

**NEW YORK COMMON PANTRY, INC.**

**FINANCIAL STATEMENTS**

**JUNE 30, 2021 AND 2020**



## 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, 2021 and 2020, 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 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 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, 2021 and 2020, 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  
April 1, 2022

**NEW YORK COMMON PANTRY, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Cash and cash equivalents (Notes 1b and 10a)	\$ 9,843,718	\$ 6,361,075
Cash and cash equivalents held for investment (Notes 1b and 10a)	121,357	12,608
Investments (Notes 1c and 4)	1,622,122	399,111
Unconditional promises to give (Notes 1d and 5a)		
Without donor restrictions	1,613,113	1,403,702
With donor restrictions	197,570	205,000
Prepaid expenses and other assets	163,735	149,280
Deferred leasing costs, net of amortization of \$42,400 (2021) and \$34,907 (2020), respectively (Note 1e)	25,000	32,493
Property and equipment, at cost (net of accumulated depreciation) (Notes 1f and 6)	2,224,590	2,261,706
Security deposits	<u>299,225</u>	<u>146,725</u>
<b>Total Assets</b>	<b><u>\$16,110,430</u></b>	<b><u>\$10,971,700</u></b>
<b>Liabilities and Net Assets</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 912,743	\$ 658,403
Loan payable - Paycheck Protection Program (Note 7)	<u>943,230</u>	<u>943,230</u>
Total Liabilities	<u>1,855,973</u>	<u>1,601,633</u>
Commitments and Contingencies (Notes 9 and 12)		
Net Assets (Note 3)		
Without Donor Restrictions		
Board designated and other	11,100,336	6,338,361
Property and equipment	<u>2,224,590</u>	<u>2,261,706</u>
Total Without Donor Restrictions	<u>13,324,926</u>	<u>8,600,067</u>
With Donor Restrictions	<u>929,531</u>	<u>770,000</u>
Total Net Assets	<u>14,254,457</u>	<u>9,370,067</u>
<b>Total Liabilities and Net Assets</b>	<b><u>\$16,110,430</u></b>	<b><u>\$10,971,700</u></b>

See notes to financial statements.

## NEW YORK COMMON PANTRY, INC.

## STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2021 AND 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Changes from Operations</b>						
Support and Revenue						
Government grants (Notes 5b, 5c and 10b)	\$ 4,412,732	\$ 22,570	\$ 4,435,302	\$ 3,825,753	\$ -	\$ 3,825,753
Contributions (Note 10b)	8,864,675	906,961	9,771,636	6,526,950	741,355	7,268,305
Sponsors	65,510	-	65,510	97,218	-	97,218
Fundraising - benefits (Note 11)	795,394	-	795,394	1,493,660	-	1,493,660
Direct benefit expenses (Note 11)	(17,928)	-	(17,928)	(163,140)	-	(163,140)
Donated materials and facility (Note 8)	5,166,819	-	5,166,819	5,193,303	-	5,193,303
Other income	1,384	-	1,384	-	-	-
	<u>19,288,586</u>	<u>929,531</u>	<u>20,218,117</u>	<u>16,973,744</u>	<u>741,355</u>	<u>17,715,099</u>
Net assets released from restrictions						
Satisfaction of time and program restrictions	<u>770,000</u>	<u>(770,000)</u>	<u>-</u>	<u>280,000</u>	<u>(280,000)</u>	<u>-</u>
Total Support and Revenue	<u>20,058,586</u>	<u>159,531</u>	<u>20,218,117</u>	<u>17,253,744</u>	<u>461,355</u>	<u>17,715,099</u>
Expenses						
Program Services						
Choice Pantry Manhattan	3,674,032	-	3,674,032	2,790,649	-	2,790,649
Choice Pantry Bronx	1,074,163	-	1,074,163	1,021,356	-	1,021,356
Help 365	1,073,888	-	1,073,888	1,001,351	-	1,001,351
Hot Meal Programs	378,515	-	378,515	603,106	-	603,106
Live Healthy!	783,390	-	783,390	1,229,735	-	1,229,735
Project Dignity	157,281	-	157,281	214,240	-	214,240
Nourish Program	5,723,142	-	5,723,142	5,262,700	-	5,262,700
Total Program Services	<u>12,864,411</u>	<u>-</u>	<u>12,864,411</u>	<u>12,123,137</u>	<u>-</u>	<u>12,123,137</u>
Supporting Services						
Management and general	1,585,127	-	1,585,127	764,307	-	764,307
Fundraising	841,266	-	841,266	826,133	-	826,133
Total Supporting Services	<u>2,426,393</u>	<u>-</u>	<u>2,426,393</u>	<u>1,590,440</u>	<u>-</u>	<u>1,590,440</u>
Total Expenses Before Depreciation	<u>15,290,804</u>	<u>-</u>	<u>15,290,804</u>	<u>13,713,577</u>	<u>-</u>	<u>13,713,577</u>
Increase in Net Assets from Operations Before Depreciation	4,767,782	159,531	4,927,313	3,540,167	461,355	4,001,522
Depreciation expense	<u>(254,801)</u>	<u>-</u>	<u>(254,801)</u>	<u>(262,133)</u>	<u>-</u>	<u>(262,133)</u>
Increase in Net Assets from Operations	<u>4,512,981</u>	<u>159,531</u>	<u>4,672,512</u>	<u>3,278,034</u>	<u>461,355</u>	<u>3,739,389</u>
Non-Operating Activities						
Contribution for property and equipment	79,505	-	79,505	-	-	-
Investment income (loss), net of investment fees (Note 4)	132,373	-	132,373	(28,408)	-	(28,408)
Increase (Decrease) in Net Assets from Non-Operating Activities	<u>211,878</u>	<u>-</u>	<u>211,878</u>	<u>(28,408)</u>	<u>-</u>	<u>(28,408)</u>
Increase in net assets	4,724,859	159,531	4,884,390	3,249,626	461,355	3,710,981
Net assets, beginning of year	<u>8,600,067</u>	<u>770,000</u>	<u>9,370,067</u>	<u>5,350,441</u>	<u>308,645</u>	<u>5,659,086</u>
<b>Net Assets, End of Year</b>	<u>\$13,324,926</u>	<u>\$ 929,531</u>	<u>\$14,254,457</u>	<u>\$ 8,600,067</u>	<u>\$ 770,000</u>	<u>\$ 9,370,067</u>

