

FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY



Consolidated Financial Statements With Supplementary Information (Together with Independent Auditors' Report)

Years Ended June 30, 2021 and 2020

M A R K S P A N E T H

ACCOUNTANTS & ADVISORS

FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY

**CONSOLIDATED FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
(Together with Independent Auditors' Report)**

YEARS ENDED JUNE 30, 2021 AND 2020

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Food Bank For New York City and Subsidiary

We have audited the accompanying consolidated financial statements of Food Bank For New York City and Subsidiary (collectively, "Food Bank For NYC"), which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated 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 audit to obtain reasonable assurance about whether the consolidated 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 principles 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Food Bank For New York City and Subsidiary as of June 30, 2021 and 2020, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information (shown on pages 22-23) as of and for the years ended June 30, 2021 and 2020 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and changes in net assets of the individual companies and is not a required part of the consolidated 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 consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

Marks Paneth LLP

New York, NY
March 31, 2022

FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents (Notes 2C and 18)	\$ 17,157,585	\$ 30,578,056
Investments (Notes 2E, 2F, 4 and 5)	23,027,413	6,020,095
Government grants receivable (Note 2I)	17,442,574	8,833,714
Contributions receivable (Notes 2D and 6)	757,176	1,574,816
Accounts receivable, net (Note 2D)	-	166,227
Purchased products inventory (Notes 2K and 9)	621,944	1,150,090
Donated products inventory (Notes 2J, 2L and 9)	2,715,987	3,757,059
Prepaid expenses and other assets	742,976	589,591
Property and equipment, net (Notes 2G and 7)	<u>7,796,545</u>	<u>5,107,848</u>
TOTAL ASSETS	<u>\$ 70,262,200</u>	<u>\$ 57,777,496</u>
LIABILITIES		
Accounts payable and accrued expenses (Note 16)	\$ 12,068,293	\$ 9,016,217
Accrued salaries	619,660	248,977
Accrued vacation	413,535	275,263
Government contract advances (Note 2I)	4,787,108	9,999,506
Deferred rent (Notes 2M and 17B)	598,496	655,355
Paycheck Protection Program loan payable (Note 11)	867,500	867,500
Mortgage loan payable, net (Notes 2P and 12)	<u>1,407,428</u>	<u>1,518,950</u>
TOTAL LIABILITIES	<u>20,762,020</u>	<u>22,581,768</u>
COMMITMENTS AND CONTINGENCIES (Note 17)		
NET ASSETS (Note 2B)		
Net assets without donor restrictions:		
Operations	31,651,422	27,020,114
Board-designated (Note 13)	7,288,532	1,288,532
Net investment in property and equipment	<u>6,389,117</u>	<u>3,588,898</u>
Total net assets without donor restrictions	45,329,071	31,897,544
Net assets with donor restrictions (Note 13)	<u>4,171,109</u>	<u>3,298,184</u>
TOTAL NET ASSETS	<u>49,500,180</u>	<u>35,195,728</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 70,262,200</u>	<u>\$ 57,777,496</u>

**FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	Year Ended June 30, 2021			Year Ended June 30, 2020		
	Without Donor Restrictions	With Donor Restrictions	2021 Consolidated Total	2020 Consolidated Total	Without Donor Restrictions	With Donor Restrictions
PUBLIC SUPPORT AND REVENUE (Note 2H):						
Contributions - foundations and corporations (Note 2D)	\$ 13,577,052	\$ 4,905,486	\$ 18,482,538	\$ 14,195,726	\$ 10,261,039	\$ 3,934,687
Contributions - individuals (Note 2D)	31,163,179	1,801,000	32,964,179	31,254,919	30,196,964	1,057,955
Contributions-in-kind - consultants, legal, and other (Note 2L)	1,396,219	-	1,396,219	388,996	388,996	-
Special and other events (net of direct expenses of \$0 and \$46,016 in 2021 and 2020, respectively) (Notes 2N and 14)	145,233	-	145,233	495,093	495,093	-
Government contracts (Notes 2I and 8)	49,795,105	-	49,795,105	24,539,728	24,539,728	-
Donated food received (Notes 2J, 2L, and 9)	121,799,463	-	121,799,463	72,544,861	72,544,861	-
Sale of food and paper products (Note 2K)	1,493,141	-	1,493,141	1,328,992	1,328,992	-
Investment activity (Notes 2E and 4)	24,829	500	25,329	16,129	15,629	500
Other income	36,095	-	36,095	94,012	94,012	-
Net assets released from restrictions (Notes 2B and 13)	5,834,061	(5,834,061)	-	-	4,163,771	(4,163,771)
TOTAL PUBLIC SUPPORT AND REVENUE	<u>225,264,377</u>	<u>872,925</u>	<u>226,137,302</u>	<u>144,858,456</u>	<u>144,029,085</u>	<u>829,371</u>
EXPENSES (Notes 2H and 2Q):						
Program services:						
Distribution and food storage	189,325,994	-	189,325,994	105,586,761	105,586,761	-
Research and policy	218,352	-	218,352	202,034	202,034	-
Food and nutrition services	2,256,427	-	2,256,427	2,107,086	2,107,086	-
Community kitchen and food pantry	2,655,348	-	2,655,348	1,820,831	1,820,831	-
Income support services	2,329,612	-	2,329,612	915,218	915,218	-
Food and benefits access	793,074	-	793,074	592,587	592,587	-
Total program services	<u>197,578,807</u>	<u>-</u>	<u>197,578,807</u>	<u>111,224,517</u>	<u>111,224,517</u>	<u>-</u>
Supporting services:						
Management and general	8,967,538	-	8,967,538	7,378,404	7,378,404	-
Fundraising	5,286,505	-	5,286,505	4,307,535	4,307,535	-
Total supporting services	<u>14,254,043</u>	<u>-</u>	<u>14,254,043</u>	<u>11,685,939</u>	<u>11,685,939</u>	<u>-</u>
TOTAL EXPENSES	<u>211,832,850</u>	<u>-</u>	<u>211,832,850</u>	<u>122,910,456</u>	<u>122,910,456</u>	<u>-</u>
CHANGE IN NET ASSETS	13,431,527	872,925	14,304,452	21,948,000	21,118,629	829,371
Net assets - beginning of year	<u>31,897,544</u>	<u>3,298,184</u>	<u>35,195,728</u>	<u>13,247,728</u>	<u>10,778,915</u>	<u>2,468,813</u>
NET ASSETS - END OF YEAR	<u>\$ 45,329,071</u>	<u>\$ 4,171,109</u>	<u>\$ 49,500,180</u>	<u>\$ 35,195,728</u>	<u>\$ 31,897,544</u>	<u>\$ 3,298,184</u>

FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2020)

