

NEW YORK COMMON PANTRY, INC.
(formerly known as Yorkville Common Pantry, Inc.)

FINANCIAL STATEMENTS

JUNE 30, 2013 AND 2012



CERTIFIED PUBLIC ACCOUNTANTS, LLP
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
New York Common Pantry, Inc.
(formerly known as Yorkville Common Pantry, Inc.)

We have audited the accompanying financial statements of New York Common Pantry, Inc. (formerly known as Yorkville Common Pantry, Inc.) (a nonprofit organization), which comprise the statements of financial position as of June 30, 2013 and 2012, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

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. (formerly known as Yorkville Common Pantry, Inc.) as of June 30, 2013 and 2012, 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
November 13, 2013

NEW YORK COMMON PANTRY, INC.
(formerly known as Yorkville Common Pantry, Inc.)

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Assets		
Cash and cash equivalents (Notes 1c and 9)	\$1,364,774	\$1,079,993
Cash and cash equivalents held for investment (Notes 1c and 9)	11,791	427
Investments (Notes 1d and 3)	760,610	705,349
Unconditional promises to give (Notes 1e and 4)		
Unrestricted	167,600	121,489
Restricted to future programs and periods	64,250	68,750
Restricted for building renovation and maintenance	-	12,229
Prepaid expenses and other assets	70,509	80,164
Property and equipment, at cost (net of accumulated depreciation) (Notes 1f and 5)	3,059,277	3,179,475
Security deposit	<u>6,220</u>	<u>6,220</u>
 Total Assets	 <u><u>\$5,505,031</u></u>	 <u><u>\$5,254,096</u></u>
 Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	<u>\$ 156,621</u>	<u>\$ 118,122</u>
Commitments and Contingency (Note 8)		
Net Assets (Note 2)		
Unrestricted		
Board designated and other	1,784,599	1,461,349
Property and equipment	<u>3,059,277</u>	<u>3,179,475</u>
Total Unrestricted	4,843,876	4,640,824
Temporarily restricted	<u>504,534</u>	<u>495,150</u>
Total Net Assets	<u><u>5,348,410</u></u>	<u><u>5,135,974</u></u>
 Total Liabilities and Net Assets	 <u><u>\$5,505,031</u></u>	 <u><u>\$5,254,096</u></u>

See notes to financial statements.

NEW YORK COMMON PANTRY, INC.
(formerly known as Yorkville Common Pantry, Inc.)

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2013

	Program Services				Supporting Services			Total Expenses
	Pantry Programs	Help 365	Meal Programs	Live Healthy	Project Dignity	Management and General	Fundraising	
Food (Note 6)	\$1,610,660	\$ 84,708	\$ 50,995	\$ 1,400	\$ -	\$ -	\$ 104	\$ 1,747,763
Toys and gift cards (Note 6)	42,918	-	-	-	-	-	-	42,918
Salaries	176,789	425,318	101,205	111,454	62,773	877,539	152,448	1,204,214
Payroll taxes and employee benefits	37,549	90,334	21,495	23,672	13,332	186,382	32,379	255,765
Rent	13,163	31,666	7,535	8,298	4,674	65,336	11,350	89,658
Utilities	10,107	24,315	5,786	6,372	3,589	50,169	8,715	68,844
Postage and delivery	2,180	5,244	1,248	1,374	774	10,820	1,880	14,848
Telephone	5,213	12,541	2,984	3,286	1,851	25,875	4,496	35,508
Supplies	9,768	23,499	5,592	6,158	3,468	48,465	8,422	66,533
Insurance	8,285	19,933	4,743	5,223	2,942	41,126	7,147	56,438
Printing	6,190	14,893	3,544	3,903	2,198	30,728	5,338	42,167
Travel	3,858	9,331	2,209	6,337	2,870	24,605	3,327	31,734
Building/equipment rental, repairs	11,635	27,991	6,660	7,335	4,131	57,752	10,032	79,250
Miscellaneous	3,049	599	142	287	88	4,165	2,087	6,497
Professional services	17,024	40,860	1,471	11,702	1,751	72,808	109,482	229,894
Vehicle expenses	2,064	4,964	1,181	1,301	733	10,243	1,779	14,056
Bank charges	-	-	-	-	-	-	4,215	18,381
Advertising	-	210	-	650	-	860	5,233	6,578
Indirect benefit expenses	-	-	-	-	-	-	-	43,014
Membership dues and subscription	1,259	1,005	238	581	171	3,254	3,022	6,524
Training	80	583	80	149	-	892	3,262	4,744
Uncollectible capital campaign pledges	-	-	-	-	-	-	12,229	12,229
Total expenses before depreciation	1,961,791	817,994	217,108	199,482	105,345	3,301,720	386,947	4,077,803
Depreciation	27,386	65,884	15,677	17,265	9,724	135,936	23,615	186,540
Total Expenses	\$1,989,177	\$883,878	\$232,785	\$216,747	\$115,069	\$3,437,656	\$ 410,562	\$4,264,343

See notes to financial statements.

