

**NEW YORK COMMON PANTRY, INC.**

**FINANCIAL STATEMENTS**

**JUNE 30, 2018 AND 2017**



**LUTZ AND GARR**  
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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
New York Common Pantry, Inc.

We have audited the accompanying financial statements of New York Common Pantry, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

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

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New York Common Pantry, Inc. as of June 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Lotz + Carr, LLP*

New York, New York  
February 26, 2019

**NEW YORK COMMON PANTRY, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
<b>Assets</b>		
Cash and cash equivalents (Notes 1c and 9a)	\$1,417,297	\$ 671,433
Cash and cash equivalents held for investment (Notes 1c and 9a)	63,382	33,104
Investments (Notes 1d and 3)	373,803	1,023,278
Unconditional promises to give (Notes 1e and 4a)		
Unrestricted	1,461,400	1,356,218
Restricted for future programs and periods	322,299	478,918
Restricted for property and equipment	29,141	92,625
Prepaid expenses and other assets	79,446	132,915
Deferred leasing costs, net of amortization of \$19,947 and \$12,467, respectively (Note 1f)	17,453	24,933
Property and equipment, at cost (net of accumulated depreciation) (Notes 1g and 5)	2,680,196	2,855,546
Security deposits	<u>145,720</u>	<u>145,720</u>
<b>Total Assets</b>	<u><u>\$6,590,137</u></u>	<u><u>\$6,814,690</u></u>
<b>Liabilities and Net Assets</b>		
Liabilities		
Accounts payable and accrued expenses	<u>\$ 379,066</u>	<u>\$ 383,242</u>
Commitments and Contingency (Note 8)		
Net Assets (Note 2)		
Unrestricted		
Board designated and other	3,055,430	2,913,746
Property and equipment	<u>2,680,196</u>	<u>2,855,546</u>
Total Unrestricted	5,735,626	5,769,292
Temporarily restricted	<u>475,445</u>	<u>662,156</u>
Total Net Assets	<u>6,211,071</u>	<u>6,431,448</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$6,590,137</u></u>	<u><u>\$6,814,690</u></u>

See notes to financial statements.