	Program Services						Supporting Services		Total Supporting Services	Total 2021	Total 2020	
	Distribution and Food Storage	Research and Policy	Food and Nutrition Services	Community Kitchen and Food Pantry	Income Support Services	Food and Benefits Access	Total Program Services	Management and General				Fundraising
Salaries	\$ 4,509,419	\$ 147,363	\$ 1,043,459	\$ 699,618	\$ 477,508	\$ 337,192	\$ 7,214,559	\$ 2,641,015	\$ 2,078,126	\$ 4,719,141	\$ 11,933,700	\$ 10,088,845
Temporary labor - staffing agencies	3,650,395	29,344	198,198	537,721	281,700	19,853	4,717,211	239,766	31,175	270,941	4,988,152	2,758,334
Payroll taxes and employee benefits (Note 15)	1,245,810	41,136	204,302	176,751	132,000	104,815	1,904,814	703,997	337,838	1,041,835	2,946,649	2,301,739
Total salaries and related costs	9,405,624	217,843	1,445,959	1,414,090	891,208	461,860	13,836,584	3,584,778	2,447,139	6,031,917	19,868,501	15,148,918
Donated food distributed (Notes 2J and 9)	123,210,383	-	-	-	-	-	123,210,383	-	-	-	123,210,383	69,432,852
Food purchased for distribution (Note 9)	22,416,022	-	-	-	-	-	22,416,022	-	-	-	22,416,022	16,007,168
Consultant and professional fees	417,161	-	137,100	173,496	25,316	-	753,073	1,547,219	1,185,613	2,732,832	3,485,905	1,797,077
Donated consultants, legal, and other (Note 2L)	1,200,000	-	196,219	-	-	-	1,396,219	-	-	-	1,396,219	128,037
Transportation costs	8,158,769	-	-	-	-	-	8,158,769	-	-	-	8,158,769	6,019,300
Direct mail costs	-	-	-	-	-	-	-	16,575	856,535	873,110	873,110	1,190,953
Fundraising & other engagement events	56,996	-	-	231	-	-	57,227	21,873	8,560	30,433	87,660	298,656
Facilities and maintenance	2,214,357	-	8,217	95,490	259,886	-	2,577,950	469,203	8,477	477,680	3,055,630	2,783,380
Warehouse operating expenses	1,099,871	-	-	75,939	-	-	1,175,810	-	-	-	1,175,810	1,000,322
Business technology expenses	11,594	479	39,649	8,124	74,771	11,371	145,988	1,480,526	219,830	1,700,356	1,846,344	759,692
Grant expense (Note 16)	20,288,303	-	61,431	268,565	271,993	213,878	21,104,170	-	-	-	21,104,170	3,804,970
Other program expenses	77,242	-	268,162	375,438	690,463	32,939	1,444,244	-	-	-	1,444,244	1,400,444
Bad debt	-	-	-	-	-	-	-	740,600	-	740,600	740,600	269,008
Interest (Notes 2P and 12)	-	-	-	77,041	-	362	77,403	-	168	168	77,571	82,968
Media outreach and marketing	433	-	-	-	17,407	-	17,840	253,123	38,783	291,906	309,746	341,200
Insurance	372,624	-	-	-	-	-	372,624	80,699	-	80,699	453,323	522,445
Credit card processing	-	-	-	-	-	-	-	-	375,688	375,688	375,688	351,753
Other expenses	219,120	30	15,127	5,924	84,418	43	324,662	723,007	90,552	813,559	1,138,221	993,195
Total expenses before depreciation and amortization and cost of direct benefits to donors	189,148,499	218,352	2,171,864	2,494,338	2,315,462	720,453	197,068,968	8,917,603	5,231,345	14,148,948	211,217,916	122,332,338
Depreciation and amortization (Notes 2G and 7)	177,495	-	84,563	161,010	14,150	72,621	509,839	49,935	55,160	105,095	614,934	624,134
Sub-total	189,325,994	218,352	2,256,427	2,655,348	2,329,612	793,074	197,578,807	8,967,538	5,286,505	14,254,043	211,832,850	122,956,472
Less: cost of direct benefits to donors (Notes 2N and 14)	-	-	-	-	-	-	-	-	-	-	-	(46,016)
TOTAL EXPENSES	\$ 189,325,994	\$ 218,352	\$ 2,256,427	\$ 2,655,348	\$ 2,329,612	\$ 793,074	\$ 197,578,807	\$ 8,967,538	\$ 5,286,505	\$ 14,254,043	\$ 211,832,850	\$ 122,910,456

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

**FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020**

	Program Services						Total Program Services	Supporting Services		Total Supporting Services	Total 2020
	Distribution and Food Storage	Research and Policy	Food and Nutrition Services	Community Kitchen and Food Pantry	Income Support Services	Food and Benefits Access		Management and General	Fundraising		
Salaries	\$ 3,225,570	\$ 136,039	\$ 834,885	\$ 564,791	\$ 350,345	\$ 260,820	\$ 5,372,450	\$ 3,246,640	\$ 1,469,755	\$ 4,716,395	\$ 10,088,845
Temporary labor - staffing agencies	1,896,938	-	248,367	139,708	12,037	19,346	2,316,396	337,941	103,997	441,938	2,758,334
Payroll taxes and employee benefits (Note 15)	655,931	40,231	182,638	152,620	99,237	80,842	1,211,499	856,117	234,123	1,090,240	2,301,739
Total salaries and related costs	5,778,439	176,270	1,265,890	857,119	461,619	361,008	8,900,345	4,440,698	1,807,875	6,248,573	15,148,918
Donated food distributed (Notes 2J and 9)	69,432,852	-	-	-	-	-	69,432,852	-	-	-	69,432,852
Food purchased for distribution (Note 9)	16,007,168	-	-	-	-	-	16,007,168	-	-	-	16,007,168
Consultant and professional fees	219,433	-	48,440	126,751	8,555	-	403,179	972,077	421,821	1,393,898	1,797,077
Donated consultants, legal, and other (Note 2L)	-	-	-	-	-	-	-	-	128,037	128,037	128,037
Transportation costs	6,019,300	-	-	-	-	-	6,019,300	-	-	-	6,019,300
Direct mail costs	19,453	-	-	-	-	-	19,453	-	1,171,500	1,171,500	1,190,953
Fundraising & other engagement events	248,058	-	-	6,930	-	-	254,988	35,656	8,012	43,668	298,656
Facilities and maintenance	2,175,067	16,954	122,619	145,199	81,433	42,666	2,583,938	91,743	107,699	199,442	2,783,380
Warehouse operating expenses	946,273	-	-	-	125	-	946,398	53,924	-	53,924	1,000,322
Business technology expenses	30,781	3,244	42,163	13,817	58,750	12,142	160,897	441,199	157,596	598,795	759,692
Grant expense (Note 16)	3,716,581	-	7,802	-	70,505	760	3,795,648	-	9,322	9,322	3,804,970
Other program expenses	217,942	-	462,292	422,255	191,136	67,403	1,361,028	30,250	9,166	39,416	1,400,444
Bad debt	-	-	-	-	-	-	-	269,008	-	269,008	269,008
Interest (Notes 2P and 12)	-	-	-	82,968	-	-	82,968	-	-	-	82,968
Media outreach and marketing	8,271	-	6,870	-	-	4,000	19,141	312,703	9,356	322,059	341,200
Insurance	345,004	3,378	24,641	19,576	8,830	8,501	409,930	91,166	21,349	112,515	522,445
Credit card processing	-	-	-	-	-	-	-	-	351,753	351,753	351,753
Other expenses	287,407	2,188	15,954	10,109	15,789	1,285	332,732	582,425	78,038	660,463	993,195
Total expenses before depreciation and amortization and cost of direct benefits to donors	105,452,029	202,034	1,996,671	1,684,724	896,742	497,765	110,729,965	7,320,849	4,281,524	11,602,373	122,332,338
Depreciation and amortization (Notes 2G and 7)	134,732	-	110,415	136,107	18,476	94,822	494,552	57,555	72,027	129,582	624,134
Sub-total	105,586,761	202,034	2,107,086	1,820,831	915,218	592,587	111,224,517	7,378,404	4,353,551	11,731,955	122,956,472
Less: cost of direct benefits to donors (Notes 2N and 14)	-	-	-	-	-	-	-	-	(46,016)	(46,016)	(46,016)
TOTAL EXPENSES	\$ 105,586,761	\$ 202,034	\$ 2,107,086	\$ 1,820,831	\$ 915,218	\$ 592,587	\$ 111,224,517	\$ 7,378,404	\$ 4,307,535	\$ 11,685,939	\$ 122,910,456

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

**FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 14,304,452	\$ 21,948,000
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	614,934	624,134
Interest expenses on deferred financing costs	6,052	6,052
Realized and unrealized loss on investments, net	6,249	665
Bad debt	740,600	269,008
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Government grants receivable	(8,608,860)	(1,821,292)
Contributions receivable	817,640	208,499
Accounts receivable	(574,373)	(143,492)
Prepaid expenses and other assets	(153,385)	38,430
Purchased products inventory	528,146	(535,395)
Donated products inventory	1,041,072	(3,059,604)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	3,052,076	5,093,662
Accrued salaries	370,683	77,012
Accrued vacation	138,272	11,938
Government contract advances	(5,212,398)	9,471,554
Deferred rent	(56,859)	(36,155)
Net Cash Provided by Operating Activities	7,014,301	32,153,016
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investments	13,981,404	813,831
Purchases of investments	(30,994,971)	(5,984,652)
Purchases of property and equipment	(3,303,631)	(1,139,550)
Net Cash Used in Investing Activities	(20,317,198)	(6,310,371)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of mortgage payable	(117,574)	(117,573)
Proceeds from Paycheck Protection Program loan payable	-	867,500
Net Cash (Used in) Provided by Financing Activities	(117,574)	749,927
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(13,420,471)	26,592,572
Cash and Cash Equivalents - beginning of year	30,578,056	3,985,484
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 17,157,585	\$ 30,578,056
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for interest	\$ 71,519	\$ 76,916

**FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

Food Bank For New York City was incorporated in the State of New York in 1983 pursuant to the Not-for-Profit Corporation Law. Food Bank For New York City was determined to be a publicly supported organization by the Internal Revenue Service (“IRS”) and is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code (“IRC”). Community Food Resources Center Property, Inc. (“CFRC”) is a controlled subsidiary of Food Bank For New York City and was incorporated in New York State in 2000. CFRC is a Section 501(c)(2) organization whose purpose is to hold title to property and turn over all of its earnings, less expenses, to Food Bank For New York City and, accordingly, is exempt from Federal and state income taxes. Collectively, these two entities are referred to as “Food Bank For NYC.”

