

YORKVILLE COMMON PANTRY, INC.

FINANCIAL STATEMENTS

JUNE 30, 2012 AND 2011



LUZ AND CARR
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Yorkville Common Pantry, Inc.

We have audited the accompanying statements of financial position of Yorkville Common Pantry, Inc. (a not-for-profit corporation) as of June 30, 2012 and 2011, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Yorkville Common Pantry, Inc. as of June 30, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Lutz + Carr, LLP

New York, New York
December 4, 2012

YORKVILLE COMMON PANTRY, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
Assets		
Cash and cash equivalents (Notes 1c and 9)	\$1,079,993	\$ 999,510
Cash and cash equivalents held for investment (Notes 1c and 9)	427	258
Investments (Notes 1d and 3)	705,349	697,353
Unconditional promises to give (Notes 1e and 4)		
Unrestricted	121,489	143,750
Restricted to future programs and periods	68,750	150,000
Restricted for building renovation and maintenance	12,229	12,229
Prepaid expenses and other assets	80,164	104,806
Property and equipment, at cost (net of accumulated depreciation) (Notes 1f and 5)	3,179,475	3,376,203
Security deposit	<u>6,220</u>	<u>6,220</u>
Total Assets	<u><u>\$5,254,096</u></u>	<u><u>\$5,490,329</u></u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	<u>\$ 118,122</u>	<u>\$ 122,003</u>
Commitments and Contingency (Note 8)		
Net Assets (Note 2)		
Unrestricted		
Board designated and other	1,461,349	1,213,431
Property and equipment	<u>3,179,475</u>	<u>3,420,638</u>
Total Unrestricted	4,640,824	4,634,069
Temporarily restricted	<u>495,150</u>	<u>734,257</u>
Total Net Assets	<u><u>5,135,974</u></u>	<u><u>5,368,326</u></u>
Total Liabilities and Net Assets	<u><u>\$5,254,096</u></u>	<u><u>\$5,490,329</u></u>

See notes to financial statements.

YORKVILLE COMMON PANTRY, INC.

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2012 AND 2011

	2012			2011		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Changes From Operations						
Support and Revenue						
Government grants	\$ 413,999	\$ -	\$ 413,999	\$ 298,662	\$ -	\$ 298,662
Contributions	1,570,837	252,422	1,823,259	1,288,683	462,417	1,751,100
Sponsors	77,347	8,000	85,347	123,155	-	123,155
Fundraising - benefits (Note 11)	421,799	-	421,799	447,718	-	447,718
Direct benefit expenses (Note 11)	(59,924)	-	(59,924)	(46,976)	-	(46,976)
Donated materials (Note 6)	713,613	-	713,613	961,178	-	961,178
Miscellaneous	2,708	-	2,708	-	-	-
	<u>3,140,379</u>	<u>260,422</u>	<u>3,400,801</u>	<u>3,072,420</u>	<u>462,417</u>	<u>3,534,837</u>
Net assets released from restrictions						
Satisfaction of time and program restrictions	487,690	(487,690)	-	288,715	(288,715)	-
	<u>3,628,069</u>	<u>(227,268)</u>	<u>3,400,801</u>	<u>3,361,135</u>	<u>173,702</u>	<u>3,534,837</u>
Expenses						
Program Services						
Project Dignity	189,634	-	189,634	157,815	-	157,815
Meal Programs	335,941	-	335,941	303,825	-	303,825
Pantry Programs	1,596,199	-	1,596,199	1,769,957	-	1,769,957
365 Days @ YCP	471,408	-	471,408	374,674	-	374,674
Nutrition Initiative for Children and Families	184,792	-	184,792	142,229	-	142,229
Total Program Services	<u>2,777,974</u>	<u>-</u>	<u>2,777,974</u>	<u>2,748,500</u>	<u>-</u>	<u>2,748,500</u>
Supporting Services						
Management and general	350,508	-	350,508	312,535	-	312,535
Fundraising	304,300	-	304,300	297,185	-	297,185
Total Supporting Services	<u>654,808</u>	<u>-</u>	<u>654,808</u>	<u>609,720</u>	<u>-</u>	<u>609,720</u>
Total Expenses Before Depreciation	<u>3,432,782</u>	<u>-</u>	<u>3,432,782</u>	<u>3,358,220</u>	<u>-</u>	<u>3,358,220</u>
Increase (Decrease) in Net Assets from Operations Before Depreciation	195,287	(227,268)	(31,981)	2,915	173,702	176,617
Depreciation Expense	<u>(224,637)</u>	<u>-</u>	<u>(224,637)</u>	<u>(217,316)</u>	<u>-</u>	<u>(217,316)</u>
Increase (Decrease) in Net Assets from Operations	<u>(29,350)</u>	<u>(227,268)</u>	<u>(256,618)</u>	<u>(214,401)</u>	<u>173,702</u>	<u>(40,699)</u>
Non-Operating Activities						
Contributions for capital improvements	16,069	-	16,069	14,136	-	14,136
Donated computer equipment (Note 6)	-	-	-	150,000	-	150,000
Gain on sale of equipment	-	-	-	2,300	-	2,300
Net assets released from restrictions - capital improvements	11,839	(11,839)	-	59,435	(59,435)	-
Interest and dividends	22,589	-	22,589	15,227	-	15,227
Net realized and unrealized gains (losses) (Note 3)	<u>(14,392)</u>	<u>-</u>	<u>(14,392)</u>	<u>84,315</u>	<u>-</u>	<u>84,315</u>
Increase (Decrease) in Net Assets from Non-Operating Activities	<u>36,105</u>	<u>(11,839)</u>	<u>24,266</u>	<u>325,413</u>	<u>(59,435)</u>	<u>265,978</u>
Increase (decrease) in net assets	6,755	(239,107)	(232,352)	111,012	114,267	225,279
Net assets, beginning of year	<u>4,634,069</u>	<u>734,257</u>	<u>5,368,326</u>	<u>4,523,057</u>	<u>619,990</u>	<u>5,143,047</u>
Net Assets, End of Year	<u>\$ 4,640,824</u>	<u>\$ 495,150</u>	<u>\$5,135,974</u>	<u>\$ 4,634,069</u>	<u>\$ 734,257</u>	<u>\$5,368,326</u>