## NEW YORK COMMON PANTRY, INC.

## STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2018 AND 2017

	2018			2017		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>Changes from Operations</b>						
Support and Revenue						
Government grants (Notes 4b, 4c, 8b and 9)	\$ 3,599,351	\$ -	\$ 3,599,351	\$ 3,428,954	\$ -	\$ 3,428,954
Contributions (Note 9b)	2,510,008	332,283	2,842,291	2,256,980	265,179	2,522,159
Sponsors	123,238	-	123,238	104,493	-	104,493
Fundraising - benefits (Note 10)	948,823	-	948,823	732,093	-	732,093
Direct benefit expenses (Note 10)	(131,190)	-	(131,190)	(88,692)	-	(88,692)
Donated materials and facility (Note 6)	5,222,302	-	5,222,302	5,102,960	-	5,102,960
Miscellaneous	-	-	-	4,434	-	4,434
	<u>12,272,532</u>	<u>332,283</u>	<u>12,604,815</u>	<u>11,541,222</u>	<u>265,179</u>	<u>11,806,401</u>
Net assets released from restrictions						
Satisfaction of time and program restrictions	444,515	(444,515)	-	771,759	(771,759)	-
	<u>12,717,047</u>	<u>(112,232)</u>	<u>12,604,815</u>	<u>12,312,981</u>	<u>(506,580)</u>	<u>11,806,401</u>
Total Support and Revenue						
Expenses						
Program Services						
Choice Pantry Manhattan	2,442,920	-	2,442,920	3,100,298	-	3,100,298
Choice Pantry Bronx	974,105	-	974,105	164,487	-	164,487
Help 365	792,827	-	792,827	643,084	-	643,084
Hot Meal Programs	589,908	-	589,908	440,492	-	440,492
Live Healthy!	1,233,974	-	1,233,974	1,183,613	-	1,183,613
Project Dignity	189,744	-	189,744	209,296	-	209,296
Nourish Program	4,976,473	-	4,976,473	5,095,068	-	5,095,068
Total Program Services	<u>11,199,951</u>	<u>-</u>	<u>11,199,951</u>	<u>10,836,338</u>	<u>-</u>	<u>10,836,338</u>
Supporting Services						
Management and general	744,434	-	744,434	653,403	-	653,403
Fundraising	652,886	-	652,886	487,229	-	487,229
Total Supporting Services	<u>1,397,320</u>	<u>-</u>	<u>1,397,320</u>	<u>1,140,632</u>	<u>-</u>	<u>1,140,632</u>
Total Expenses Before Depreciation	<u>12,597,271</u>	<u>-</u>	<u>12,597,271</u>	<u>11,976,970</u>	<u>-</u>	<u>11,976,970</u>
Increase (Decrease) in Net Assets from Operations Before Depreciation	119,776	(112,232)	7,544	336,011	(506,580)	(170,569)
Depreciation Expense	(249,829)	-	(249,829)	(233,121)	-	(233,121)
Increase (Decrease) in Net Assets from Operations	<u>(130,053)</u>	<u>(112,232)</u>	<u>(242,285)</u>	<u>102,890</u>	<u>(506,580)</u>	<u>(403,690)</u>
Non-Operating Activities						
Contributions for property and equipment	-	-	-	-	132,317	132,317
Net assets released from restrictions - capital	74,479	(74,479)	-	-	-	-
Interest and dividends	14,540	-	14,540	27,612	-	27,612
Net realized and unrealized gains on investments (Note 3)	7,368	-	7,368	64,126	-	64,126
Increase (Decrease) in Net Assets from Non-Operating Activities	<u>96,387</u>	<u>(74,479)</u>	<u>21,908</u>	<u>91,738</u>	<u>132,317</u>	<u>224,055</u>
Increase (decrease) in net assets	(33,666)	(186,711)	(220,377)	194,628	(374,263)	(179,635)
Net assets, beginning of year	5,769,292	662,156	6,431,448	5,574,664	1,036,419	6,611,083
<b>Net Assets, End of Year</b>	<u>\$ 5,735,626</u>	<u>\$ 475,445</u>	<u>\$ 6,211,071</u>	<u>\$ 5,769,292</u>	<u>\$ 662,156</u>	<u>\$ 6,431,448</u>

See notes to financial statements.

