(1)(A)(vi)—an organization that receives a substantial part of its financial support in the form of contributions from publicly supported organizations, from a governmental unit, or from the general public.
- h 509(a)(2)—an organization that normally receives not more than one-third of its financial support from gross investment income and receives more than one-third of its financial support from contributions, membership fees, and gross receipts from activities related to its exempt functions (subject to certain exceptions).
- i A publicly supported organization, but unsure if it is described in 5g or 5h. The organization would like the IRS to decide the correct status.

6 If you checked box g, h, or i in question 5 above, you must request either an advance or a definitive ruling by selecting one of the boxes below. Refer to the instructions to determine which type of ruling you are eligible to receive.

- a Request for Advance Ruling: By checking this box and signing the consent, pursuant to section 6501(c)(4) of the Code you request an advance ruling and agree to extend the statute of limitations on the assessment of excise tax under section 4940 of the Code. The tax will apply only if you do not establish public support status at the end of the 5-year advance ruling period. The assessment period will be extended for the 5 advance ruling years to 8 years, 4 months, and 15 days beyond the end of the first year. You have the right to refuse or limit the extension to a mutually agreed-upon period of time or issue(s). Publication 1035, Extending the Tax Assessment Period, provides a more detailed explanation of your rights and the consequences of the choices you make. You may obtain Publication 1035 free of charge from the IRS web site at www.irs.gov or by calling toll-free 1-800-829-3676. Signing this consent will not deprive you of any appeal rights to which you would otherwise be entitled. If you decide not to extend the statute of limitations, you are not eligible for an advance ruling.

Consent Fixing Period of Limitations Upon Assessment of Tax Under Section 4940 of the Internal Revenue Code

For Organization

[REDACTED SIGNATURE]

(Signature of Officer, Director, Trustee, or other authorized official)

Barry K. Taniguchi

(Type or print name of signer)

03/24/08

(Date)

Chairman of the Board

(Type or print title or authority of signer)

For IRS Use Only

[REDACTED]

IRS Director, Exempt Organizations

JUL 31 2008

- b Request for Definitive Ruling: Check this box if you have completed one tax year of at least 8 full months and you are requesting a definitive ruling. To confirm your public support status, answer line 6b(i) if you checked box g in line 5 above. Answer line 6b(ii) if you checked box h in line 5 above. If you checked box i in line 5 above, answer both lines 6b(i) and (ii).

- (i) (a) Enter 2% of line 8, column (e) on Part IX-A. Statement of Revenues and Expenses. \_\_\_\_\_
- (b) Attach a list showing the name and amount contributed by each person, company, or organization whose gifts totaled more than the 2% amount. If the answer is "None," check this box.
- (ii) (a) For each year amounts are included on lines 1, 2, and 9 of Part IX-A. Statement of Revenues and Expenses, attach a list showing the name of and amount received from each disqualified person. If the answer is "None," check this box.
- (b) For each year amounts are included on line 9 of Part IX-A. Statement of Revenues and Expenses, attach a list showing the name of and amount received from each payer, other than a disqualified person, whose payments were more than the larger of (1) 1% of line 10, Part IX-A. Statement of Revenues and Expenses, or (2) \$5,000. If the answer is "None," check this box.

- 7 Did you receive any unusual grants during any of the years shown on Part IX-A. Statement of Revenues and Expenses? If "Yes," attach a list including the name of the contributor, the date and amount of the grant, a brief description of the grant, and explain why it is unusual.  Yes  No

46

Part X Public Charity Status (Continued)

- e 509(a)(4)—an organization organized and operated exclusively for testing for public safety.
- f 509(a)(1) and 170(b)(1)(A)(iv)—an organization operated for the benefit of a college or university that is owned or operated by a governmental unit.
- g 509(a)(1) and 170(b)(1)(A)(vi)—an organization that receives a substantial part of its financial support in the form of contributions from publicly supported organizations, from a governmental unit, or from the general public.
- h 509(a)(2)—an organization that normally receives not more than one-third of its financial support from gross investment income and receives more than one-third of its financial support from contributions, membership fees, and gross receipts from activities related to its exempt functions (subject to certain exceptions).
- i A publicly supported organization, but unsure if it is described in 5g or 5h. The organization would like the IRS to decide the correct status.

6 If you checked box g, h, or i in question 5 above, you must request either an advance or a definitive ruling by selecting one of the boxes below. Refer to the instructions to determine which type of ruling you are eligible to receive.