See notes to financial statements.

YORKVILLE COMMON PANTRY, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2012

Program Services

Supporting Services

	Program Services					Supporting Services			Total Expenses	
	Project Dignity	Meal Programs	Pantry Programs	365 Days @ YCP	Nutrition Initiative for Children and Families	Total	Management and General	Fundraising		Total
Food (Note 6)	\$ -	\$ 63,338	\$1,180,166	\$ 69,610	\$ 2,127	\$1,315,241	\$ -	\$ -	\$ -	\$1,315,241
Toys and gift cards (Note 6)	-	-	49,827	-	-	49,827	-	-	-	49,827
Salaries	109,268	161,915	203,673	240,034	101,338	816,228	146,835	134,054	280,889	1,097,117
Payroll taxes and employee benefits	25,390	37,184	47,969	57,470	23,547	191,560	34,554	31,324	65,878	257,438
Rent	8,341	10,992	17,046	22,296	7,734	66,409	12,166	10,649	22,815	89,224
Utilities	6,472	9,537	12,120	14,368	6,002	48,499	8,733	7,955	16,688	65,187
Postage and delivery	451	644	877	924	415	3,311	620	2,988	3,608	6,919
Telephone	3,411	5,046	6,368	7,520	3,164	25,509	4,590	4,188	8,778	34,287
Supplies	5,992	16,698	40,957	7,932	2,021	73,600	2,906	2,593	5,499	79,099
Insurance	4,618	6,879	8,568	10,040	4,283	34,388	13,944	5,655	19,599	53,987
Printing	4,014	6,458	6,919	7,335	3,722	28,448	5,036	4,771	9,807	38,255
Travel	4,213	1,197	1,612	1,977	8,148	17,147	1,699	1,042	2,741	19,888
Building/equipment rental, repairs	5,276	7,669	10,001	12,030	4,894	39,870	7,195	6,520	13,715	53,585
Miscellaneous	479	763	1,898	897	444	4,481	2,273	571	2,844	7,325
Professional services	10,035	6,117	6,414	14,746	16,080	53,392	85,429	42,365	127,794	181,186
Vehicle expenses	839	1,260	1,545	1,794	778	6,216	1,115	1,024	2,139	8,355
Bank charges	-	-	-	-	-	-	463	9,616	10,079	10,079
Advertising	-	-	25	1,040	-	1,065	15,405	70	15,475	16,540
Indirect benefit expenses	-	-	-	-	-	-	-	37,644	37,644	37,644
Membership dues and subscription	648	132	30	668	13	1,491	6,129	219	6,348	7,839
Annual report	88	112	184	247	82	713	131	114	245	958
Training	99	-	-	480	-	579	1,285	938	2,223	2,802
Total expenses before depreciation	189,634	335,941	1,596,199	471,408	184,792	2,777,974	350,508	304,300	654,808	3,432,782
Depreciation	20,633	26,208	43,263	57,990	19,136	167,230	30,783	26,624	57,407	224,637
Total Expenses	<u>\$210,267</u>	<u>\$362,149</u>	<u>\$1,639,462</u>	<u>\$529,398</u>	<u>\$ 203,928</u>	<u>\$2,945,204</u>	<u>\$ 381,291</u>	<u>\$ 330,924</u>	<u>\$712,215</u>	<u>\$3,657,419</u>

See notes to financial statements.