See notes to financial statements.

## NEW YORK COMMON PANTRY, INC.

## STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2021 WITH COMPARATIVE TOTALS FOR 2020

	2021											2020	
	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	Total Expenses	Total Expenses
Food (Note 8)	\$3,065,323	\$ 754,250	\$ -	\$ 62,207	\$ 33,351	\$ -	\$3,681,091	\$ 7,596,222	\$ -	\$ -	\$ -	\$ 7,596,222	\$ 6,179,228
Toys (Note 8)	-	-	-	-	-	-	-	-	-	-	-	-	49,753
Salaries	231,957	178,223	674,719	181,950	509,626	100,513	1,053,894	2,930,882	915,121	417,965	1,333,086	4,263,968	4,429,227
Payroll taxes and employee benefits	46,136	35,448	134,199	36,189	101,363	19,992	209,616	582,943	182,015	83,132	265,147	848,090	808,551
Rent	52,519	25,151	98,377	35,283	47,919	13,836	309,974	583,059	68,699	50,157	118,856	701,915	504,950
Utilities	12,104	4,008	22,854	8,694	2,189	3,409	24,357	77,615	15,200	12,359	27,559	105,174	117,906
Postage and delivery	1,918	212	641	415	604	185	2,948	6,923	387	3,074	3,461	10,384	6,146
Telephone and internet	7,325	5,976	17,284	5,541	10,231	2,173	36,217	84,747	9,688	7,877	17,565	102,312	87,179
Technology	5,415	3,043	1,833	-	12,168	1,800	3,746	28,005	23,685	26,111	49,796	77,801	54,689
Supplies	67,194	14,115	20,472	11,683	12,009	6,013	88,458	219,944	24,479	16,908	41,387	261,331	188,367
Insurance	8,179	6,673	19,301	6,188	11,425	2,427	40,442	94,635	20,712	8,796	29,508	124,143	93,391
Printing	2,064	388	1,536	995	1,447	445	5,954	12,829	925	14,783	15,708	28,537	26,737
Travel	2,922	26	11,810	-	11,798	550	2,179	29,285	8,725	84	8,809	38,094	53,518
Building/equipment rental, repairs	14,541	11,863	34,312	11,000	20,310	4,314	71,896	168,236	19,232	15,637	34,869	203,105	194,977
Professional services	122,383	32,639	34,511	15,782	4,798	1,475	112,876	324,464	246,086	107,164	353,250	677,714	547,643
Vehicle expenses	31,778	2,024	1,300	2,011	-	-	77,802	114,915	4,155	-	4,155	119,070	91,106
Bank charges	-	-	-	-	-	-	-	-	7,556	46,466	54,022	54,022	58,446
Advertising	1,750	-	-	541	-	-	594	2,885	20,383	2,957	23,340	26,225	136,881
Indirect benefit expenses	-	-	-	-	-	-	-	-	-	26,994	26,994	26,994	32,497
Membership dues and subscription	-	44	471	36	-	-	703	1,254	395	105	500	1,754	23,338
Training	-	80	268	-	4,100	149	248	4,845	399	149	548	5,393	3,046
Amortization	-	-	-	-	-	-	-	-	7,493	-	7,493	7,493	7,480
Miscellaneous	524	-	-	-	52	-	147	723	9,792	548	10,340	11,063	18,521
Total expenses before depreciation	3,674,032	1,074,163	1,073,888	378,515	783,390	157,281	5,723,142	12,864,411	1,585,127	841,266	2,426,393	15,290,804	13,713,577
Depreciation	35,952	6,752	26,754	17,326	25,200	7,746	103,705	223,435	16,103	15,263	31,366	254,801	262,133
Total Expenses, 2021	<u>\$3,709,984</u>	<u>\$1,080,915</u>	<u>\$1,100,642</u>	<u>\$395,841</u>	<u>\$ 808,590</u>	<u>\$165,027</u>	<u>\$5,826,847</u>	<u>\$13,087,846</u>	<u>\$ 1,601,230</u>	<u>\$ 856,529</u>	<u>\$2,457,759</u>	<u>\$15,545,605</u>	
Total Expenses, 2020	<u>\$2,812,446</u>	<u>\$1,037,673</u>	<u>\$1,031,930</u>	<u>\$619,509</u>	<u>\$1,281,138</u>	<u>\$223,072</u>	<u>\$5,325,953</u>	<u>\$12,331,721</u>	<u>\$ 791,558</u>	<u>\$ 852,431</u>	<u>\$1,643,989</u>		<u>\$13,975,710</u>