- a Request for Advance Ruling: By checking this box and signing the consent, pursuant to section 6501(c)(4) of the Code you request an advance ruling and agree to extend the statute of limitations on the assessment of excise tax under section 4940 of the Code. The tax will apply only if you do not establish public support status at the end of the 5-year advance ruling period. The assessment period will be extended for the 5 advance ruling years to 8 years, 4 months, and 15 days beyond the end of the first year. You have the right to refuse or limit the extension to a mutually agreed-upon period of time or issue(s). Publication 1035, Extending the Tax Assessment Period, provides a more detailed explanation of your rights and the consequences of the choices you make. You may obtain Publication 1035 free of charge from the IRS web site at www.irs.gov or by calling toll-free 1-800-829-3676. Signing this consent will not deprive you of any appeal rights to which you would otherwise be entitled. If you decide not to extend the statute of limitations, you are not eligible for an advance ruling.

Consent Fixing Period of Limitations Upon Assessment of Tax Under Section 4940 of the Internal Revenue Code

For Organization

[REDACTED SIGNATURE]

(Signature of officer, director, trustee, or other authorized official)

Barry K. Taniguchi

(Type or print name of signer)

03/24/08

(Date)

Chairman of the Board

(Type or print title or authority of signer)

For IRS Use Only

[REDACTED]

IRS Director, Exempt Organizations

JUL 31 2008

- b Request for Definitive Ruling: Check this box if you have completed one tax year of at least 8 full months and you are requesting a definitive ruling. To confirm your public support status, answer line 6b(i) if you checked box g in line 5 above. Answer line 6b(ii) if you checked box h in line 5 above. If you checked box i in line 5 above, answer both lines 6b(i) and (ii).

- (i) (a) Enter 2% of line 8, column (e) on Part IX-A. Statement of Revenues and Expenses. \_\_\_\_\_
- (b) Attach a list showing the name and amount contributed by each person, company, or organization whose gifts totaled more than the 2% amount. If the answer is "None," check this box.
- (ii) (a) For each year amounts are included on lines 1, 2, and 9 of Part IX-A. Statement of Revenues and Expenses, attach a list showing the name of and amount received from each disqualified person. If the answer is "None," check this box.
- (b) For each year amounts are included on line 9 of Part IX-A. Statement of Revenues and Expenses, attach a list showing the name of and amount received from each payer, other than a disqualified person, whose payments were more than the larger of (1) 1% of line 10, Part IX-A. Statement of Revenues and Expenses, or (2) \$5,000. If the answer is "None," check this box.

- 7 Did you receive any unusual grants during any of the years shown on Part IX-A. Statement of Revenues and Expenses? If "Yes," attach a list including the name of the contributor, the date and amount of the grant, a brief description of the grant, and explain why it is unusual.  Yes  No

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**The Food Basket Inc.**  
**140 B. Holomua Street**  
**Hilo, Hawaii 96720**

This acknowledgment of your contribution is being provided pursuant to section 170 (f) (8) of the Internal Revenue Code – The Food Basket Inc. appreciates your support. All funds and donations received are for the sole purpose and restricted use of The Food Basket Inc.

Name of Contributor: «Salutation3»

Address of Contributor: «Address»  
«City», «State» «Zip»

Date of Contribution: «DonationDateTraditionalFormat»

Amount of Contribution: \$«Donation\_Amount\_Formatted».00

Non-Cash Contribution:

Estimated Value of Non-Cash Contribution:

The Food Basket Inc. either did not provide any goods or services in whole or partial consideration for the contribution or provided only intangible religious benefit.

**OR**

The Food Basket Inc. provided the donor with the following goods and services in return for the above contribution:

The estimated value of the above goods and services is \$

Received by: \_\_\_\_\_ Date: Aug. 12, 08  
*Nani Lee, Ph.D., Executive Director, The Food Basket Inc.*



R01854

Department of the Treasury  
Internal Revenue Service  
EO RULINGS AND AGREEMENTS  
PO BOX 2508  
CINCINNATI OH 45201

Date of this notice: November 16, 2009  
Notice Number: [REDACTED]  
Taxpayer Identification Number:  
[REDACTED]

009098.662699.0028.001 1 AT 0.357 535



Advance Ruling Period Ending Date:  
June 30, 2012



THE FOOD BASKET INC  
% BARRY TANIGUCHI  
140 HOLOMUA ST STE B  
HILO HI 96720-5132744

For assistance, call:  
1-877-829-5500

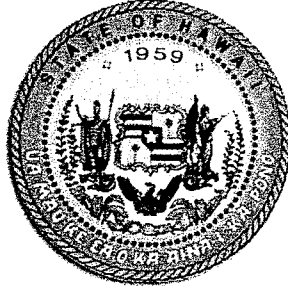
009098

Our records indicate that you were issued an advance ruling letter that treated you as a public charity, rather than a private foundation, during an advance ruling period that ends on the date indicated above. That letter required you to file IRS Form 8734 at the end of your advance ruling period to establish that you qualify as a public charity.