YORKVILLE COMMON PANTRY, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2011

Program Services

Supporting Services

	Program Services					Supporting Services			Total * Expenses	
	Project Dignity	Meal Programs	Pantry Programs	365 Days @ YCP	Nutrition Initiative for Children and Families	Total	Management and General	Fundraising		Total
Food (Note 6)	\$ 16	\$ 53,062	\$1,329,495	\$ 75,696	\$ 2,888	\$1,461,157	\$ -	\$ -	\$ -	\$1,461,157
Toys and gift cards (Note 6)	-	-	40,829	-	-	40,829	-	-	-	40,829
Salaries	91,486	145,351	230,339	176,481	82,921	726,578	135,477	130,027	265,504	992,082
Payroll taxes and employee benefits	21,178	33,553	53,300	40,870	19,195	168,096	31,360	30,098	61,458	229,554
Rent	8,057	12,803	20,286	15,542	7,303	63,991	11,931	11,452	23,383	87,374
Utilities	6,622	10,603	16,689	12,758	6,001	52,673	9,806	9,412	19,218	71,891
Postage and delivery	717	1,116	1,717	1,344	506	5,400	680	4,581	5,261	10,661
Telephone	2,427	3,883	6,115	4,676	2,199	19,300	3,594	3,449	7,043	26,343
Supplies	4,981	16,029	27,691	4,380	1,297	54,378	10,632	1,880	12,512	66,890
Insurance	4,253	6,719	10,700	8,212	3,855	33,739	13,448	6,045	19,493	53,232
Printing	1,627	3,099	4,094	2,456	1,087	12,363	3,369	21,226	24,595	36,958
Travel	4,913	629	1,038	806	377	7,763	1,578	589	2,167	9,930
Building/equipment rental, repairs	6,261	9,880	15,750	12,089	5,675	49,655	9,326	8,898	18,224	67,879
Miscellaneous	957	1,699	2,445	1,810	868	7,779	1,418	1,360	2,778	10,557
Professional services	2,311	3,609	6,307	14,490	6,905	33,622	70,320	30,909	101,229	134,851
Vehicle expenses	896	1,337	2,236	1,745	812	7,026	1,326	1,274	2,600	9,626
Bank charges	-	-	-	-	-	-	1,339	7,518	8,857	8,857
Indirect benefit expenses	-	-	-	-	-	-	-	28,086	28,086	28,086
Membership dues and subscription	936	299	657	503	154	2,549	5,382	243	5,625	8,174
Training	80	-	25	629	99	833	1,406	-	1,406	2,239
Advertising	97	154	244	187	87	769	143	138	281	1,050
Total expenses before depreciation	157,815	303,825	1,769,957	374,674	142,229	2,748,500	312,535	297,185	609,720	3,358,220
Depreciation	20,428	28,251	50,592	40,247	18,515	158,033	30,250	29,033	59,283	217,316
Total Expenses	<u>\$178,243</u>	<u>\$332,076</u>	<u>\$1,820,549</u>	<u>\$414,921</u>	<u>\$ 160,744</u>	<u>\$2,906,533</u>	<u>\$ 342,785</u>	<u>\$ 326,218</u>	<u>\$669,003</u>	<u>\$3,575,536</u>

* Certain amounts have been reclassified for comparative purposes.

See notes to financial statements.

YORKVILLE COMMON PANTRY, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
Cash Flows From Operating Activities		
Increase (decrease) in net assets	\$ (232,352)	\$ 225,279
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	224,637	217,316
Donated stock	(46,374)	(141,239)
Gain on sale of equipment	-	(2,300)
Net realized and unrealized (gains) and losses	14,392	(84,315)
Contribution for capital improvements	(16,069)	(14,136)
Donated equipment	-	(150,000)
(Increase) decrease in:		
Unconditional promises to give	103,511	(178,309)
Prepaid expenses and other assets	24,642	(14,578)
Increase (decrease) in accounts payable and accrued expenses	<u>(3,881)</u>	<u>18,458</u>
Net Cash Provided (Used) By Operating Activities	<u>68,506</u>	<u>(123,824)</u>
Cash Flows From Investing Activities		
Acquisition of property and equipment	(27,909)	(58,840)
Cash received for capital improvements	16,069	61,247
Purchases of investments	(219,465)	(400,537)
Proceeds from sale of investments	243,451	510,097
Proceeds from sale of equipment	-	2,300
Net Cash Provided By Investing Activities	<u>12,146</u>	<u>114,267</u>
Net increase (decrease) in cash and cash equivalents	80,652	(9,557)
Cash and cash equivalents, beginning of year	<u>999,768</u>	<u>1,009,325</u>
Cash and Cash Equivalents, End of Year	<u><u>\$1,080,420</u></u>	<u><u>\$ 999,768</u></u>

See notes to financial statements.