See notes to financial statements.

**NEW YORK COMMON PANTRY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2020**

	Program Services							Supporting Services			Total *	
	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 8)	\$2,149,129	\$ 684,278	\$ 277	\$208,332	\$ 5,026	\$ -	\$3,132,186	\$ 6,179,228	\$ -	\$ -	\$ -	\$ 6,179,228
Toys (Note 8)	49,753	-	-	-	-	-	-	49,753	-	-	-	49,753
Salaries	330,454	223,095	756,746	292,415	737,196	143,824	1,240,897	3,724,627	247,847	456,753	704,600	4,429,227
Payroll taxes and employee benefits	59,223	40,800	137,284	49,321	135,651	25,761	210,963	659,003	55,586	93,962	149,548	808,551
Rent	47,729	33,987	29,000	-	81,618	-	251,872	444,206	30,372	30,372	60,744	504,950
Utilities	14,079	4,013	16,067	3,453	10,155	12,138	33,875	93,780	22,378	1,748	24,126	117,906
Postage and delivery	17	-	122	-	125	-	590	854	3,390	1,902	5,292	6,146
Telephone and internet	8,164	3,311	11,761	2,882	5,281	5,460	26,244	63,103	15,402	8,674	24,076	87,179
Technology	5,275	4,260	1,740	-	2,230	1,800	3,372	18,677	13,039	22,973	36,012	54,689
Supplies	23,631	3,396	6,539	16,784	3,559	3,741	62,259	119,909	63,066	5,392	68,458	188,367
Insurance	10,018	5,184	4,744	5,122	8,912	1,849	44,135	79,964	7,070	6,357	13,427	93,391
Printing	421	1,656	1,991	480	4,617	818	6,385	16,368	1,917	8,452	10,369	26,737
Travel	4,336	160	5,080	-	18,540	825	3,212	32,153	20,015	1,350	21,365	53,518
Building/equipment rental, repairs	26,396	14,711	8,966	5,929	6,150	6,554	61,411	130,117	64,020	840	64,860	194,977
Professional services	28,301	2,505	18,233	18,388	80,630	2,346	113,392	263,795	174,752	109,096	283,848	547,643
Vehicle expenses	33,215	-	650	-	-	-	57,241	91,106	-	-	-	91,106
Bank charges	-	-	-	-	-	-	-	-	23,519	34,927	58,446	58,446
Advertising	228	-	695	-	130,000	-	1,943	132,866	1,610	2,405	4,015	136,881
Indirect benefit expenses	-	-	-	-	-	-	-	-	-	32,497	32,497	32,497
Membership dues and subscription	-	-	1,441	-	-	9,124	4,740	15,305	4,538	3,495	8,033	23,338
Training	-	-	-	-	45	-	358	403	2,205	438	2,643	3,046
Amortization	-	-	-	-	-	-	7,480	7,480	-	-	-	7,480
Miscellaneous	280	-	15	-	-	-	145	440	13,581	4,500	18,081	18,521
Total expenses before depreciation	2,790,649	1,021,356	1,001,351	603,106	1,229,735	214,240	5,262,700	12,123,137	764,307	826,133	1,590,440	13,713,577
Depreciation	21,797	16,317	30,579	16,403	51,403	8,832	63,253	208,584	27,251	26,298	53,549	262,133
Total Expenses	<u>\$2,812,446</u>	<u>\$1,037,673</u>	<u>\$1,031,930</u>	<u>\$619,509</u>	<u>\$1,281,138</u>	<u>\$223,072</u>	<u>\$5,325,953</u>	<u>\$12,331,721</u>	<u>\$ 791,558</u>	<u>\$ 852,431</u>	<u>\$1,643,989</u>	<u>\$13,975,710</u>