New IRS regulations changed the procedures governing your public charity status. You are no longer required to file Form 8734 at the end of the ruling period. The regulations also provide that donors can rely on your advance ruling letter with respect to your public charity status unless the IRS changes that status, based on the organization no longer meeting an applicable public support test, and publishes notice of the change.

If you have received Form 8734 from the IRS, please do not file it. Please keep your advance ruling letter along with this letter for your permanent records.

The regulations also changed the rules for computing public support, consistent with the redesigned Form 990, Return of Organization Exempt from Income Tax. For more information regarding those rules and the redesigned Form 990, please see the IRS website at [www.irs.gov/eo](http://www.irs.gov/eo).



STATE OF HAWAII  
STATE PROCUREMENT OFFICE

**CERTIFICATE OF VENDOR COMPLIANCE**

This document presents the compliance status of the vendor identified below on the issue date with respect to certificates required from the Hawaii Department of Taxation (DOTAX), the Internal Revenue Service, the Hawaii Department of Labor and Industrial Relations (DLIR), and the Hawaii Department of Commerce and Consumer Affairs (DCCA).

**Vendor Name: THE FOOD BASKET INC.**

**DBA/Trade Name: Hawaii Island's Food Bank**

**Issue Date: 01/24/2014**

**Status: Compliant**

Hawaii Tax#: [REDACTED]

FEIN/SSN#: [REDACTED]

UI#: [REDACTED]

DCCA FILE#: [REDACTED]

**Status of Compliance for this Vendor on issue date:**

Form	Department(s)	Status
A-6	Hawaii Department of Taxation	Compliant
	Internal Revenue Service	Compliant
COGS	Hawaii Department of Commerce & Consumer Affairs	Exempt
LIR27	Hawaii Department of Labor & Industrial Relations	Compliant

**Status Legend:**

Status	Description
Exempt	The entity is exempt from this requirement
Compliant	The entity is compliant with this requirement or the entity is in agreement with agency and actively working towards compliance
Pending	The entity is compliant with DLIR requirement

**The Food Basket, Inc.**  
**(A Not for Profit Organization)**  
**Financial Statements**  
**December 31, 2012 and 2011**



The Food Basket, Inc.

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Statement of Functional Expenses	4
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**Ann N. Fukuhara, CPA MBA**  
**An Accountancy Corporation**

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45 Pohaku Street, Suite 102  
P.O. Box 6691  
Hilo, Hawaii 96720  
Tel (808) 961-5532  
Fax (808) 934-8589

Independent Auditor's Report

Board of Directors  
The Food Basket, Inc.

**Report on the Financial Statements**

We have audited the accompanying financial statements of The Food Basket, Inc. (a not for profit organization), which comprise the statements of financial position as of December 31, 2012 and 2011, and the related statements of activities, functional expenses, and cash flows for the years 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 statement 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 the 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 of 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 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 The Food Basket, Inc. as of December 31, 2012 and 2011, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

  
Ann Fukuhara, CPA, MBA An Accountancy Corporation  
September 16, 2013  
Hilo, Hawaii

The Food Basket, Inc.  
(a not for profit organization)

Statements of Financial Position

December 31, 2012 and 2011

ASSETS

	<u>2012</u>	<u>2011</u>
Cash and cash equivalents	\$ 459,593	\$ 542,438
Accounts receivable	20,545	8,895
Grants receivables	52,137	89,984
Inventory	944,274	378,140
Property and equipment, net of accumulated depreciation of \$234,607 for 2012 and \$\$226,150 for 2011	228,329	81,501
Prepaid insurance	<u>24,156</u>	<u>18,093</u>
Total assets	<u><u>1,729,034</u></u>	<u><u>1,119,051</u></u>

LIABILITIES AND NET ASSETS

Accounts payable	28,246	9,888
Accrued expenses	14,310	15,321
Short term note payable	<u>28,000</u>	<u>-</u>
Total current liabilities	70,556	25,209

Net Assets:

Unrestricted net assets	<u>1,658,478</u>	<u>1,093,842</u>
Total net assets	<u><u>1,658,478</u></u>	<u><u>1,093,842</u></u>
Total liabilities and net assets	<u><u>\$ 1,729,034</u></u>	<u><u>\$ 1,119,051</u></u>

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

The Food Basket, Inc.  
(a not for profit organization)