Food Bank For NYC is a member of Feeding America, the Nation’s Food Bank Network, and Feeding New York State.

Food Bank For NYC’s mission is to end hunger by organizing food, information, and support for community survival, and dignity. As the largest hunger-relief organization in New York City, Food Bank For NYC employs a multifaceted approach centered on tackling hunger as a symptom of poverty and developing solutions to address both. To that end, Food Bank For NYC’s programs are designed to help low-income New Yorkers access the knowledge, tools and resources needed today to achieve greater financial stability, mobility, and independence tomorrow. Major programs include:

Community Kitchen and Food Pantry: Opened in 1984, the Community Kitchen and Food Pantry of West Harlem (the “Kitchen”) is a resource and service center for the community of West Harlem. The Kitchen operates a congregate meal program; a consumer-choice food pantry and a program connecting individuals and families to income support programs, including Supplemental Nutrition Assistance Program (“SNAP”), free tax-return preparation services, and rent, mortgage and utility assistance.

Benefits Access: Food Bank For NYC provides sessions to 1) inform and educate low-income New Yorkers and community-based organizations on government food assistance programs and, 2) to help communities move toward more sustainable strategies for combating food and financial insecurity. It also conducts SNAP training and provides technical assistance on eligibility screening for community-based organizations. In addition, its services are provided directly to thousands of clients annually.

Nutrition Education Services: Food Bank For NYC provides nutrition education for children, teens, and adults, encourages the development and adoption of healthy diets and promotes healthy eating in communities throughout New York City. Food Bank For NYC’s core nutrition education program is Cook Shop, and reaches over 50,000 children, teens, and adults across New York City annually.

Income Support Services: At the core of Food Bank For NYC’s income support services for low to moderate-income New Yorkers are free services, screenings, enrollment, and information on how to access the various federal credits and benefits. As evidence is the focus on the Earned Income Tax Credit program, where Food Bank For NYC tries to help families achieve the highest credit allowed under the tax law. Additionally, Food Bank For NYC’s free tax-return preparation services for the working poor can also connect eligible individuals to tax refunds that move them closer to food and financial security. Food Bank For NYC’s Food and Financial Empowerment Services also provide group workshops and financial counseling sessions that enable individuals to begin creating a viable financial future.

Fiscal Year 2021 (“FY21”) Summary

FY21 was an extraordinary year at Food Bank For NYC marked by even greater milestones than those achieved in FY20. Food Bank For NYC distributed more meals compared to the FY20 year and received greater private support than in FY20.

However, FY21 was not without its challenges with the most notable being serving through a pandemic. And as Food Bank For NYC began FY21 marked by agility, responsiveness, watchfulness, and transition, FY21 was also a year of resilience.

**FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES (Continued)

Challenges overcome included:

- Moving through the strategic planning process while building a new senior leadership team
- Staff working in a remote environment without an existing plan for this kind of environment
- Maintaining program services through internal COVID-19 outbreaks
- Ensuring a responsive warehouse operation during historical food volume, and while operationalizing new best in class processes and compliance requirements
- Implementing a new ERP and Warehouse Management System and deploying massive ERP system modifications

Despite the challenges, Food Bank For NYC remained focused on providing nutritious food to its NYC neighbors resulting in more meals

- Community Kitchen shifted to grab-and-go meals, warm take-home meals for seniors, children and families, offered live online nutrition and other life enrichment classes and implemented an appointment system for pantry clients.
- Campus Pantry worked with K-12 schools, colleges and universities, working with schools who shifted to a modified distribution process to remain operational despite campus closures and adjustments to school schedules
- Silver Service program continued to its level of service to seniors
- Expanded our mobile pantry distribution

Food Bank For NYC continued the network capacity building and resiliency work that it began in FY20 in response to the outbreak of COVID providing grants and equipment to help its network of agencies and partners manage the increase in need. The capacity grants help to address logistical issues for its members by facilitating equipment for safe storage, refrigeration and transportation of more food. These investments include forklifts, pallet jacks, and refrigeration units, as well as the technology and training to deploy contactless triage systems for direct client services. Operational grants help cover the added overhead expenses that come with operating for more hours, over more days.

Food Bank For NYC participated in government initiatives, including Nourish New York, which provided New York State-sourced food to New York City residents, and New York’s City’s operational and equipment investments in pantries and soup kitchens to ensure that they could continue serving vulnerable New Yorkers throughout the pandemic.

At a time when more hands were needed, COVID prevented the congregation of large numbers of persons impacting our volunteers. As volunteer numbers decreased, Food Bank added a temporary workforce to maintain the essential services in our distribution operations and our Harlem kitchen and pantry.

Within its program work, Food Bank For NYC leveraged technology developing a virtual learning curriculum for our CookShop program in the NYC public schools, and shifting to live video virtual nutrition education workshops in addition to outside-only in-person workshops. SNAP trainings increased via hosted monthly video training sessions focusing on improving community partners’ ability to outreach and assist eligible recipients while scaling up the SNAP call center to respond to the influx of calls. Technology also helped expand its virtual tax program providing contactless end-to-end tax preparation services and training volunteers to be virtual tax preparers.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. **Basis of Accounting** – Food Bank For NYC adheres to accounting principles generally accepted in the United States of America (“U.S. GAAP”) and prepares its consolidated financial statements using the accrual basis of accounting. The accompanying consolidated financial statements consist of the accounts of Food Bank For New York City and CFRC (collectively, “Food Bank For NYC”). All inter-company transactions are eliminated.

**FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. **Net Asset Classification** – Food Bank For NYC maintains its net assets under the following two classes:

- Without Donor Restrictions:

Operating – this represents resources received that have not been restricted by the donor. Such resources are available for support of Food Bank For NYC's operations over which the Board of Directors has discretionary control.

Board Designated Fund – consists of funds designated by the Board of Directors which represents a portion of Food Bank For NYC's net assets without donor restrictions as an operating reserve for extraordinary events and any governmental funding reductions that may cause hardship for Food Bank For NYC. The operating reserve may also be used to expand, purchase, and lease equipment and warehouse space. The Board reviews the amount of the operating reserve annually. The operating reserve is not credited or charged with Food Bank For NYC's investment results.

Invested in Property and Equipment – consists of property and equipment less mortgage loan payable.

- With Donor Restrictions: Represents resources received with donor stipulations that limit the use of the donated assets or that have time restrictions placed on their use. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets with donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions. In addition, net assets with donor restrictions also represent assets subject to donor-imposed stipulations that the corpus be maintained in perpetuity.

C. **Cash and Cash Equivalents** – Food Bank For NYC considers money market funds and all other highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents, except cash equivalents held as part of Food Bank For NYC's investment portfolio.

D. **Contributions and Accounts Receivable** – Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows if deemed material to the consolidated financial statements. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Contributions are accounted for under Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made* (Topic 958). Conditional promises to give are not included as support until the conditions are substantially met. Food Bank For NYC's management evaluates the need for an allowance for doubtful accounts applicable to its contributions and accounts receivable based on a combination of factors such as management's estimate of the creditworthiness of its donors, a review of individual accounts outstanding, and the aged basis of the receivables, current economic conditions and historical experience. As of June 30, 2021 and 2020, Food Bank For NYC determined that an allowance of approximately \$788,000 and \$131,000, respectively, was necessary for its accounts receivable.