\* Certain amounts have been reclassified for comparative purposes.

**See notes to financial statements.**

**NEW YORK COMMON PANTRY, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b>Cash Flows From Operating Activities</b>		
Increase in net assets	\$4,884,390	\$3,710,981
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	254,801	262,133
Amortization	7,493	7,480
Net realized and unrealized (gain) loss on investments	(114,527)	40,615
Contribution for capital purchase	(79,505)	-
(Increase) decrease in:		
Unconditional promises to give	(201,981)	366,449
Prepaid expenses and other assets	(14,455)	(33,567)
Deferred leasing costs	-	(30,000)
Security deposits	(152,500)	-
Increase in accounts payable and accrued expenses	254,340	333,560
Net Cash Provided By Operating Activities	<u>4,838,056</u>	<u>4,657,651</u>
<b>Cash Flows From Investing Activities</b>		
Acquisition of property and equipment	(217,685)	-
Purchases of investments	(1,766,186)	(464,368)
Proceeds from sale of investments	657,702	460,997
Net Cash Used By Investing Activities	<u>(1,326,169)</u>	<u>(3,371)</u>
<b>Cash Flows From Financing Activities</b>		
Proceeds from loan payable - Paycheck Protection Program	-	943,230
Contribution received for capital purchase	79,505	-
Net Cash Provided By Financing Activities	<u>79,505</u>	<u>943,230</u>
Net increase in cash, cash equivalents and cash held for investment	3,591,392	5,597,510
Cash, cash equivalents and cash held for investment, beginning of year	<u>6,373,683</u>	<u>776,173</u>
<b>Cash, Cash Equivalents and Cash Held For Investment, End of Year</b>	<u><u>\$9,965,075</u></u>	<u><u>\$6,373,683</u></u>

See notes to financial statements.



**NEW YORK COMMON PANTRY, INC.****NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2021 AND 2020****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 - 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.

**c - 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 net assets without donor restrictions unless their use is 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.

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.

**NEW YORK COMMON PANTRY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

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

d - Contributions and Unconditional Promises to Give

The Organization recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier and right of return, are not recognized until the conditions on which they depend have been met. The Organization records fundraising benefit revenue equal to the fair value of the direct benefit to donors, and contribution income for the excess received as refundable advances until the event takes place. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are received. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

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.

e - Deferred Leasing Costs

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

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.

h - Advertising Expenses

Advertising costs are charged to operations when the advertising first takes place.

**NEW YORK COMMON PANTRY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

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

i - Financial Statement Presentation

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States, which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restrictions

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and Board of Directors.

Net Assets With Donor Restrictions

Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions may be temporary in nature; those restrictions will be met by actions of the Organization or the passage of time. Other donor restrictions may be perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

j - Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Expenses are applied directly to programs, where applicable, or allocated on a reasonable and consistent basis. A substantial portion of the Organization's expenses are directly related to program activities, which are made up of food and other program expenses. The expenses that are allocated include salaries and employee benefits, insurance, occupancy and office expenses which are allocated on the basis of an estimate of time and effort.

k - 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.

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.

**NEW YORK COMMON PANTRY, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2021 AND 2020**

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

m - Subsequent Events

The Organization has evaluated subsequent events through April 1, 2022, the date that the financial statements are considered available to be issued.