Statements of Activities

For the Year Ended December 31, 2012 and 2011

	Unrestricted	Temporarily Restricted	2012 Total	2011 Total
<b>REVENUES, GAINS AND OTHER SUPPORT</b>				
Revenues and support				
Donations	\$ 3,187,535	\$ -	\$ 3,187,535	\$ 3,081,420
Government Contracts - State of Hawaii	-	246,289	246,289	321,471
County of Hawaii - contract		273,000	273,000	-
United way and Federal Campaign		38,530	38,530	-
Interest income	1,978	-	1,978	5,981
Program Service Fees	91,117	-	91,117	119,798
Special Events, net of direct expense	13,381	-	13,381	14,647
Trusts & Foundations	130,840	-	130,840	62,479
Other Income	134	-	134	5,509
Total revenues and gains	3,424,985	557,819	3,982,804	3,611,305
Net assets released from restrictions satisfaction				
Satisfied by expenditures			-	-
Total revenues and gains:	3,424,985	557,819	3,982,804	3,611,305
<b>EXPENSES</b>				
Program expenses	3,279,692	-	3,279,692	3,473,435
General & administrative	132,066	-	132,066	135,753
Fundraising - other expenses	6,410	-	6,410	11,212
	3,418,168	-	3,418,168	3,620,399
Change in net assets	6,817	557,819	564,636	(9,094)
Net assets, beginning of year	1,093,842	-	1,093,842	1,102,936
Net assets, end of year	\$ 1,100,659	\$ 557,819.00	\$ 1,658,478	\$ 1,093,842

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

The Food Basket, Inc.  
(a not for profit organization)

Statements of Functional Expenses

For the Years Ended December 31, 2012 and 2011

	Program Expenses	General and Administrative	Fundraising	2012 Total	2011 Total
Salaries	\$ 282,779	\$ 57,918	\$ -	\$ 340,697	\$ 368,044
Other employee benefits	55,555	1,718	-	57,273	69,548
Payroll taxes	37,108	1,148	-	38,256	41,147
Total salaries and related expenses	<u>375,442</u>	<u>60,784</u>	<u>-</u>	<u>436,226</u>	<u>478,739</u>
Contract services	26,135	6,534	-	32,669	35,150
Dues & subscription	700	175	-	875	1,497
Equipment repairs & maintenance	10,156	2,539	-	12,695	21,835
Professional fees	19,278	4,819	-	24,097	12,572
Facilities repairs and maintenance	25,343	5,191	-	30,534	9,567
Insurance	20,493	4,197	-	24,690	17,217
Meetings	1,392	285	-	1,677	1,700
Transportation and delivery	29,644	-	-	29,644	22,962
Postage	6,052	1,513	-	7,565	4,765
Printing & newsletter	2,180	-	-	2,180	415
Rent	67,131	16,783	-	83,914	97,574
Supplies	18,006	4,502	-	22,508	20,756
Telephone	7,417	1,854	-	9,271	9,917
Travel	5,831	1,458	-	7,289	8,619
Utilities	58,219	14,555	-	72,774	76,150
Food expenses	2,571,994	-	-	2,571,994	2,751,748
Advertisement	20,373	5,093	-	25,466	21,640
Miscellaneous	7,647	502	6,410	14,559	16,031
Total expenses before depreciation	<u>3,273,433</u>	<u>130,784</u>	<u>6,410</u>	<u>3,410,627</u>	<u>3,608,854</u>
Depreciation	<u>6,259</u>	<u>1,282</u>	<u>-</u>	<u>7,541</u>	<u>11,545</u>
Total Expenses	<u>\$ 3,279,692</u>	<u>\$ 132,066</u>	<u>\$ 6,410</u>	<u>\$ 3,418,168</u>	<u>\$ 3,620,399</u>

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

The Food Basket, Inc.  
(a not for profit organization)

Statements of Cash Flows

For the Year Ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 564,636	\$ (9,094)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	7,541	11,545
(Increase) decrease in:		
Accounts receivables	(11,650)	5,325
Grants receivables	37,847	(86,984)
Inventory	(566,134)	20,587
Prepaid expenses	(6,063)	9,901
Increase (decrease) in:		
Accounts payable	18,358	(831)
Deferred revenues	-	(5,000)
Accrued liabilities	(1,011)	(7,690)
	<u>43,524</u>	<u>(62,241)</u>
Net cash provided (used) by operating activities		
Cash Flows From Investing Activities:		
Purchase of equipment	(154,369)	-
Purchase of building	-	(57,160)
Short term borrowing	28,000	-
	<u>(126,369)</u>	<u>(57,160)</u>
Net cash used by financing activities		
Net increase (decrease) in cash and cash equivalents	(82,845)	(119,401)
Cash and cash equivalents - beginning of year	<u>542,438</u>	<u>661,839</u>
Cash and cash equivalents - end of year	<u>\$ 459,593</u>	<u>\$ 542,438</u>