NEW YORK COMMON PANTRY, INC.
(formerly known as Yorkville Common Pantry, Inc.)

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2012

	Program Services				Supporting Services		Total Expenses	
	Pantry Programs	Help 365	Meal Programs	Live Healthy	Project Dignity	Management and General		Fundraising
Food (Note 6)	\$1,180,166	\$ 69,610	\$ 63,338	\$ 2,127	\$ -	\$ -	\$ -	\$1,315,241
Toys and gift cards (Note 6)	49,827	-	-	-	-	-	-	49,827
Salaries	203,673	240,034	161,915	101,338	109,268	146,835	134,054	1,097,117
Payroll taxes and employee benefits	47,969	57,470	37,184	23,547	25,390	34,554	31,324	257,438
Rent	17,046	22,296	10,992	7,734	8,341	12,166	10,649	89,224
Utilities	12,120	14,368	9,537	6,002	6,472	8,733	7,955	65,187
Postage and delivery	877	924	644	415	451	620	2,988	6,919
Telephone	6,368	7,520	5,046	3,164	3,411	4,590	4,188	34,287
Supplies	40,957	7,932	16,698	2,021	5,992	2,906	2,593	79,099
Insurance	8,568	10,040	6,879	4,283	4,618	13,944	5,655	53,967
Printing	6,919	7,335	6,458	3,722	4,014	5,036	4,771	38,255
Travel	1,612	1,977	1,197	8,148	4,213	1,699	1,042	19,888
Building/equipment rental, repairs	10,001	12,030	7,669	4,894	5,276	7,195	6,520	53,585
Miscellaneous	1,898	897	763	444	479	2,273	571	7,325
Professional services	6,414	14,746	6,117	16,080	10,035	85,429	42,365	181,186
Vehicle expenses	1,545	1,794	1,260	778	839	1,115	1,024	8,355
Bank charges	-	-	-	-	-	463	9,616	10,079
Advertising	25	1,040	-	-	-	15,405	70	16,540
Indirect benefit expenses	-	-	-	-	-	-	37,644	37,644
Membership dues and subscription	30	668	132	13	648	6,129	219	7,839
Annual report	184	247	112	82	88	131	114	958
Training	-	480	-	-	99	1,285	938	2,802
Total expenses before depreciation	1,596,199	471,408	335,941	184,792	189,634	350,508	304,300	3,432,782
Depreciation	43,263	57,990	26,208	19,136	20,633	30,783	26,624	224,637
Total Expenses	\$1,639,462	\$529,398	\$362,149	\$203,928	\$210,267	\$ 381,291	\$ 330,924	\$3,657,419

See notes to financial statements.

NEW YORK COMMON PANTRY, INC.
(formerly known as Yorkville Common Pantry, Inc.)

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Cash Flows From Operating Activities		
Increase (decrease) in net assets	\$ 212,436	\$ (232,352)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	186,540	224,637
Donated stock	(86,320)	(46,374)
Net realized and unrealized (gains) and losses	(43,769)	14,392
Contributions for property and equipment	(45,000)	(16,069)
Uncollectible capital campaign pledges	12,229	-
(Increase) decrease in:		
Unconditional promises to give	(41,611)	103,511
Prepaid expenses and other assets	9,655	24,642
Increase (decrease) in accounts payable and accrued expenses	38,499	(3,881)
Net Cash Provided By Operating Activities	<u>242,659</u>	<u>68,506</u>
Cash Flows From Investing Activities		
Acquisition of property and equipment	(66,342)	(27,909)
Cash received for capital improvements	45,000	16,069
Purchases of investments	(175,990)	(219,465)
Proceeds from sale of investments	250,818	243,451
Net Cash Provided By Investing Activities	<u>53,486</u>	<u>12,146</u>
Net increase in cash and cash equivalents	296,145	80,652
Cash and cash equivalents, beginning of year	<u>1,080,420</u>	<u>999,768</u>
Cash and Cash Equivalents, End of Year	<u>\$1,376,565</u>	<u>\$1,080,420</u>

See notes to financial statements.

NEW YORK COMMON PANTRY, INC.
(formerly known as Yorkville Common Pantry, Inc.)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013 AND 2012

Note 1 - Organization and Summary of Significant Accounting Policies

a - Organization

New York Common Pantry, Inc. changed its name from Yorkville Common Pantry, Inc. effective March 8, 2013. 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, to be cash equivalents.

d - Investments

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.
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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013 AND 2012

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

d - Investments (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.

The Organization's investments in cash and mutual funds are classified within Level 1 of the fair value hierarchy. Fair value is determined using quoted market values.

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 is based on prior years' experience and management's analysis of specific promises made.

f - 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.

g - 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.

During the year ended June 30, 2013, there were 39,690 volunteer hours donated to the Organization.