**Note 2 - Information Regarding Liquidity and Availability**

The Organization operates with a balanced budget for each fiscal year based on the revenues expected to be available to fund anticipated expenses. A substantial portion of annual revenue is comprised of contribution revenue raised during the current year. The Organization considers general expenditures to consist of all expenses related to its ongoing program activities, and the expenses related to general and administrative and fundraising activities undertaken to support those services.

The Organization regularly monitors liquidity to meet its operating needs and other commitments and obligations, while seeking to maximize the investment of its available funds. Management prepares regular cash flow projections to determine liquidity needs and has a policy to maintain liquid financial assets on an ongoing basis sufficient to cover at a minimum, ninety days of general expenditures.

The Organization's financial assets as June 30, 2021 and 2020 available to meet cash needs for general expenditures within one year are summarized as follows:

	<u>2021</u>	<u>2020</u>
Financial Assets at Year End:		
Cash and cash equivalents	\$ 9,843,718	\$6,361,075
Cash and cash equivalents held for investment	121,357	12,608
Investments	1,622,122	399,111
Unconditional promises to give	<u>1,810,683</u>	<u>1,608,702</u>
Total Financial Assets	13,397,880	8,381,496
Less: Amounts not Available to be Used within One Year:		
Net assets with donor restrictions, subject to expenditure for specific purposes or passage of time	(929,531)	(770,000)
Plus: Net assets with donor restrictions to be met in less than one year	929,531	770,000
Net assets without donor restrictions - board designated funds	<u>(644,888)</u>	<u>(644,888)</u>
Financial Assets Available to Meet General Expenditures within One Year	<u>\$12,752,992</u>	<u>\$7,736,608</u>

## NEW YORK COMMON PANTRY, INC.

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

**Note 2 - Information Regarding Liquidity and Availability (continued)**

In addition to these financial assets available within one year, the Organization's board designated cash reserve could be made available at any time to meet cash needs for general expenditures at the discretion of the board.

**Note 3 - Net Assets**

Net assets consist of the following:

	2021		2020	
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Total</u>
Board designated cash reserve for operations	\$ 644,888	\$ -	\$ 644,888	\$ 644,888
Other	10,455,448	-	10,455,448	5,693,473
Property and equipment	2,224,590	-	2,224,590	2,261,706
Subject to expenditure for specific purpose	-	672,570	672,570	415,000
Subject to passage of time	-	256,961	256,961	355,000
2021 Total	<u>\$13,324,926</u>	<u>\$929,531</u>	<u>\$14,254,457</u>	
2020 Total	<u>\$ 8,600,067</u>	<u>\$770,000</u>		<u>\$9,370,067</u>

**Note 4 - Investments**

Investments at June 30, 2021 and 2020 are classified within Level 1 of the fair value hierarchy and consist of the following:

	2021		2020	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Equities	\$ 609,391	\$ 662,931	\$110,961	\$106,068
Corporate bonds	80,425	80,189	26,548	27,113
Equity mutual funds	224,661	249,559	145,083	118,360
Bond mutual funds	436,988	436,749	76,419	74,632
Government and agency securities	192,558	192,694	67,274	72,938
	<u>\$1,544,023</u>	<u>\$1,622,122</u>	<u>\$426,285</u>	<u>\$399,111</u>

**NEW YORK COMMON PANTRY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**Note 4 - Investments (continued)**

Net investment income (loss) consists of the following:

	<u>2021</u>	<u>2020</u>
Net realized gains (losses)	\$ 9,254	\$ (7,593)
Net unrealized gains (losses)	105,273	(33,022)
Interest and dividends	28,122	17,567
Investment fees	<u>(10,276)</u>	<u>(5,360)</u>
	<u>\$132,373</u>	<u>\$(28,408)</u>

**Note 5 - Promises to Give**

- a - Unconditional promises to give are due within one year. Uncollectible promises to give are expected to be insignificant.
- b - During the year ended June 30, 2020, the Organization received a grant of \$9,955,550 to improve nutrition and health services of eligible seniors in New York State over a five-year period ending September 30, 2024. During the years ended June 30, 2021 and 2020, \$1,823,663 and \$1,312,153, respectively, of costs were incurred. The remaining portion of the grant is \$6,819,734. The remaining funds have not been reflected in the accompanying financial statements since the recognition of revenue is subject to the incurrence of eligible reimbursable costs.
- c - During the year ending June 30, 2020, the Organization received a grant of \$4,000,000 to improve nutrition education and obesity prevention activities to a targeted population over a five-year period ending September 30, 2024. During the years ended June 30, 2021 and 2020, \$808,293 and \$539,986, respectively, of costs were incurred. The remaining portion of the grant is \$2,651,721. The remaining grant funds have not been reflected in the accompanying financial statements since the recognition of revenue is subject to the incurrence of eligible reimbursable costs.