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

THE FOOD BASKET, INC.  
(A not for profit organization)  
December 31, 2012 and 2011

Notes to Financial Statements

1. Nature of Organization

The Food Basket, Inc. is a not for profit organization operated exclusively to provide meals to homeless persons and to abolish hunger and to ensure that those in need of food are provided for. The Food Basket was formerly a subsidiary of the Diocesan Administrative Offices of the Roman Catholic Church in the State of Hawaii known as the Hawaii Island Food Bank. In the year 2007, the Food Basket incorporated in the State of Hawaii as a not for profit organization.

The Food Basket, Inc. acquires donated food through large food drives and via surplus food from local companies, the United States Department of Agriculture and Federal Emergency Management Agency. The organization distributes food to over 90 community groups, churches, and other not for profit organizations.

2. Summary of Significant Accounting Policies

Basis of Presentation – Financial statement presentation follows the recommendations of the Financial Standard Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit-Organizations. Under SFAS No. 117, the Organization is required 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.

Property and equipment – Property and equipment are recorded at cost less accumulated depreciation. Depreciation is provided on the straight-line method over the estimated useful lives of the assets.

Revenue Recognition – The Organization recognizes support and revenue on the accrual basis of accounting. Revenues from grants which have been classified as “exchange transactions” and program fees are recognized as revenue in the period when the service has been provided.

Contributions – All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Inventory – Inventory consists of donated food items and is recorded at estimated fair value at the time of the donation. Donated food was valued at \$1.66 per pound for the year ended December 2012. The valuation is based on a study conducted for America's Second Harvest.

THE FOOD BASKET, INC.  
(A not for profit organization)

Notes to Financial Statements - continued

2. Summary of Significant Accounting Policies - continued

Allocation of Functional Expenses – Directly identifiable expenses are charged to program and support services. Expenses related to more than one function are charged to program and support services on the basis of the function served.

Income Taxes – The Food Basket, Inc. is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made for the accompanying statements.

3. Accounts Receivable

Accounts Receivable amounted to \$20,545. At December 31, 2012, all accounts were deemed collectible by the organization hence, an allowance for doubtful accounts was deemed unnecessary.

4. Grants Receivable

As of December 31, 2012, grants receivables amounted to \$52,137. Grant receivable was deemed collectible hence, no allowance for doubtful accounts was necessary.

5. Property and equipment

Property and equipment consists of the following, see also note 7.

	2012	2011
Building	\$ 57,160	\$ 57,160
Furniture and equipment	45,722	40,917
Warehouse equipment	73,639	73,638
Vehicles	129,985	129,985
Leasehold improvements	5,949	5,949
Construction in progress	150,482	-
	462,936	307,649
Less accumulated depreciation	(234,607)	(226,148)
Net property and equipment	\$ 228,329	\$ 81,501



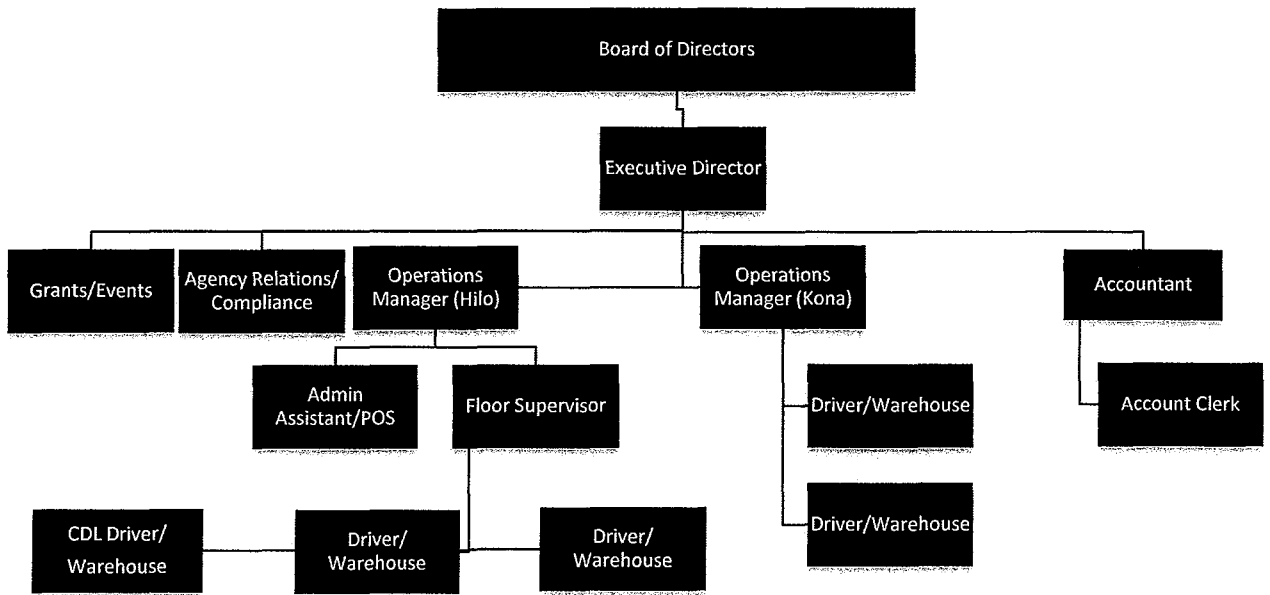
THE FOOD BASKET, INC.  
(A not for profit organization)