NEW YORK COMMON PANTRY, INC.
(formerly known as Yorkville Common Pantry, Inc.)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013 AND 2012

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

h - 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.

i - 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. The Organization has evaluated all income tax positions and concluded that no disclosures relating to uncertain tax positions are required in the financial statements. Generally, the Organization's tax returns are subject to examination by taxing authorities for three years from the date of filing.

j - Subsequent Events

The Organization has evaluated subsequent events through November 13, 2013, the date that the financial statements are considered available to be issued.

Note 2 - Net Assets

Net assets consist of the following:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2013 Total</u>	<u>2012 Total</u>
Board designated cash reserve for operations	\$ 540,997	\$ -	\$ 540,997	\$ 540,997
Other	1,243,602	-	1,243,602	920,352
Property and equipment	3,059,277	170,745	3,230,022	3,413,703
Future programs and periods	<u>-</u>	<u>333,789</u>	<u>333,789</u>	<u>260,922</u>
2013 Total	<u>\$4,843,876</u>	<u>\$504,534</u>	<u>\$5,348,410</u>	
2012 Total	<u>\$4,640,824</u>	<u>\$495,150</u>		<u>\$5,135,974</u>

NEW YROK COMMON PANTRY, INC.
(formerly known as Yorkville Common Pantry, Inc.)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013 AND 2012

Note 3 - Investments

Investments at June 30, 2013 and 2012 are classified within Level 1 of the fair value hierarchy and consist of the following:

	<u>2013</u>		<u>2012</u>	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Equity mutual funds	\$427,753	\$369,196	\$483,856	\$455,772
Bond mutual funds	277,019	281,476	221,493	218,977
All asset mutual fund	<u>55,838</u>	<u>60,919</u>	-	-
	<u>\$760,610</u>	<u>\$711,591</u>	<u>\$705,349</u>	<u>\$674,749</u>

Net realized and unrealized gains (losses) consist of the following:

	<u>2013</u>	<u>2012</u>
Net realized gains	\$25,350	\$ 10,391
Net unrealized gains (losses)	<u>18,419</u>	<u>(24,783)</u>
	<u>\$43,769</u>	<u>\$(14,392)</u>

Note 4 - Unconditional Promises to Give

Unconditional promises to give are due within one year. Uncollectible promises to give are expected to be insignificant.

Note 5 - Property and Equipment

Property and equipment consist of the following:

	<u>Life</u>	<u>2013</u>	<u>2012</u>
Leasehold improvements	Life of lease		
Equipment	and options 5 years	\$3,657,394	\$3,650,942
		<u>612,697</u>	<u>552,807</u>
		4,270,091	4,203,749
Less: Accumulated depreciation		<u>(1,210,814)</u>	<u>(1,024,274)</u>
Total		<u>\$3,059,277</u>	<u>\$3,179,475</u>

NEW YORK COMMON PANTRY, INC.
(formerly known as Yorkville Common Pantry, Inc.)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013 AND 2012

Note 5 - Property and Equipment (continued)

Depreciation expense for the years ended June 30, 2013 and 2012 was \$186,540 and \$224,637, respectively.

Note 6 - Donated Materials

The Organization received donated materials 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:

	2013	2012
Food	\$1,117,697	\$659,835
Toys	42,918	49,827
Other	3,536	3,951
	\$1,164,151	\$713,613

During the years ended June 30, 2013 and 2012, 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, 2013, there were 39,690 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's lease agreement provides for minimum annual rental payments as follows:

<u>Year Ending June 30,</u>	
2014	\$85,000
2015	85,000
Two months ending August 31, 2015	14,167

NEW YORK COMMON PANTRY, INC.
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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013 AND 2012

Note 8 - Commitments and Contingency (continued)

a - (continued)

The Organization has options to renew this lease through August 31, 2035. Rent expense for the years ended June 30, 2013 and 2012 was \$89,658 and \$89,224, respectively.

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 - Concentration of 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.

Note 10 - Line of Credit

During 2010, the Organization obtained a line of credit in the amount of \$395,000. The interest rate is the three-month LIBOR plus 3.0%. The line is secured by the Organization's investments. There were no borrowings during the year ended June 30, 2012. The line was closed during the year ended June 30, 2012.

Note 11 - Benefit Income

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

	<u>2013</u>	<u>2012</u>
Gross benefit income	\$576,213	\$421,799
Less: Direct expenses	<u>(53,131)</u>	<u>(59,924)</u>
Net Benefit Income Before Indirect Expenses	523,082	361,875
Indirect expenses	<u>(43,014)</u>	<u>(37,644)</u>
Net Benefit Income	<u>\$480,068</u>	<u>\$324,231</u>

NEW YORK COMMON PANTRY, INC.
(formerly known as Yorkville Common Pantry, Inc.)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013 AND 2012

Note 11 - Benefit Income (continued)

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

Note 12 - Retirement Plan

The Organization maintains a tax deferred annuity 403(b) plan and another pension plan for its employees. The participating employees may contribute up to the statutory maximum. The amount of the employer's contribution is equal to a discretionary amount to be determined by the Organization each year. The Organization did not make a contribution to the plan for the years ended June 30, 2013 and 2012.