E. **Investments** – Investments are carried at fair value. Net appreciation/(depreciation) in the fair value of investments, which includes realized and unrealized gains and losses on those investments, is reported in the consolidated statement of activities as increases or decreases in net assets without donor restrictions, unless their use is restricted by explicit donor stipulations or by law. Securities received as gifts are recorded at fair value at the date of the gift. Investment securities are exposed to various market risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least possible that changes in risks in the near term could materially affect investment balances.

F. **Fair Value Measurements** – Investments are stated at fair value. Fair value measurements are based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three levels, as reported in Note 5.

**FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. **Property and Equipment** – Property and equipment, including leasehold improvements, are recorded at cost less accumulated depreciation and amortization. These amounts do not purport to represent replacement or realizable values. Depreciation and amortization is provided on a straight-line basis over the useful lives of the asset, and relative to leasehold improvements, over the shorter of the term of the lease or the estimated useful lives of the assets. Food Bank For NYC capitalizes property and equipment with cost of \$5,000 or more with a useful life of greater than two years. Upon retirement or disposal, the asset cost and related accumulated depreciation or amortization is eliminated from the respective accounts and the resulting gain or loss is included in the changes in net assets for the period.

H. **Changes in Net Assets** – Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or law. Expenses are reported as decreases in net assets without donor restrictions. Contributions with donor-imposed restrictions, such as time or purpose restrictions, are recorded as net assets with donor restrictions.

Investment income and net realized and unrealized gain (loss) on investments are reported as follows:

- As increases (decreases) in net assets with donor restrictions if the terms of the gift impose restrictions on the current use of the investment income and unappropriated earnings from endowment funds.
- As increases (decreases) in net assets without donor restrictions in all other cases.

I. **Government Grants and Contracts** – Government grants and contracts are nonexchange transactions and accounted for under FASB ASU 2018-08. Governmental grants and contracts are recognized as revenue when barriers within the contract are overcome, and there is no right of return. Government contracts amounted to approximately \$49.8 million and \$24.5 million for the years ended June 30, 2021 and 2020, respectively, and are included in the accompanying consolidated statements of activities. Revenue from cost reimbursement-based government contracts is recognized when reimbursable costs are incurred under the terms of the contracts. Revenue from performance-based government contracts is recognized when performance objectives pursuant to the contract have been accomplished. Funds are received in either predetermined installments or in increments based on estimated or actual expenditures for the period. Accordingly, grant revenue under these awards is recognized in amounts equal to actual expenditures incurred. Contract payments received in advance of the qualified cost or performance are accounted for as government contract advances.

As of June 30, 2021 and 2020, Food Bank For NYC received conditional grants and contracts from government agencies in the aggregate amount of \$5,474,000 and \$19,132,000, respectively. Such amounts have not been recognized in the accompanying consolidated financial statements as they are for future periods and will be recognized when contract barriers are overcome. Such barriers include expending these funds in accordance with their agreements. If such services are not provided, the governmental entities are not obligated to expend the funds allotted under the grants and contracts and Food Bank For NYC may be required to return any funds already received.

As of June 30, 2021 and 2020, Food Bank For NYC determined that no allowance was needed for its government grants receivable.

J. **Government-provided Products** – Food Bank For NYC receives food commodities for distribution to recipients under The Emergency Food Assistance Program (“TEFAP”), granted by New York State, and under the Emergency Food Assistance Program (“EFAP”), granted by New York City. TEFAP commodities belong to Food Bank For NYC as title passes when the goods are delivered to its warehouse. Government-provided food commodities under TEFAP on hand as of June 30, 2021 and 2020, amounted to approximately \$1,621,000 and \$2,651,000, respectively, and are included as donated products inventory in the accompanying consolidated statements of financial position. EFAP commodities are considered pass-through products and are not included in the accompanying consolidated financial statements. Food Bank For NYC is responsible for safekeeping government food products held in inventory. Food Bank For NYC receives reimbursement from New York City for administrative costs incurred in the receipt, storage, and distribution of these food products. Government-provided food commodities under EFAP on hand as of June 30, 2021 and 2020, amounted to approximately \$3,506,000 and \$1,803,000, respectively.

**FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- K. **Purchased Products Inventory** – Purchased products inventory consists of food and food service supplies used to fulfill obligations under certain government contracts and for resale to member organizations. Inventory is stated at the lower of cost or net realizable using the first-in, first-out method.

Reimbursements received for products delivered under government contracts and proceeds from sales to member organizations are recognized as revenue, while related costs are included in program services as distribution and food storage. Food Bank For NYC recognizes sales revenue, to its member organizations, when the performance obligation is satisfied, which is when inventories are shipped. Control transfers to the customer when the inventory ships and the risk of loss is no longer with Food Bank For NYC. The transaction price of the inventories is determined by Food Bank For NYC and is based upon their listed price.

- L. **Donated Goods and Services** – Donated food, financial instruments, and other non-cash items are recorded as contributions at their fair value at the time of receipt. The fair value of donated food is calculated by utilizing the approximate average wholesale value of one pound of donated product at the national level (see Note 9). Donated services are reported as contributions when the services create or enhance nonfinancial assets, would be purchased if they had not been provided by contribution, or require specialized skills and are provided by individuals possessing those skills. Members of the Board of Directors and a substantial number of volunteers have made significant contributions of their time in support of Food Bank For NYC. The value of this contributed time is not reflected in these consolidated financial statements since these services do not meet the criteria for recognition.

Food Bank For NYC recognized contributed services amounting to \$1,200,000 and \$388,996 as in-kind contributions and expenses in the accompanying consolidated financial statements of activities for the years ended June 30, 2021 and 2020, respectively.

- M. **Deferred Rent** – Food Bank For NYC leases real property under operating leases expiring on various dates (see Note 17B) and the lease agreements contain scheduled future rent increases. U.S. GAAP requires that long-term leases, with scheduled rent increases, be accounted for by accelerating the impact of the future increases into the current periods, thereby smoothing the effects of the future increases in costs. This accounting treatment is commonly referred to as “straight-lining of rent.” The difference between rent expense, under this method, and the rental amounts actually paid to the landlord is reported as a “deferred rent” obligation in the accompanying consolidated statements of financial position. The change in the deferred rent liability is reflected in the accompanying consolidated statements of activities. As of June 30, 2021 and 2020, Food Bank For NYC recorded an adjustment to rent expense to reflect its straight-line policy that amounted to \$(56,859) and \$(36,155), respectively, as a decrease in expense.
- N. **Special Events Direct Costs** – The direct costs of special events include expenses for the benefit of the donor. For example, meals and facilities rental are considered direct costs of special events.
- O. **Use of Estimates** – The preparation of financial statements in conformity with U.S. GAAP requires Food Bank For NYC’s 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 consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.
- P. **Deferred Financing Costs** – Debt financing costs are presented as a reduction of the carrying amount of the debt rather than as an asset (see Note 12). Amortization of the debt issuance costs is reported as interest expense in the accompanying consolidated financial statements for the years ended June 30, 2021 and 2020.

**FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Q. **Functional Allocation of Expenses** – The costs of providing various programs and supporting services activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail for the functional expenses with the result that certain natural costs are allocated among the programs and supporting services benefited. Accordingly, the consolidated statements of functional expenses report certain categories of expenses that are attributed to more than one program or supporting function. Those expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include: salaries, payroll taxes and fringe benefits which are allocated based on time and effort reporting, and depreciation and amortization which are directly charged based on specific identification of program assets. A combination of allocation bases is used for occupancy, insurance, office and communications expenditures which are directly charged based on specific identification to program activities with the remaining costs allocated based on full time equivalencies (FTEs) across the other functional areas.
- R. **Recent Accounting Pronouncements** – ASU No. 2018-13 *Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement* – this ASU eliminated and modified certain disclosure requirements for fair value and was part of its disclosure framework project. This standard was effective for fiscal periods beginning after December 15, 2019 and was adopted as of July 1, 2020. The adoption of this standard did not have a material impact on Food Bank For NYC’s consolidated financial statements.