YORKVILLE COMMON PANTRY, INC.**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2012 AND 2011****Note 1 - Organization and Summary of Significant Accounting Policies****a - Organization**

Yorkville 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.

YORKVILLE COMMON PANTRY, INC.**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2012 AND 2011****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.

YORKVILLE COMMON PANTRY, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012 AND 2011

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

Yorkville 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 for years prior to 2009 are no longer subjected to examination by taxing authorities.

j - Subsequent Events

The Organization has evaluated subsequent events through December 4, 2012, 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>2012 Total</u>	<u>2011 Total</u>
Board designated cash reserve for operations	\$ 540,997	\$ -	\$ 540,997	\$ 540,997
Other	920,352	-	920,352	672,434
Property and equipment	3,179,475	234,228	3,413,703	3,692,478
Future programs and periods	<u>-</u>	<u>260,922</u>	<u>260,922</u>	<u>462,417</u>
2012 Total	<u>\$4,640,824</u>	<u>\$495,150</u>	<u>\$5,135,974</u>	
2011 Total		<u>\$734,257</u>		<u>\$5,368,326</u>

YORKVILLE COMMON PANTRY, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012 AND 2011

Note 3 - Investments

Investments consist of the following:

	<u>2012</u>		<u>2011</u>	
	<u>Fair Market Value</u>	<u>Cost</u>	<u>Fair Market Value</u>	<u>Cost</u>
Equity mutual funds	\$483,856	\$455,772	\$444,533	\$396,548
Bond mutual funds	221,493	218,977	217,890	210,422
Certificates of deposit	-	-	34,930	35,000
	<u>\$705,349</u>	<u>\$674,749</u>	<u>\$697,353</u>	<u>\$641,970</u>

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

	<u>2012</u>	<u>2011</u>
Net realized gains	\$ 10,391	\$77,060
Net unrealized gains (losses)	<u>(24,783)</u>	<u>7,255</u>
	<u>\$(14,392)</u>	<u>\$84,315</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>2012</u>	<u>2011</u>
Leasehold improvements	Life of lease	\$3,650,942	\$3,650,942
Equipment	and options 5 years	<u>552,807</u>	<u>524,898</u>
		4,203,749	4,175,840
Less: Accumulated depreciation		<u>(1,024,274)</u>	<u>(799,637)</u>
Total		<u>\$3,179,475</u>	<u>\$3,376,203</u>

YORKVILLE COMMON PANTRY, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012 AND 2011

Note 5 - Property and Equipment (continued)

Depreciation expense for the years ended June 30, 2012 and 2011 was \$224,637 and \$217,316, 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:

	<u>2012</u>	<u>2011</u>
Food	\$659,835	\$918,732
Toys	49,827	40,754
Other	<u>3,951</u>	<u>1,692</u>
	<u>\$713,613</u>	<u>\$961,178</u>

During the year ended June 30, 2011, the Organization received donated computer equipment in the amount of \$150,000, which was reflected in property and equipment.

During the years ended June 30, 2012 and 2011, 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.

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.

YORKVILLE COMMON PANTRY, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012 AND 2011

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>	
2013	\$85,000
2014	85,000
2015	85,000
Two months ending August 31, 2015	14,167

The Organization has options to renew this lease through August 31, 2035. Rent expense the years ended June 30, 2012 and 2011 was \$89,224 and \$87,374, 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, 2011. The line was closed during the year ended June 30, 2012.

YORKVILLE COMMON PANTRY, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012 AND 2011

Note 11 - Benefit Income

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

	<u>2012</u>	<u>2011</u>
Gross benefit income	\$421,799	\$447,718
Less: Direct expenses	<u>(59,924)</u>	<u>(46,976)</u>
Net Benefit Income Before Indirect Expenses	361,875	400,742
Indirect expenses	<u>(37,644)</u>	<u>(28,086)</u>
Net Benefit Income	<u>\$324,231</u>	<u>\$372,656</u>

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, 2012 and 2011.