Notes to Financial Statements – continued

7. Purchase of Building

During 2011, the Food Basket purchased a building located on 40 Holouma Street, Hilo, Hawaii in the amount of \$55,000, with additional capitalized costs of \$2,160 a total of \$57,160. The land is situated on leasehold property which the Food Basket is leasing from the Department of Land and Natural Resources. The lease executed on May 24, 2011 grants the Food Basket a lease term commencing May 24, 2011 and ending January 15, 2016. The annual lease rent is \$17,000 payable in semi-annual payments.

At the end of 2012, the Food Basket relocated to this building with operations in flux due to the construction of leasehold improvements occurring at the same time.



The Food Basket, Incorporated  
Director and Officer  
Annual Conflict of Interest Statement

1. Name: [Redacted]

Date: 7/24/13

2. Position:

Are you a voting Director?  Yes  No

Are you an Officer? Yes  No

If you are an Officer, which Officer position do you hold: n/a

3. I affirm the following:

I have received a copy of the TFBI Conflict of Interest Policy. [Signature] (initial)

I have read and understand the policy. [Signature] (initial)

I agree to comply with the policy. [Signature] (initial)

I understand that TFBI is charitable and in order to maintain our federal tax exemption we must engage primarily in activities which accomplish one or more tax-exempt purposes. [Signature] (initial)

4. Disclosures:

a. Do you have a financial interest (current or potential), including a compensation arrangement, as defined in the Conflict of Interest policy with TFBI? Yes \_\_\_ No

i. If yes, please describe it:

ii. If yes, has the financial interest been disclosed, as provided in the Conflict of Interest policy? Yes \_\_\_ No n/a

b. In the past, have you had a financial interest, including a compensation arrangement, as defined in the Conflict of Interest policy with TFBI? Yes \_\_\_ No

i. If yes, please describe it, including when (approximately):

ii. If yes, has the financial interest been disclosed, as provided in the Conflict of Interest policy? Yes \_\_\_ No n/a

5. Are you an independent director, as defined in the Conflict of Interest policy? Yes  No \_\_\_

a. If you are not independent, why?

[Redacted]

Signature of director

[Redacted]

Acknowledged by (Chair or Secretary of the Board)

7/24/13  
Date

**Prepared For:**  
**Prepared By:** M Jay Blake  
**Dealership:**



## *Standard Equipment*

## **2014 Ford F-550 Chassis**

**4x2 SD Regular Cab 201" WB DRW XL (F5G)**

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### **Powertrain**

Triton 6.8L V-10 SOHC SMPI 30 valve engine \* 175 amp alternator \* 750 amp 78 amp hours (Ah) HD battery with run down protection \* Transmission oil cooler \* 5-speed electronic SelectShift automatic transmission with overdrive, lock-up, driver selection \* Rear-wheel drive \* Driveline traction control \* 4.88 axle ratio \* Stainless steel exhaust

### **Steering and Suspension**

Hydraulic power-assist re-circulating ball steering \* 4-wheel disc brakes with front and rear vented discs \* Firm ride suspension \* Mono-beam non-independent front suspension \* Front anti-roll bar \* Front coil springs \* HD front shocks \* Rigid rear axle \* Rear leaf suspension \* Rear anti-roll bar \* HD rear leaf springs \* HD rear shocks \* Front and rear 19.5" x 6.00" argent steel wheels \* LT225/70SR19.5 BSW AS front and rear tires