Food Bank For NYC adopted FASB ASU 2014-09 – *Revenue from Contracts with Customers* (Topic 606) for the year ended June 30, 2021. The core guidance is to recognize revenue to depict the transfer of goods and services to customers in the amount that reflects the consideration to which the entity expects to be entitled in exchange for those good and services as described in Note 2K.

- S. **Reclassifications** – Certain line items in the June 30, 2020 consolidated financial statements have been reclassified to conform to the June 30, 2021 presentation.

NOTE 3 – LIQUIDITY AND AVAILABILITY OF RESOURCES

Food Bank For NYC regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. Food Bank For NYC has various sources of liquidity at its disposal, including cash and cash equivalents, investments, government grants, contributions and accounts receivable.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, Food Bank For NYC considers all expenditures related to its ongoing activities of food storage and delivery, research and policy, food and nutrition services, community kitchen and food pantry, income support services, and food and benefits access services, as well general administration and support services.

In addition to financial assets available to meet general expenditures over the next 12 months, Food Bank For NYC anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. In the event of an unanticipated liquidity need, Food Bank For NYC could also draw upon \$1,000,000 of its available line of credit.

The following financial assets could readily be made available immediately from the consolidated statement of financial position date to meet general expenditures as of June 30:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 17,157,585	\$ 30,578,056
Investments	23,027,413	6,020,095
Government grants receivable	17,442,574	8,833,714
Contributions receivable	757,176	1,574,816
Accounts receivable, net	-	166,227
Total financial assets	<u>58,384,748</u>	<u>47,172,908</u>
Less: Net assets with donor restrictions	<u>(4,171,109)</u>	<u>(3,298,184)</u>
	<u>\$ 54,213,639</u>	<u>\$ 43,874,724</u>

**FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 4 – INVESTMENTS

Investments consist of the following as of June 30:

	<u>2021</u>	<u>2020</u>
Certificates of deposit	\$ 5,030,230	\$ 3,013,871
U.S. Treasury Bills	17,997,183	2,996,536
Cash equivalents	-	9,688
	<u>\$ 23,027,413</u>	<u>\$ 6,020,095</u>

Investment activity consists of the following for the years ended June 30:

	<u>2021</u>	<u>2020</u>
Interest and dividend income	\$ 31,578	\$ 16,794
Realized (loss) gain on investments	(3,055)	996
Unrealized loss on investments	(3,194)	(1,661)
	<u>\$ 25,329</u>	<u>\$ 16,129</u>

NOTE 5 – FAIR VALUE MEASUREMENTS

The three levels of the fair value hierarchy under FASB Accounting Standards Codification (“ASC”) Topic 820 are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that Food Bank For NYC has the ability to access.

Level 2 - Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the assets or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used during the years ended June 30, 2021 and 2020.

Certificates of Deposit:

Certificates of deposit (“CDs”) are valued at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the creditworthiness of the issuer. There is little difference between such calculation and cost.

U.S. Treasury Bills:

U.S. treasury bills are valued based on quoted prices in active markets.

Financial assets carried at fair value at June 30, 2021 are classified as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total 2021</u>
Investments:			
Certificates of deposit	\$ -	\$ 5,030,230	\$ 5,030,230
U.S. Treasury bills	17,997,183	-	17,997,183
Total assets carried at fair value	<u>\$ 17,997,183</u>	<u>\$ 5,030,230</u>	<u>\$ 23,027,413</u>

**FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 5 – FAIR VALUE MEASUREMENTS (Continued)

Financial assets carried at fair value as of June 30, 2020 are classified as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total 2020</u>
Investments:			
Certificates of deposit	\$ -	\$ 3,013,871	\$ 3,013,871
U.S. Treasury bills	2,996,536	-	2,996,536
Cash equivalents	<u>9,688</u>	<u>-</u>	<u>9,688</u>
Total assets carried at fair value	<u>\$ 3,006,224</u>	<u>\$ 3,013,871</u>	<u>\$ 6,020,095</u>

NOTE 6 – CONTRIBUTIONS RECEIVABLE

Contributions receivable consist of the following as of June 30:

	<u>2021</u>	<u>2020</u>
Due less than one year	\$ 757,176	\$ 1,374,816
Due between one year and five years	<u>-</u>	<u>200,000</u>
	<u>\$ 757,176</u>	<u>\$ 1,574,816</u>

NOTE 7 – PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of June 30:

	<u>2021</u>	<u>2020</u>	<u>Estimated Useful Lives</u>
Land	\$ 137,957	\$ 137,957	
Building	551,830	551,830	40 years
Building improvements	3,177,441	2,599,315	10-40 years
Office equipment and computers	1,887,101	1,887,101	5 years
Warehouse equipment	622,934	500,962	5 years
Vehicles	990,871	879,631	3-7 years
Leasehold improvements	5,431,881	4,928,955	3-30 years
Hunts Point Cooperative Market (see below)	661,394	661,394	27.5 years
Furniture, fixtures, and equipment	60,530	60,530	5 years
Vehicle deposits (see below)	2,014,243	-	
Construction in progress (see below)	<u>369,687</u>	<u>394,563</u>	
	15,905,869	12,602,238	
Less: Accumulated depreciation and amortization	<u>(8,109,324)</u>	<u>(7,494,390)</u>	
Net book value	<u>\$ 7,796,545</u>	<u>\$ 5,107,848</u>	

For the years ended June 30, 2021 and 2020, depreciation and amortization expense amounted to \$614,934 and \$624,134, respectively.

Food Bank For NYC owns 8,361 shares of cooperative stock in Hunts Point Cooperative Market, Inc. (“HPCM”), which entitles it to occupy and use the warehouse and office premises in Hunts Point, New York City, under a sublease agreement with HPCM (see Note 17B). The cost of the shares, which originally amounted to \$661,394, are amortized to expense on a straight-line basis over the life of the underlying lease at an annual rate of \$24,050.

As of June 30, 2021, construction in progress relates to the Brine and Heat project in the Bronx warehouse. The estimated date of completion is March 2022 with the estimated costs to completion being approximately \$140,000. In addition, construction in progress also includes the flooring project at the Community Kitchen which was completed in July 2021. The costs to complete the flooring project was approximately \$7,400.

During June 2020, Food Bank For NYC received a COVID-19 related grant from the United States Department of Agriculture (“USDA”) of approximately \$5.2 million, of which approximately \$2.014 million was deposited towards the purchase of fleet trucks to assist with the increased delivery demands of food inventory throughout New York City during the year ended June 30, 2021.

**FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 8 – GOVERNMENT CONTRACTS

Revenue recognized from government contracts consists of the following for the years ended June 30:

New York State:	<u>2021</u>	<u>2020</u>
Office of General Services, Division of Food Distribution and Warehousing - The Emergency Food Assistance Program	\$ 12,986,221	\$ 8,657,135
Department of Health Division of Nutrition, Nourish New York Initiative	18,535,786	615,459
Department of Health Division of Nutrition, Hunger Prevention Nutrition Assistance Program	4,736,200	5,918,047
Office of Temporary and Disability Assistance	586,874	1,355,153
Department of Environmental Conservation	70,063	-
New York City:		
Department of Youth and Community Development	3,942,276	2,851,864
Human Resources Administration – Emergency Food Assistance Program	2,755,740	2,848,534
Council Office	627,000	576,480
Department of Sanitation	3,037,763	462,237
Department for the Aging	257,599	391,704
Human Resources Administration	882,957	132,127
Department of Design and Construction	-	78,000
Office of the Mayor	55,286	29,368
Other:		
Internal Revenue Service – Volunteer Income Tax Assistance Program	149,800	104,000
Commodities Supplemental Food Program	721,607	288,702
Hunger Solutions New York	30,242	66,351
US Department of Homeland Security – Emergency Food and Shelter National Board	<u>419,691</u>	<u>164,567</u>
	<u>\$ 49,795,105</u>	<u>\$ 24,539,728</u>