## NEW YORK COMMON PANTRY, INC.

## STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2018

	Program Services							Supporting Services			Total Expenses	
	Choice Pantry Manhattan	Choice Pantry Bronx	Help 365	Hot Meal Programs	Live Healthy!	Project Dignity	Nourish Program	Total	Management and General	Fundraising		Total
Food (Note 6)	\$1,855,320	\$743,328	\$ -	\$230,661	\$ 8,079	\$ -	\$2,989,315	\$ 5,826,703	\$ -	\$ -	\$ -	\$ 5,826,703
Toys (Note 6)	42,234	-	-	-	-	-	-	42,234	-	-	-	42,234
Salaries	278,619	122,864	564,540	243,500	723,386	110,691	1,087,466	3,131,066	332,387	368,953	701,340	3,832,406
Payroll taxes and employee benefits	54,191	33,232	109,803	47,361	138,336	21,529	215,437	619,889	59,239	66,411	125,650	745,539
Rent	19,761	39,777	21,586	17,546	96,936	10,770	197,371	403,747	28,926	29,616	58,542	462,289
Utilities	12,380	608	11,441	4,644	9,489	10,832	28,185	77,579	11,741	10,607	22,348	99,927
Postage and delivery	459	35	218	1,160	446	184	73	2,575	1,899	3,572	5,471	8,046
Telephone	5,057	1,453	8,117	2,506	8,873	1,311	21,520	48,837	6,196	4,486	10,682	59,519
Technology	3,634	269	3,353	834	963	2,874	5,103	17,030	5,663	1,319	6,982	24,012
Supplies	48,457	5,845	9,718	23,386	104,474	3,045	41,870	236,795	29,185	435	29,620	266,415
Insurance	8,991	4,644	4,238	4,576	15,353	1,652	50,951	90,405	4,656	4,845	9,501	99,906
Printing	3,242	210	1,344	2,637	10,929	404	11,840	30,606	2,383	16,273	18,656	49,262
Travel	11,069	-	8,496	-	21,775	550	12,894	54,784	6,712	4,998	11,710	66,494
Building/equipment rental, repairs	31,088	14,409	13,202	4,029	3,560	13,133	93,918	173,339	36,307	2,037	38,344	211,683
Professional services	43,504	7,431	33,750	6,998	90,018	10,188	166,302	358,191	171,498	71,547	243,045	601,236
Vehicle expenses	24,049	-	-	-	-	-	39,400	63,449	-	-	-	63,449
Bank charges	-	-	-	-	-	-	662	662	14,033	10,865	24,898	25,560
Advertising	467	-	880	-	978	295	318	2,938	888	3,124	4,012	6,950
Indirect benefit expenses	-	-	-	-	-	-	-	-	-	44,275	44,275	44,275
Membership dues and subscription	-	-	1,621	70	363	2,151	2,295	6,500	6,286	6,754	13,040	19,540
Training	-	-	520	-	16	135	-	671	23,379	2,769	26,148	26,819
Amortization	-	-	-	-	-	-	7,480	7,480	-	-	-	7,480
Miscellaneous	398	-	-	-	-	-	4,073	4,471	3,056	-	3,056	7,527
Total expenses before depreciation	2,442,920	974,105	792,827	589,908	1,233,974	189,744	4,976,473	11,199,951	744,434	652,886	1,397,320	12,597,271
Depreciation	24,298	16,320	30,584	16,406	49,287	8,834	51,795	197,524	29,035	23,270	52,305	249,829
Total Expenses	<u>\$2,467,218</u>	<u>\$990,425</u>	<u>\$823,411</u>	<u>\$606,314</u>	<u>\$1,283,261</u>	<u>\$198,578</u>	<u>\$5,028,268</u>	<u>\$11,397,475</u>	<u>\$ 773,469</u>	<u>\$ 676,156</u>	<u>\$1,449,625</u>	<u>\$12,847,100</u>

See notes to financial statements.