### **Safety**

4-wheel anti-lock braking system \* Dual airbags, passenger side front-impact cancellable airbag, seat mounted driver and passenger side-impact airbags, curtain 1st row overhead airbag \* Front height adjustable seatbelts

### **Comfort and Convenience**

Air conditioning \* AM/FM stereo, clock, seek-scan, 2 speakers, fixed antenna \* 2 12V DC power outlets \* Analog instrumentation display includes tachometer, oil pressure gauge, engine temperature gauge, transmission fluid temp gauge, engine hour meter, exterior temp, systems monitor, trip odometer \* Warning indicators include oil pressure, engine temperature, battery, lights on, key, low fuel, door ajar, service interval, brake fluid \* Steering wheel with tilt and telescopic adjustment \* Manual front windows with light tint \* Variable intermittent front windshield wipers \* Passenger side vanity mirror \* Day-night rearview mirror \* Interior lights include dome light with fade, front reading lights \* Glove box, front cupholder, instrument panel bin, dashboard storage \* Upfitter switches

### **Seating and Interior**

Seating capacity of 3 \* 40-20-40 split-bench front seat with adjustable head restraints, center armrest with storage \* 4-way adjustable driver seat includes lumbar support \* 4-way adjustable passenger seat \* Vinyl faced front seats with vinyl back material \* Full cloth headliner, full vinyl/rubber floor covering, urethane gear shift knob, chrome interior accents

### **Exterior Features**

Side impact beams, front license plate bracket, fully galvanized steel body material \* Black fender flares \* Black side window moldings, black front windshield molding \* Black door handles \* Black grille \* 2 doors \* Trailer harness \* Driver and passenger manual black folding manual extendable trailer outside mirrors \* Front black bumper with front tow hooks \* Aero-composite halogen headlamps \* Additional exterior lights include cab clearance lights, underhood light \* Clearcoat monotone paint

### **Warranty**

Prices and content availability as shown, are subject to change and should be treated as estimates only. Actual base vehicle, package and option pricing may vary from this estimate because of special local pricing, availability or pricing adjustments not reflected in the dealer's computer system. See salesperson for the most current information. Reference CT05210584 7/1/2013

## Standard Equipment Continued

Prepared By: M Jay Blake  
Dealership:

### Warranty (Continued)

Basic	36 month/36,000 miles	Powertrain	60 month/60,000 miles
Corrosion Perforation	60 month/unlimited mileage	Roadside Assistance	60 month/60,000 miles

### Dimensions and Capacities

Output	362 hp @ 4,750 rpm	Torque	457 lb.-ft. @ 3,250 rpm
1st gear ratio	3.110	2nd gear ratio	2.220
3rd gear ratio	1.550	4th gear ratio	1.000
5th gear ratio	0.710	Reverse gear ratio	2.880
Curb weight	7,014 lbs.	GVWR	18,000 lbs.
Front GAWR	6,000 lbs.	Rear GAWR	13,660 lbs.
Payload	10,986 lbs.	Front curb weight	3,973 lbs.
Rear curb weight	3,041 lbs.	Front axle capacity	7,000 lbs.
Rear axle capacity	13,660 lbs.	Front spring rating	6,000 lbs.
Rear spring rating	13,660 lbs.	Front tire/wheel capacity	7,500 lbs.
Rear tire/wheel capacity	15,000 lbs.	Towing capacity	16,000 lbs.
5th-wheel towing capacity	17,900 lbs.	Front legroom	41.1 "
Front headroom	40.7 "	Front hiproom	67.6 "
Front shoulder room	68.0 "	Passenger area volume	65.9 cu.ft.
Length	286.5 "	Body width	93.9 "
Body height	80.9 "	Wheelbase	201.0 "
Cab to axle	120.0 "	Axle to end of frame	47.6 "
Front tread	74.8 "	Rear tread	74.0 "
Turning radius	29.0 '	Fuel tank	40.0 gal.
Rear frame height loaded	28.0 "	Rear frame height unloaded	33.2 "

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Prepared For:  
 Prepared By: M Jay Blake  
 Dealership:



*Selected Options*

**2014 Ford F-550 Chassis**

**4x2 SD Regular Cab 201" WB DRW XL (F5G)**

<b>Vehicle Snapshot</b>	<b>Engine:</b> 6.8L 3-Valve SOHC EFI NA V1C <b>Transmission:</b> TorqShift 5-Speed Auto w/OD <b>Rear Axle Ratio:</b> 4.88 <b>GVWR:</b> 18,000 lbs Payload Package
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<b>Code</b>	<b>Description</b>	<b>MSRP</b>
F5G	<b>Base Vehicle Price (F5G)</b>	35,880.00
660A	<b>Order Code 660A</b>	N/C
99Y	<b>Engine: 6.8L 3-Valve SOHC EFI NA V10</b> <i>Torque: 457 ft.lbs. @ 3250 rpm.</i>	Included
44T	<b>Transmission: TorqShift 5-Speed Auto w/OD</b> <i>Includes SelectShift.</i>	Included
X48	<b>4.88 Axle Ratio</b>	Included
STDGV	<b>GVWR: 18,000 lbs Payload Package</b>	Included
TFB	<b>Tires: 225/70Rx19.5G BSW AS (6)</b>	Included
64Z	<b>Wheels: 19.5" Argent Painted Steel (6)</b>	Included
512	<b>Spare Tire &amp; Wheels</b> <i>(61J) 6-Ton Hydraulic Jack. Excludes carrier. REQUIRED in Rhode Island.</i>	350.00
A	<b>HD Vinyl 40/20/40 Split Bench Seat</b> <i>Includes driver side manual lumbar support, center armrest, cupholder and storage.</i>	Included
PAINT	<b>Monotone Paint Application</b>	N/C

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**Selected Options Continued**

**Prepared By:** M Jay Blake  
**Dealership:**

<b>Code</b>	<b>Description</b>	<b>MSRP</b>
201WB	<b>201" Wheelbase/120" Cab to Axle</b>	N/C
61J	<b>6-Ton Hydraulic Jack</b> <i>REQUIRED in Rhode Island.</i>	Included
18B	<b>6" Angular Black Molded-in-Color Running Boards</b>	320.00
587	<b>Radio: AM/FM Stereo w/Digital Clock</b> <i>Includes 2 speakers.</i>	Included
76C	<b>Exterior Back-Up Alarm (LPO)</b> <i>Pre-installed custom accessory.</i>	125.00
AS	<b>Steel</b>	N/C
Z1	<b>Oxford White</b>	N/C
Doc Fees*	<b>**THIS CHARGE IS NOT A GOVERNMENTAL FEE BUT IS A DEALER CHARGE FOR SERVICES AND GENERAL OVERHEAD INCLUDING THE PROCESSING OF DOCUMENTS</b>	\$229.00
S-TK-V700	<b>KOLD KING REFRIGERATED VAN</b> <i>16' SUPREME KOLD KING INSULATED VAN BODY THERMO KING V700-10 (FRESH ONLY) TOMMY ALUMINUM RAIL GATE LIFT #2000 CAPACITY (FULL SPECIFICATIONS NEXT PAGE) FREIGHT TO HILO</i>	\$47,303.00
T&R	<b>Licensing</b> <i>Includes weight certification, DOT inspection and registration (estimated)</i>	\$495.00
<b>Vehicle Subtotal</b>		<b>\$84,702.00</b>
<b>Destination</b>		<b>\$995.00</b>
<b>Vehicle Subtotal (including Destination)</b>		<b>\$85,697.00</b>

Prices and content availability as shown, are subject to change and should be treated as estimates only. Actual base vehicle, package and option pricing may vary from this estimate because of special local pricing, availability or pricing adjustments not reflected in the dealer's computer system. See salesperson for the most current information. Reference CT05210584 7/1/2013

Prepared For:  
 Prepared By: M Jay Blake  
 Dealership:



**Quotation**

**2014 Ford F-550 Chassis**

**4x2 SD Regular Cab 201" WB DRW XL (F5G)**

<b>Vehicle Snapshot</b>	<b>Engine:</b> 6.8L 3-Valve SOHC EFI NA V1C <b>Transmission:</b> TorqShift 5-Speed Auto w/OD <b>Rear Axle Ratio:</b> 4.88 <b>GVWR:</b> 18,000 lbs Payload Package
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<b>Description</b>	<b>MSRP</b>
<b>Vehicle Price (excluding option discounts)</b>	<b>\$84,702.00</b>
Doc Fees**	229.00
<b>Vehicle Subtotal</b>	<b>\$84,931.00</b>
Option Credits	0.00
Other (Discount)Margin	0.00
Incentives	0.00
<b>Total Other Items</b>	<b>0.00</b>
Net Selling Price	\$84,931.00
Destination	995.00
<b>Total Quote</b>	<b>\$85,926.00</b>
Hawaii Sales Tax	3,580.54
Licensing <i>Includes weight certification, safety check or DOT inspection, and registration (estimated)</i>	450.00
<b>TOTAL</b>	<b>\$89,956.54</b>

\_\_\_\_\_  
**Customer Signature**

\_\_\_\_\_  
**Acceptance Date**

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