NOTE 9 – FOOD AND OTHER PRODUCTS DISTRIBUTION PROGRAM

Food and other products distributed by Food Bank For NYC are provided by various sources, such as donations from the food industry, public food drives, food purchases by Food Bank For NYC, and government-provided products. The total pounds and value of products distributed to more than 1,000 feeding programs for the years ended June 30 were as follows:

	<u>2021</u>		<u>2020</u>	
	<u>Poundage</u>	<u>Value</u>	<u>Poundage</u>	<u>Value</u>
Donated food	12,037,727	\$ 21,547,531	7,668,092	\$ 12,422,309
Purchased food	23,056,632	21,756,497	12,047,723	8,288,019
Government programs	<u>108,020,914</u>	<u>130,203,891</u>	<u>68,946,977</u>	<u>71,550,310</u>
	<u>143,115,273</u>	<u>\$ 173,507,919</u>	<u>88,662,792</u>	<u>\$ 92,260,638</u>

**FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY
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NOTE 9 – FOOD AND OTHER PRODUCTS DISTRIBUTION PROGRAM (Continued)

The valuation of donated food received, donated food distributed, and donated food inventory is based on the approximate average wholesale value of one pound of donated product at the national level of \$1.79 and \$1.74 for the years ended June 30, 2021 and 2020, respectively, as published by Feeding America, a non-profit organization audited by a national accounting firm. Donated food inventory amounted to \$2,715,987 and \$3,757,059 as of June 30, 2021 and 2020, respectively.

Purchased food for the years ended June 30, 2021 and 2020 included 7,069,074 pounds and 1,047,511 pounds, respectively, of wholesale produce bought from New York State farms under the Wholesale Purchase Produce Program piloted by Food Bank For NYC.

NOTE 10 – LINE OF CREDIT

Food Bank For NYC has a line of credit (“LOC”) with a financial institution for \$1,000,000. The line of credit balance amounted to \$0 as of June 30, 2021 and 2020. The LOC expired on February 28, 2022 and is secured by Food Bank For NYC’s certificates of deposit and carries interest at the LIBOR rate plus 2.5% (amounting to an interest rate of 2.60% as of June 30, 2021). Food Bank For NYC is in the processing of requesting an extension until April 2022. It should be noted that LIBOR is being phased out world-wide and this LOC will be modified. Interest expense amounted to \$0 for the years ended June 30, 2021 and 2022. As of March 31, 2022, no amounts were outstanding.

NOTE 11 – PAYCHECK PROTECTION PROGRAM LOAN PAYABLE

On March 27, 2020, in response to COVID-19, the federal government passed the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”). Among many other provisions, to help businesses retain employees, the CARES Act provides relief to qualifying businesses through a program called the Paycheck Protection Program (“PPP”). Participating in the PPP enables the business to obtain a loan from the Small Business Administration (“SBA”). If the proceeds from the loan are used for specified purposes, some or all of the loan can be forgiven.

Food Bank For NYC applied for this loan through an SBA-authorized lender and received \$867,500 in April 2020. Management has opted to account for the PPP loan under FASB ASC Topic 470, “Debt”, and expects to recognize the gain resulting from the forgiveness upon legal release of its obligation from the SBA. If the loan is not forgiven, Food Bank For NYC must repay the loan on or before the due date in April 2022 with interest at 1% per annum. For the years ended June 30, 2021 and 2020, no amounts were recorded for interest expense as this was deemed immaterial to the consolidated financial statements. In July 2021, Food Bank For NYC received forgiveness from the lender and the SBA for the full amount of the outstanding PPP loan payable.

NOTE 12 – MORTGAGE LOAN PAYABLE

Food Bank For NYC has a mortgage loan payable with a financial institution (“Lender Bank”). The agreement calls for Food Bank For NYC to make monthly principal only payment amounts of \$9,798 with a balloon principal payment of \$1,185,535 due on August 1, 2023. This loan bears interest at 4.72% per year, payable when the principal installments are due, computed based on the actual number of elapsed days over 360 days. This loan is collateralized by a security agreement that grants the Lender Bank a security interest in all present and future tangible and intangible assets of CFRC and a guarantee from Food Bank For New York City. Food Bank For NYC must comply with certain administrative and financial covenants which it has done.

Future annual principal payments for the years ending after June 30, 2021 are as follows:

2022		\$	117,574
2023			117,574
2024			<u>1,195,333</u>
			1,430,481
Less: deferred mortgage costs			<u>(23,053)</u>
			<u>\$ 1,407,428</u>

Interest expense amounted to \$71,519 and \$76,916 for the years ended June 30, 2021 and 2020, respectively.

**FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY
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NOTE 13 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following as of June 30:

	<u>2021</u>	<u>2020</u>
Purpose and Time Restricted:		
Food distribution	\$ 3,549,702	\$ 1,688,853
Children’s feeding and nutrition programs	296,124	138,190
Unappropriated earnings from endowment	3,000	2,500
Income support services	172,283	427,163
COVID-19	-	991,478
Capital projects	100,000	-
Subtotal	<u>4,121,109</u>	<u>3,248,184</u>
Endowment - Perpetual in nature	<u>50,000</u>	<u>50,000</u>
	<u>\$ 4,171,109</u>	<u>\$ 3,298,184</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose and or time specified by the donors and consist of the following for the years ended June 30:

	<u>2021</u>	<u>2020</u>
Food distribution	\$ 3,807,782	\$ 605,602
Income support services	644,917	534,422
Children’s feeding and nutrition programs	280,884	901,225
Renovation of facilities	-	633,500
COVID-19	<u>1,100,478</u>	<u>1,489,022</u>
	<u>\$ 5,834,061</u>	<u>\$ 4,163,771</u>

Endowment net assets consist of donor restricted funds and a board designated endowment. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. See Note 2B for how Food Bank For NYC maintains its net assets.

Food Bank For NYC adheres to the New York Prudent Management of Institutional Funds Act (“NYPMIFA”). NYPMIFA creates a rebuttable presumption of imprudence if an organization appropriates more than 7% of a donor-restricted endowment fund’s fair value (averaged over a period of not less than the preceding five years) in any year. Any unappropriated earnings that would otherwise be considered without restrictions by the donor will be reflected as earnings with donor restrictions until appropriated by the organization.

Food Bank For NYC’s Board has interpreted NYPMIFA as allowing Food Bank For NYC to appropriate for expenditure or accumulate so much of an endowment fund as Food Bank For NYC determines is prudent for the uses, benefits, purposes and duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument.

Food Bank For NYC records earnings on donor restricted funds not otherwise restricted by the donor as net assets with donor restrictions until appropriated for expenditure by the Board in a manner consistent with the standard of prudence described by NYPMIFA.

In accordance with U.S. GAAP, any deterioration of the fair value of assets associated with donor-restricted endowment funds that falls below the level the donor requires Food Bank For NYC to retain in perpetuity is to be reported in net assets without donor restrictions. Food Bank For NYC has not incurred such deficiencies in its endowment funds as of June 30, 2021 and 2020.

**FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 13 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Food Bank For NYC has adopted investment policies whereby the endowment assets are invested in a manner intended to preserve the assets of donor-restricted funds that Food Bank For NYC must hold in perpetuity while assuming a low level of investment risk. Therefore, the investment objectives require disciplined and consistent management philosophies that accommodate all relevant, reasonable, and probable events. In addition, a periodic review of the total rate of return is required. The Board appropriates for expenditures such amounts it determines may be used to support Food Bank For NYC activities.

Changes in endowment net assets for the year ended June 30, 2021 are as follows:

	<u>Board- designated</u>	<u>Unappropriated Endowment Earnings</u>	<u>Endowment – Perpetual in nature</u>	<u>Total 2021</u>
Balance, at beginning of year	\$ 1,288,532	\$ 2,500	\$ 50,000	\$ 1,341,032
Investment earnings	-	500	-	500
Amount designated during the year	<u>6,000,000</u>	<u>-</u>	<u>-</u>	<u>6,000,000</u>
Endowment net assets, end of year	<u>\$ 7,288,532</u>	<u>\$ 3,000</u>	<u>\$ 50,000</u>	<u>\$ 7,341,532</u>

Changes in endowment net assets for the year ended June 30, 2020 are as follows:

	<u>Board- designated</u>	<u>Unappropriated Endowment Earnings</u>	<u>Endowment – Perpetual in nature</u>	<u>Total 2020</u>
Balance, at beginning of year	\$ 2,262,742	\$ -	\$ 50,000	\$ 2,312,742
Investment earnings	-	2,500	-	2,500
Appropriated for expenditure	<u>(974,210)</u>	<u>-</u>	<u>-</u>	<u>(974,210)</u>
Endowment net assets, end of year	<u>\$ 1,288,532</u>	<u>\$ 2,500</u>	<u>\$ 50,000</u>	<u>\$ 1,341,032</u>

NOTE 14 – SPECIAL EVENTS

Food Bank For NYC hosts special events to raise funds. There were no major special events held during the year ended June 30, 2021.