## NEW YORK COMMON PANTRY, INC.

## STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2017

	Program Services							Supporting Services			Total Expenses	
	Choice Pantry Manhattan	Choice Pantry Bronx	Help 365	Hot Meal Programs	Live Healthy!	Project Dignity	Nourish Program	Total	Management and General	Fundraising		Total
Food (Note 6)	\$2,423,300	\$ 27,306	\$ 30	\$ 57,918	\$ 12,450	\$ -	\$3,192,606	\$ 5,713,610	\$ -	\$ -	\$ -	\$ 5,713,610
Toys (Note 6)	73,015	-	-	-	-	-	-	73,015	-	-	-	73,015
Salaries	336,383	68,522	460,394	254,842	691,018	146,034	997,871	2,955,064	259,737	268,678	528,415	3,483,479
Payroll taxes and employee benefits	58,265	11,869	79,745	44,141	119,692	25,295	172,842	511,849	44,989	46,538	91,527	603,376
Rent	19,583	26,518	25,770	17,388	95,625	10,673	187,033	382,590	28,666	29,349	58,015	440,605
Utilities	10,189	465	12,325	6,645	10,911	3,648	28,559	72,742	11,182	10,102	21,284	94,026
Postage and delivery	600	45	285	1,515	582	240	95	3,362	1,606	3,497	5,103	8,465
Telephone	4,682	1,345	7,518	2,320	8,216	1,214	21,636	46,931	5,737	2,429	8,166	55,097
Technology	2,773	-	3,481	1,809	5,491	993	7,897	22,444	3,043	2,750	5,793	28,237
Supplies	40,620	12,300	10,162	22,139	136,480	2,827	61,200	285,728	15,356	3,015	18,371	304,099
Insurance	4,643	1,327	7,045	4,358	40,335	2,281	47,700	107,689	4,717	4,892	9,609	117,298
Printing	2,930	226	4,790	2,963	7,363	1,551	16,165	35,988	2,990	3,100	6,090	42,078
Travel	1,961	-	5,137	722	39,775	375	14,928	62,898	6,796	4,141	10,937	73,835
Building/equipment rental, repairs	2,051	14,145	4,123	8,552	10,802	8,360	48,331	96,364	59,070	8,047	67,117	163,481
Professional services	98,138	-	19,837	14,054	2,729	3,958	207,943	346,659	160,152	47,713	207,865	554,524
Vehicle expenses	19,276	-	-	-	-	-	62,194	81,470	6,767	-	6,767	88,237
Bank charges	-	-	-	-	-	-	-	-	23,529	8,097	31,626	31,626
Advertising	1,224	419	1,734	770	1,347	270	15,417	21,181	3,363	6,439	9,802	30,983
Indirect benefit expenses	-	-	-	-	-	-	-	-	-	36,846	36,846	36,846
Membership dues and subscription	486	-	538	356	797	1,577	2,992	6,746	4,789	346	5,135	11,881
Training	179	-	170	-	-	-	2,179	2,528	10,534	1,250	11,784	14,312
Amortization	-	-	-	-	-	-	7,480	7,480	-	-	-	7,480
Miscellaneous	-	-	-	-	-	-	-	-	380	-	380	380
Total expenses before depreciation	3,100,298	164,487	643,084	440,492	1,183,613	209,296	5,095,068	10,836,338	653,403	487,229	1,140,632	11,976,970
Depreciation	20,529	3,101	29,663	15,410	46,784	8,460	59,811	183,758	25,935	23,428	49,363	233,121
Total Expenses	<u>\$3,120,827</u>	<u>\$167,588</u>	<u>\$672,747</u>	<u>\$455,902</u>	<u>\$1,230,397</u>	<u>\$217,756</u>	<u>\$5,154,879</u>	<u>\$11,020,096</u>	<u>\$ 679,338</u>	<u>\$ 510,657</u>	<u>\$1,189,995</u>	<u>\$12,210,091</u>

See notes to financial statements.

## NEW YORK COMMON PANTRY, INC.

## STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
<b>Cash Flows From Operating Activities</b>		
Decrease in net assets	\$ (220,377)	\$ (179,635)
Adjustments to reconcile decrease in net assets to net cash provided (used) by operating activities:		
Depreciation	249,829	233,121
Amortization	7,480	7,480
Net realized and unrealized gain on investments	(7,368)	(64,126)
Contributions for property and equipment	-	(132,317)
Bad debt	4,377	-
(Increase) decrease in:		
Unconditional promises to give	47,060	(364,426)
Prepaid expenses and other assets	53,469	3,850
Increase (decrease) in accounts payable and accrued expenses	(4,176)	137,144
Net Cash Provided (Used) By Operating Activities	<u>130,294</u>	<u>(358,909)</u>
<b>Cash Flows From Investing Activities</b>		
Acquisition of property and equipment	(74,479)	(272,685)
Cash received for capital improvements	63,484	39,692
Purchases of investments	(350,220)	(760,625)
Proceeds from sale of investments	1,007,063	753,239
Net Cash Provided (Used) By Investing Activities	<u>645,848</u>	<u>(240,379)</u>
Net increase (decrease) in cash and cash equivalents	776,142	(599,288)
Cash and cash equivalents, beginning of year	<u>704,537</u>	<u>1,303,825</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u><u>\$1,480,679</u></u>	<u><u>\$ 704,537</u></u>

See notes to financial statements.