**NEW YORK COMMON PANTRY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**Note 6 - Property and Equipment**

Property and equipment consist of the following:

	<u>Life</u>	<u>2021</u>	<u>2020</u>
	Life of lease		
Leasehold improvements	and options	\$3,868,913	\$3,868,913
Vans	5 years	575,548	376,851
Equipment and software	5 years	<u>874,762</u>	<u>855,774</u>
		5,319,223	5,101,538
Less: Accumulated depreciation		<u>(3,094,633)</u>	<u>(2,839,832)</u>
Total		<u>\$2,224,590</u>	<u>\$2,261,706</u>

**Note 7 - Loan Payable - Paycheck Protection Program**

In April 2020, the Organization received a loan totaling \$943,230 under the Paycheck Protection Program, administered by the U.S. Small Business Administration. The loan has an interest rate of 1% and a maturity of two years. The loan was fully forgiven in August 2021.

**Note 8 - 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>2021</u>	<u>2020</u>
Food	\$5,127,042	\$5,103,773
Toys	-	49,753
Pantry space	<u>39,777</u>	<u>39,777</u>
	<u>\$5,166,819</u>	<u>\$5,193,303</u>

**NEW YORK COMMON PANTRY, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2021 AND 2020**

**Note 8 - Donated Materials and Facility (continued)**

During the years ended June 30, 2021 and 2020, 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 years ended June 30, 2021 and 2020, there were 23,896 and 45,455 volunteer hours donated to the Organization, respectively.

**Note 9 - Commitments and Contingencies**

a - The Organization leases office and soup kitchen/food pantry space pursuant to a lease expiring in August 31, 2025 with options to renew through August 31, 2035. The annual rent for the year beginning September 1, 2020 has been established at \$298,376, the estimated fair market value. On September 1, 2021 and on every September 1<sup>st</sup> thereafter, the annual rent increases by a percentage equal to the percentage increase in the Consumer Price Index from January 1 to December 31 of the immediately prior calendar year. Rent expense was \$289,148 and \$121,618 for the years ended June 30, 2021 and 2020, respectively.

During the year ended June 30, 2016, the Organization entered into two leases for program and warehouse space. The leases expire December 31, 2022. Rent expense for the years ended June 30, 2021 and 2020 was \$355,583 and \$329,508, respectively.

In May 2021, the Organization entered into a five-year lease agreement for program and office space. The Organization has not occupied the space due to ongoing leasehold improvements.

In May 2021, the Organization entered into a lease agreement for warehouse space. The lease commences June 1, 2021 and expires August 31, 2031. There are options to extend the lease for two five-year terms. The Organization has not occupied the space due to ongoing leasehold improvements.

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

<u>Year Ending June 30,</u>	
2022	\$ 907,467
2023	1,009,518
2024	861,383
2025	878,275
2026	647,025
Thereafter through December 31, 2031	2,929,041



**NEW YORK COMMON PANTRY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**Note 9 - Commitments and Contingencies (continued)**

a - (continued)

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 for the years ended June 30, 2021 and 2020, is included in donated materials and facility on the statement of activities (Note 8).

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.

c - In March 2020, the United States declared the global pandemic novel coronavirus COVID-19 outbreak a national emergency. As a result, the Organization had to expand and/or alter some of its program activities at the direction of the state and local government authorities. While management is continuing to evaluate the potential impact that the resulting economic uncertainties will have on the Organization's operations, it believes that its current financial assets are sufficient to support the Organization's operations on a continuing basis.

**Note 10 - 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, 2021 and 2020, three and two donors accounted for approximately 37% and 27%, respectively, of public support.

**NEW YORK COMMON PANTRY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**Note 11 - Benefit Income**

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

	<u>2021</u>	<u>2020</u>
Gross benefit income	\$795,394	\$1,493,660
Less: Direct expenses	<u>(17,928)</u>	<u>(163,140)</u>
Net Benefit Income Before Indirect Expenses	777,466	1,330,520
Indirect expenses	<u>(26,994)</u>	<u>(32,497)</u>
Net Benefit Income	<u>\$750,472</u>	<u>\$1,298,023</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 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 discretionary contributions during the years ending June 30, 2021 and 2020 of \$117,834 and \$93,931, respectively.