Net support from special events for the year ended June 30, 2020 was as follows:

	<u>Support</u>	<u>Direct Costs</u>	<u>Special Events</u>
Other special events	<u>\$ 541,109</u>	<u>\$ 46,016</u>	<u>\$ 495,093</u>

NOTE 15 – RETIREMENT PLAN

Food Bank For NYC has a 403(b) defined contribution retirement plan (the “Plan”). Employees become eligible to contribute to the Plan upon employment. Participating employees may contribute any amount, up to the maximum IRS annual contribution limit. Food Bank For NYC provides an employer match up to 5% of employees’ compensation after one year of service. Food Bank For NYC will provide an additional 3% of compensation for non-exempt employees not subject to an employee match. Retirement expense amounted to \$202,534 and \$208,647 for the years ended June 30, 2021 and 2020, respectively.

NOTE 16 – GRANT EXPENSE

Grant expense consists of the following for the years ended June 30:

	<u>2021</u>	<u>2020</u>
Capacity grants	\$ 8,901,322	\$ 1,783,794
Subaward grants	<u>12,202,848</u>	<u>2,021,176</u>
	<u>\$ 21,104,170</u>	<u>\$ 3,804,970</u>

**FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 16 – GRANT EXPENSE (Continued)

In response to the increased need caused by COVID-19, Food Bank For NYC provided capacity operating grants to its members to cover costs to expand their distribution efforts. Equipment such as refrigeration units, forklifts and pallet jacks were also provided to address logistical barriers. The capacity grants provided the needed resources to Food Bank members to sustain their additional days and hours of distribution throughout the year.

Subawards grants were awarded to specific community organizations selected under the New York State Nourish program for the purchase and distribution of New York State produced food products.

NOTE 17 – COMMITMENTS AND CONTINGENCIES

A. *Funding Source Audits*

Cost reimbursable contracts applicable to various programs conducted for, and on behalf of, New York State and New York City governmental agencies are subject to adjustments for disallowed costs, if any, based on the results of audits by the agencies. Management believes that the results of such audits would not have a material effect on the accompanying consolidated financial statements.

B. *Lease Commitments*

39 Broadway Office

Food Bank For NYC leases office space at 39 Broadway (the Existing Premises) under a non-cancelable lease that expires March 31, 2026.

Additional charges under the lease include real estate taxes and electricity.

Rent expense on the above lease, which is recorded on a straight-line basis, amounted to \$621,101 and \$657,793 for the years ended June 30, 2021 and 2020, respectively. The deferred rent liability, which represents the cumulative difference between the annual straight-line rent expense and the annual rent paid, amounted to \$598,496 and \$655,355 as of June 30, 2021 and 2020, respectively.

The liability as of June 30, 2021 and 2020 includes leasehold improvement costs amounting to \$211,125 reimbursed by the lessor to Food Bank For NYC pursuant to the terms of the lease, and is being amortized as a reduction to rent expense over the term of the lease.

71 St. Nicholas Avenue Additional Space

This lease expired on January 31, 2022. Food Bank For NYC is now operating on a month to month basis.

Rent expense, which is recorded on a straight-line basis amounted to \$49,780 and \$47,286 for the years ended June 30, 2021 and 2020, respectively.

Hunts Point Cooperative Market, Inc. Sublease

In conjunction with its ownership of 8,361 shares of HPCM cooperative stock (see Note 7), Food Bank For NYC has a sublease (the "Sublease") with HPCM for the occupancy and use of warehouse and office premises in Hunts Point, New York (Hunts Point Market). This Sublease expires October 30, 2037, unless terminated sooner under its provisions.

HPCM holds a property interest in the Hunts Point Market under its master lease with the City of New York (the "City"). Under the Sublease, Food Bank For NYC pays HPCM annual rent, which represents Food Bank For NYC's share of HPCM's cash requirements, as defined and calculated under the Sublease. HPCM's cash requirements include, among other things, rent and other charges payable by HPCM to the City, taxes, assessments, water and sewer charges, security, utilities, refrigeration, garbage removal, and other operating expenses.

The cash requirements and Food Bank For NYC's rent are established from time to time by HPCM's Board of Directors. Rent expense for HPCM's office and warehouse premises amounted to \$2,017,741 and \$1,910,467 for the years ended June 30, 2021 and 2020, respectively.

**FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 17 – COMMITMENTS AND CONTINGENCIES (Continued)

As of June 30, 2021, the future minimum lease payments required under all the preceding leases are as follows:

	39 Broadway Office	71 St. Nicholas Avenue	Hunts Point Cooperative Market Sublease	Total
2022	\$ 598,444	\$ 28,651	\$ 1,862,211	\$ 2,489,306
2023	613,406	-	1,862,211	2,475,617
2024	628,741	-	1,862,211	2,490,952
2025	644,459	-	1,862,211	2,506,670
2026	492,351	-	1,862,211	2,354,562
Thereafter	-	-	21,105,058	21,105,058
	<u>\$ 2,977,401</u>	<u>\$ 28,651</u>	<u>\$ 30,416,113</u>	<u>\$ 33,422,165</u>

C. *Income Tax*

Food Bank For NYC believes it has no uncertain income tax positions as of June 30, 2021 and 2020 in accordance with FASB ASC Topic 740 (“Income Taxes”), which provides standards for establishing and classifying any tax provisions for uncertain tax positions.

- D. The COVID-19 pandemic remains an evolving situation. The extent of the impact of COVID-19 on Food Bank For NYC’s business and financial results will depend on future developments, including the duration and spread of the outbreak. Due to the rapidly changing business environment, unprecedented market volatility, and other circumstances resulting from the COVID-19 pandemic, Food Bank For NYC is currently unable to fully determine the extent of COVID-19’s impact on its business in future periods. Food Bank For NYC’s performance in future periods will be heavily influenced by the timing, length, and intensity of the economic recoveries in the United States. Food Bank For NYC continues to monitor evolving economic and general business conditions and the actual and potential impacts on its financial position and results of operations.

NOTE 18 – CONCENTRATION

Cash and cash equivalents that potentially subject Food Bank For NYC to a concentration of credit risk include cash accounts at two banks that exceeded the Federal Deposit Insurance Corporation (“FDIC”) insurance limits by approximately \$18,733,000 and \$31,228,000 as of June 30, 2021 and 2020, respectively.

NOTE 19 – SUBSEQUENT EVENTS

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the consolidated statement of financial position through March 31, 2022, the date the consolidated financial statements were available to be issued.

**FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2021 AND 2020**

	As of June 30, 2021				As of June 30, 2020			
	Food Bank For NYC	CFRC	Consolidating Eliminations	2021 Consolidated Total	Food Bank For NYC	CFRC	Consolidating Eliminations	2020 Consolidated Total
ASSETS								
Cash and cash equivalents	\$ 17,157,585	\$ -	\$ -	\$ 17,157,585	\$ 30,578,056	\$ -	\$ -	\$ 30,578,056
Investments	23,027,413	-	-	23,027,413	6,020,095	-	-	6,020,095
Government grants receivable	17,442,574	-	-	17,442,574	8,833,714	-	-	8,833,714
Contributions receivable	757,176	-	-	757,176	1,574,816	-	-	1,574,816
Accounts receivable, net	-	-	-	-	166,227	-	-	166,227
Due from subsidiary	1,769,880	-	(1,769,880)	-	1,181,045	-	(1,181,045)	-
Purchased products inventory	621,944	-	-	621,944	1,150,090	-	-	1,150,090
Donated products inventory	2,715,987	-	-	2,715,987	3,757,059	-	-	3,757,059
Prepaid expenses and other assets	742,976	-	-	742,976	589,591	-	-	589,591
Property and equipment, net	5,426,550	2,369,995	-	7,796,545	3,194,193	1,913,655	-	5,107,848
TOTAL ASSETS	<u>\$ 69,662,085</u>	<u>\$ 2,369,995</u>	<u>\$ (1,769,880)</u>	<u>\$ 70,262,200</u>	<u>\$ 57,044,886</u>	<u>\$ 1,913,655</u>	<u>\$ (1,181,045)</u>	<u>\$ 57,777,496</u>
LIABILITIES								
Accounts payable and accrued expenses	\$ 12,068,293	\$ -	\$ -	\$ 12,068,293	\$ 9,016,217	\$ -	\$ -	\$ 9,016,217
Accrued salaries	619,660	-	-	619,660	248,977	-	-	248,977
Accrued vacation	413,535	-	-	413,535	275,263	-	-	275,263
Government contract advances	4,787,108	-	-	4,787,108	9,999,506	-	-	9,999,506
Due to subsidiary	-	1,769,880	(1,769,880)	-	-	1,181,045	(1,181,045)	-
Deferred rent	598,496	-	-	598,496	655,355	-	-	655,355
Paycheck Protection Program loan payable	867,500	-	-	867,500	867,500	-	-	867,500
Mortgage loan payable	1,407,428	-	-	1,407,428	1,518,950	-	-	1,518,950
TOTAL LIABILITIES	<u>20,762,020</u>	<u>1,769,880</u>	<u>(1,769,880)</u>	<u>20,762,020</u>	<u>22,581,768</u>	<u>1,181,045</u>	<u>(1,181,045)</u>	<u>22,581,768</u>
NET ASSETS								
Without donor restrictions:								
Operations	33,421,302	(1,769,880)	-	31,651,422	28,201,159	(1,181,045)	-	27,020,114
Board-designated	7,288,532	-	-	7,288,532	1,288,532	-	-	1,288,532
Invested in property and equipment	4,019,122	2,369,995	-	6,389,117	1,675,243	1,913,655	-	3,588,898
Without donor restrictions	44,728,956	600,115	-	45,329,071	31,164,934	732,610	-	31,897,544
With donor restrictions	4,171,109	-	-	4,171,109	3,298,184	-	-	3,298,184
TOTAL NET ASSETS	<u>48,900,065</u>	<u>600,115</u>	<u>-</u>	<u>49,500,180</u>	<u>34,463,118</u>	<u>732,610</u>	<u>-</u>	<u>35,195,728</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 69,662,085</u>	<u>\$ 2,369,995</u>	<u>\$ (1,769,880)</u>	<u>\$ 70,262,200</u>	<u>\$ 57,044,886</u>	<u>\$ 1,913,655</u>	<u>\$ (1,181,045)</u>	<u>\$ 57,777,496</u>

See independent auditors' report.

**FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY
CONSOLIDATING STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	Year Ended June 30, 2021						Year Ended June 30, 2020					
	Food Bank New York City			CFRC	Eliminations	Consolidated Total	Food Bank New York City			CFRC	Eliminations	Consolidated Total
	Without Donor Restrictions	With Donor Restrictions	Total				Without Donor Restrictions	With Donor Restrictions	Total			
PUBLIC SUPPORT AND REVENUE:												
Contributions - foundations and corporations	\$ 13,577,052	\$ 4,905,486	\$ 18,482,538	\$ -	\$ -	\$ 18,482,538	\$ 10,261,039	\$ 3,934,687	\$ 14,195,726	\$ -	\$ -	\$ 14,195,726
Contributions - Individuals	31,163,179	1,801,000	32,964,179	-	-	32,964,179	30,196,964	1,057,955	31,254,919	-	-	31,254,919
Contributions-in-kind - consultants, legal, and other	1,396,219	-	1,396,219	-	-	1,396,219	388,996	-	388,996	-	-	388,996
Special and other events (net of direct expenses of \$0 and \$46,016) in 2021 and 2020, respectively)	145,233	-	145,233	-	-	145,233	495,093	-	495,093	-	-	495,093
Government contracts	49,795,105	-	49,795,105	-	-	49,795,105	24,539,728	-	24,539,728	-	-	24,539,728
Donated food received	121,799,463	-	121,799,463	-	-	121,799,463	72,544,861	-	72,544,861	-	-	72,544,861
Sale of food and paper products	1,493,141	-	1,493,141	-	-	1,493,141	1,328,992	-	1,328,992	-	-	1,328,992
Investment activity	24,829	500	25,329	-	-	25,329	15,629	500	16,129	-	-	16,129
Other income	36,095	-	36,095	-	-	36,095	94,012	-	94,012	-	-	94,012
Net assets released from restrictions	5,834,061	(5,834,061)	-	-	-	-	4,163,771	(4,163,771)	-	-	-	-
TOTAL PUBLIC SUPPORT AND REVENUE	<u>225,264,377</u>	<u>872,925</u>	<u>226,137,302</u>	<u>-</u>	<u>-</u>	<u>226,137,302</u>	<u>144,029,085</u>	<u>829,371</u>	<u>144,858,456</u>	<u>-</u>	<u>-</u>	<u>144,858,456</u>
EXPENSES:												
Program services:												
Distribution and food storage	189,325,994	-	189,325,994	-	-	189,325,994	105,586,761	-	105,586,761	-	-	105,586,761
Research and policy	218,352	-	218,352	-	-	218,352	202,034	-	202,034	-	-	202,034
Food and nutrition services	2,256,427	-	2,256,427	-	-	2,256,427	2,107,086	-	2,107,086	-	-	2,107,086
Community kitchen and food pantry	2,522,853	-	2,522,853	132,495	-	2,655,348	1,721,957	-	1,721,957	98,874	-	1,820,831
Income support services	2,329,612	-	2,329,612	-	-	2,329,612	915,218	-	915,218	-	-	915,218
Food and benefits access	793,074	-	793,074	-	-	793,074	592,587	-	592,587	-	-	592,587
Total program services	<u>197,446,312</u>	<u>-</u>	<u>197,446,312</u>	<u>132,495</u>	<u>-</u>	<u>197,578,807</u>	<u>111,125,643</u>	<u>-</u>	<u>111,125,643</u>	<u>98,874</u>	<u>-</u>	<u>111,224,517</u>
Supporting services:												
Management and general	8,967,538	-	8,967,538	-	-	8,967,538	7,378,404	-	7,378,404	-	-	7,378,404
Fundraising	5,286,505	-	5,286,505	-	-	5,286,505	4,307,535	-	4,307,535	-	-	4,307,535
Total supporting services	<u>14,254,043</u>	<u>-</u>	<u>14,254,043</u>	<u>-</u>	<u>-</u>	<u>14,254,043</u>	<u>11,685,939</u>	<u>-</u>	<u>11,685,939</u>	<u>-</u>	<u>-</u>	<u>11,685,939</u>
TOTAL EXPENSES	<u>211,700,355</u>	<u>-</u>	<u>211,700,355</u>	<u>132,495</u>	<u>-</u>	<u>211,832,850</u>	<u>122,811,582</u>	<u>-</u>	<u>122,811,582</u>	<u>98,874</u>	<u>-</u>	<u>122,910,456</u>
CHANGE IN NET ASSETS	13,564,022	872,925	14,436,947	(132,495)	-	14,304,452	21,217,503	829,371	22,046,874	(98,874)	-	21,948,000
Net assets - beginning of year	31,164,934	3,298,184	34,463,118	732,610	-	35,195,728	9,947,431	2,468,813	12,416,244	831,484	-	13,247,728
NET ASSETS - END OF YEAR	<u>\$ 44,728,956</u>	<u>\$ 4,171,109</u>	<u>\$ 48,900,065</u>	<u>\$ 600,115</u>	<u>\$ -</u>	<u>\$ 49,500,180</u>	<u>\$ 31,164,934</u>	<u>\$ 3,298,184</u>	<u>\$ 34,463,118</u>	<u>\$ 732,610</u>	<u>\$ -</u>	<u>\$ 35,195,728</u>