**NEW YORK COMMON PANTRY, INC.****NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2018 AND 2017****Note 1 - Organization and Summary of Significant Accounting Policies****a - Organization**

New York Common Pantry, Inc. provides programs and services to feed low income New Yorkers, bringing dignity into their lives, and assisting them in achieving more independent living. A substantial portion of the Organization's support is derived from contributions, foundation grants, government contracts, benefit income and donated goods and services.

**b - Financial Statement Presentation**

The Organization reports 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.

**c - Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Organization considers all short-term highly liquid investments, such as money market funds, except for cash held for investment, to be cash equivalents.

**d - Investments and Fair Value Measurements**

The Organization reflects investments at fair value in the statement of financial position. Unrealized gains and losses on investments are reflected in the statement of activities as increases and decreases in unrestricted net assets unless their use is temporarily or permanently restricted by explicit donor stipulations or by law.

Fair value is an estimate of the exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants (i.e., the exit price at the measurement date). Fair value measurements are not adjusted for transaction costs. A fair value hierarchy is used that prioritizes inputs to valuation techniques used to measure fair value into three levels.

Unadjusted quoted prices in active markets for identical assets or liabilities are referred to as Level 1 inputs. Inputs other than quoted market prices that are observable, either directly or indirectly, and reasonably available are referred to as Level 2 inputs. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability and are developed based on market data obtained from sources independent of the Organization. Unobservable inputs reflect the assumptions developed by the Organization based on available information about what market participants would use in valuing the asset or liability and are referred to as Level 3.

**NEW YORK COMMON PANTRY, INC.****NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2018 AND 2017****Note 1 - Organization and Summary of Significant Accounting Policies (continued)****d - Investments and Fair Value Measurements (continued)**

An asset or liability's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Availability of observable inputs can vary and is affected by a variety of factors. Level 3 assets and liabilities involve greater judgment than Level 1 or Level 2 assets or liabilities.

**e - Contributions and Unconditional Promises to Give**

Contributions are recognized when the donor makes a promise to give to the Organization, that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Organization uses the allowance method to determine uncollectible promises to give. The allowance, when necessary, is based on prior years' experience and management's analysis of specific promises made.

**f - Deferred Leasing Costs**

Leasing costs are amortized using the straight-line method over the related lease term.

**g - Property and Equipment**

Property and equipment are recorded at cost and are being depreciated using the straight-line method over the estimated useful life of the asset. Donations of property and equipment are recorded as support at their estimated fair value on the date of receipt. Leasehold improvements are depreciated over the term of the lease and options to renew.

**h - Donated Services**

Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased, if not provided by donation, are recorded at their fair values in the period received. No amounts have been reflected for services received from individuals who volunteer their time and perform numerous tasks that assist the Organization with its programs, solicitations and committee assignments.

**i - Advertising Expenses**

Advertising costs are charged to operations when the advertising first takes place. Advertising expenses for 2018 and 2017 were \$6,950 and \$30,983, respectively.

**NEW YORK COMMON PANTRY, INC.****NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2018 AND 2017****Note 1 - Organization and Summary of Significant Accounting Policies (continued)****j - Use of Estimates**

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

**k - Prior Year Information**

For comparability, certain 2017 amounts have been reclassified, where appropriate, to conform to the financial statement presentation used in 2018.

**l - Tax Status**

New York Common Pantry, Inc. is recognized as a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been designated as an organization which is not a private foundation.

**m - Subsequent Events**

The Organization has evaluated subsequent events through February 26, 2019, the date that the financial statements are considered available to be issued.

**n - New Accounting Pronouncements**

In August 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-14, "*Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*". The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two net asset classes now entitled "net assets without donor restrictions" and "net assets with donor restrictions"; (b) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources; (c) requiring that all nonprofits present an analysis of expenses by function and nature and disclose the methods used to allocate costs; and (d) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. ASU 2016-14 is effective for fiscal years beginning after December 15, 2017. The Organization is currently evaluating the impact of ASU 2016-14 on its financial statements.

In February 2016, the FASB issued ASU 2016-02, "*Leases (Topic 842)*". The core principles of ASU 2016-02 change the way organizations will account for their leases by recognizing lease assets and related liabilities on the statement of financial position for all leases with terms longer than twelve months and disclosing key information about leasing arrangements. ASU 2016-02 is effective for fiscal years beginning after December 15, 2019. The Organization is currently evaluating the impact of ASU 2016-02 on its financial statements.

**NEW YORK COMMON PANTRY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**Note 2 - Net Assets**

Net assets consist of the following:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2018 Total</u>	<u>2017 Total</u>
Board designated cash reserve for operations	\$ 644,888	\$ -	\$ 644,888	\$ 644,888
Other	2,410,542	-	2,410,542	2,268,858
Property and equipment	2,680,196	56,249	2,736,445	2,987,863
Future programs and periods	<u>-</u>	<u>419,196</u>	<u>419,196</u>	<u>529,839</u>
2018 Total	<u>\$5,735,626</u>	<u>\$475,445</u>	<u>\$6,211,071</u>	
2017 Total		<u>\$662,156</u>		<u>\$6,431,448</u>

**Note 3 - Investments**

Investments at June 30, 2018 and 2017 are classified within Level 1 of the fair value hierarchy and consist of the following:

	<u>2018</u>		<u>2017</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Equities	\$108,112	\$111,196	\$412,987	\$ 444,977
Equity mutual funds	100,442	103,657	88,084	92,830
Bond mutual funds	161,307	158,950	406,263	404,751
All asset mutual fund	<u>-</u>	<u>-</u>	<u>80,816</u>	<u>80,720</u>
	<u>\$369,861</u>	<u>\$373,803</u>	<u>\$988,150</u>	<u>\$1,023,278</u>

Net investment income consists of the following:

	<u>2018</u>	<u>2017</u>
Net realized gains	\$38,554	\$29,335
Net unrealized gains (losses)	(31,186)	34,791
Interest and dividends	<u>14,540</u>	<u>27,612</u>
	<u>\$21,908</u>	<u>\$91,738</u>

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**Note 4 - Promises to Give**

a - Unconditional promises to give are due as follows:

	<u>2018</u>	<u>2017</u>
Due within one year	\$1,756,393	\$1,844,334
Due in one to five years	<u>60,000</u>	<u>90,000</u>
	1,816,393	1,934,334
Less: Discount to present value	<u>(3,553)</u>	<u>(6,573)</u>
	<u>\$1,812,840</u>	<u>\$1,927,761</u>

Unconditional promises to give after one year are discounted to net present value using a discount rate of 3%. Uncollectible promises to give are expected to be insignificant.

b - During the year ended June 30, 2016, the Organization received a grant of \$6,130,093 to improve nutrition and health services of eligible seniors in New York State over a four-year period ending September 30, 2019. During the years ended June 30, 2018 and 2017, \$1,558,699 and \$1,651,819, respectively, of costs were incurred. The remaining portion of the grant, \$2,273,762, has not been reflected in the accompanying financial statements since there are uncertainties regarding the actual amount of the revenue and expenses that will be billed under this grant.

c - During the year ending June 30, 2015, the Organization received a grant of \$5,241,950 to improve nutrition education and obesity prevention activities to a targeted population over a five-year period ending September 30, 2019. During the years ended June 30, 2018 and 2017, \$1,129,037 and \$1,030,568, respectively, of costs were incurred and billed. The remaining portion of the grant, \$1,854,567, has not been reflected in the accompanying financial statements since there are uncertainties regarding the actual amount of the revenue and expenses that will be.

**Note 5 - Property and Equipment**

Property and equipment consist of the following:

	<u>Life</u>	<u>2018</u>	<u>2017</u>
Leasehold improvements	Life of lease and options	\$3,868,913	\$3,868,913
Vans	5 years	322,625	248,146
Equipment	5 years	<u>804,179</u>	<u>804,179</u>
		4,995,717	4,921,238
Less: Accumulated depreciation		<u>(2,315,521)</u>	<u>(2,065,692)</u>
Total		<u>\$2,680,196</u>	<u>\$2,855,546</u>

**NEW YORK COMMON PANTRY, INC.**  
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**Note 6 - Donated Materials and Facility**

The Organization received donated materials and satellite pantry space in connection with its programs that it valued using the estimated or known market prices at the time of the donations. The total contribution per category is as follows:

	<u>2018</u>	<u>2017</u>
Food	\$5,153,964	\$5,000,167
Toys	28,561	73,015
Pantry space	39,777	26,518
Other	<u>-</u>	<u>3,260</u>
	<u>\$5,222,302</u>	<u>\$5,102,960</u>

During the years ended June 30, 2018 and 2017, non-professional volunteers worked for the Organization. In accordance with generally accepted accounting principles, the value of these services is not included in the accompanying financial statements. During the year ended June 30, 2018, there were 73,726 volunteer hours donated to the Organization.

**Note 7 - Functional Allocation of Expenses**

The cost of providing the various program and supporting services has been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Note 8 - Commitments and Contingency**

- a - The Organization leases office and soup kitchen/food pantry space pursuant to a lease expiring in August 31, 2020 with options to renew through August 31, 2035. Rent expense was \$116,827 for the years ended June 30, 2018 and 2017.

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**Note 8 - Commitments and Contingency (continued)**

a - (continued)

During the year ended June 30, 2016, the Organization entered into two leases for program and warehouse space. The leases are for five years ending October 31, 2020. Rent expense for the years ended June 30, 2018 and 2017 was \$299,825 and \$284,076, respectively.

The lease agreements provide for minimum annual rental payments as follows:

<u>Year Ending June 30,</u>	
2019	\$415,041
2020	419,809
2021	198,589

The Organization occupied a satellite pantry under a memorandum of understanding, rent-free, beginning November 2016 for a period of up to ten years. The fair value of the use of the facility, \$39,777 and \$26,518 for the years ended June 30, 2018 and 2017, respectively, is included in donated materials and facility on the statement of activities (Note 6).

b - Government grants are subject to audit by the respective granting agencies. Management believes that no significant adjustments, if any, would result from such audits.

**Note 9 - Concentrations**

a - Credit Risk

The Organization maintains cash accounts in financial institutions in New York City. Certain balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Organization also maintains a balance in a money market account backed by U.S. Government securities.

b - Contributions

During the years ended June 30, 2018 and 2017, three donors accounted for approximately 49% and 51%, respectively, of public support.

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**Note 10 - Benefit Income**

The Organization's net benefit income consists of the following:

	<u>2018</u>	<u>2017</u>
Gross benefit income	\$948,823	\$732,093
Less: Direct expenses	<u>(131,190)</u>	<u>(88,692)</u>
Net Benefit Income Before Indirect Expenses	817,633	643,401
Indirect expenses	<u>(44,275)</u>	<u>(36,846)</u>
Net Benefit Income	<u>\$773,358</u>	<u>\$606,555</u>

Indirect expenses are included with fundraising expenses on the statements of activities and functional expenses.

**Note 11 - Retirement Plan**

The Organization maintains a tax deferred annuity 403(b) plan for its employees. The participating employees may contribute up to the statutory maximum. The amount of the employer's contribution is discretionary and is determined by the Organization each year. The Organization made a discretionary contribution of \$63,567 during the year ended June 30, 2018. There was no contribution made during the year ended June 30, 2017.