

NEW YORK COMMON PANTRY, INC. AND SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023



INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying consolidated financial statements of New York Common Pantry, Inc. (a nonprofit organization) and Subsidiary, which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of New York Common Pantry, Inc. and Subsidiary as of June 30, 2024 and 2023, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of New York Common Pantry, Inc. and Subsidiary and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about New York Common Pantry, Inc. and Subsidiary's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 New York Common Pantry, Inc. and Subsidiary's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about New York Common Pantry, Inc. and Subsidiary's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Lotz + Carr, LLP

NEW YORK COMMON PANTRY, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023

	2024	2023
Assets		
Cash and cash equivalents (Notes 1c and 11a)	\$ 2,869,013	\$ 2,528,821
Cash held for investment (Notes 1c and 11a)	31,277	126,013
Investments (Notes 1d and 4)	1,804,600	1,514,771
Unconditional promises to give (Notes 1e and 5a)		
Without donor restrictions	4,001,718	3,603,148
With donor restrictions	2,260,490	952,876
Prepaid expenses and other assets	116,232	157,421
Property and equipment, at cost (net of accumulated depreciation) (Notes 1g and 6)	14,828,731	15,370,660
Operating lease right-of-use asset (Note 1f)	630,106	1,043,728
Security deposits	129,966	194,466
Total Assets	\$26,672,133	\$25,491,904
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 1,429,358	\$ 1,093,649
Operating lease liability (Notes 1f and 9)	608,857	1,015,209
Mortgage note payable (Note 7)	7,568,759	7,749,647
Total Liabilities	9,606,974	9,858,505
Commitments and Contingencies (Notes 10 and 13)		
Net Assets (Note 3)		
Without Donor Restrictions		
Board designated and other	6,732,416	6,572,073
Property and equipment	7,259,972	7,621,013
Total Without Donor Restrictions	13,992,388	14,193,086
With Donor Restrictions	3,072,771	1,440,313
Total Net Assets	17,065,159	15,633,399
Total Liabilities and Net Assets	\$26,672,133	\$25,491,904

See notes to consolidated financial statements.

NEW YORK COMMON PANTRY, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2024 AND 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Changes in Net Assets from Operations						
Support and Revenue (Note 11b)						
Government grants (Note 5b)	\$ 5,967,416	\$ -	\$ 5,967,416	\$ 5,386,586	\$ -	\$ 5,386,586
Contributions	4,819,548	3,072,771	7,892,319	5,303,855	1,093,938	6,397,793
Sponsors	106,302	-	106,302	82,551	-	82,551
Fundraising - benefits (Note 12)	1,218,926	-	1,218,926	1,259,445	-	1,259,445
Direct benefit expenses (Note 12)	(194,333)	-	(194,333)	(177,064)	-	(177,064)
Donated services, materials and facility (Note 8)	8,102,960	-	8,102,960	7,935,092	-	7,935,092
Other income	41,727	-	41,727	42,791	-	42,791
	<u>20,062,546</u>	<u>3,072,771</u>	<u>23,135,317</u>	<u>19,833,256</u>	<u>1,093,938</u>	<u>20,927,194</u>
Net assets released from restrictions						
Satisfaction of time and program restrictions	1,440,313	(1,440,313)	-	1,414,124	(1,414,124)	-
Total Support and Revenue	<u>21,502,859</u>	<u>1,632,458</u>	<u>23,135,317</u>	<u>21,247,380</u>	<u>(320,186)</u>	<u>20,927,194</u>
Expenses						
Program Services						
Choice Pantry Manhattan	2,628,065	-	2,628,065	2,738,996	-	2,738,996
Choice Pantry Bronx	1,359,847	-	1,359,847	1,226,194	-	1,226,194
Mobile Pantry	1,894,608	-	1,894,608	2,101,977	-	2,101,977
Help 365	1,096,379	-	1,096,379	981,417	-	981,417
Hot Meal Programs	654,520	-	654,520	512,582	-	512,582
Live Healthy!	1,008,637	-	1,008,637	1,009,813	-	1,009,813
Project Dignity	188,475	-	188,475	203,763	-	203,763
Nourish Program	8,021,169	-	8,021,169	9,281,268	-	9,281,268
Total Program Services	<u>16,851,700</u>	<u>-</u>	<u>16,851,700</u>	<u>18,056,010</u>	<u>-</u>	<u>18,056,010</u>
Supporting Services						
Management and general	2,918,863	-	2,918,863	1,091,321	-	1,091,321
Fundraising	1,430,843	-	1,430,843	1,384,667	-	1,384,667
Total Supporting Services	<u>4,349,706</u>	<u>-</u>	<u>4,349,706</u>	<u>2,475,988</u>	<u>-</u>	<u>2,475,988</u>
Total Expenses Before Depreciation	<u>21,201,406</u>	<u>-</u>	<u>21,201,406</u>	<u>20,531,998</u>	<u>-</u>	<u>20,531,998</u>
Increase (Decrease) in Net Assets from Operations Before Depreciation	301,453	1,632,458	1,933,911	715,382	(320,186)	395,196
Depreciation expense	<u>(737,233)</u>	<u>-</u>	<u>(737,233)</u>	<u>(478,570)</u>	<u>-</u>	<u>(478,570)</u>
Increase (Decrease) in Net Assets from Operations	(435,780)	1,632,458	1,196,678	236,812	(320,186)	(83,374)
Non-Operating Activities						
Investment income, net of investment fees (Note 4)	235,082	-	235,082	167,743	-	167,743
Increase (decrease) in net assets	(200,698)	1,632,458	1,431,760	404,555	(320,186)	84,369
Net assets, beginning of year	<u>14,193,086</u>	<u>1,440,313</u>	<u>15,633,399</u>	<u>13,788,531</u>	<u>1,760,499</u>	<u>15,549,030</u>
Net Assets, End of Year	<u>\$13,992,388</u>	<u>\$ 3,072,771</u>	<u>\$17,065,159</u>	<u>\$14,193,086</u>	<u>\$ 1,440,313</u>	<u>\$15,633,399</u>

See notes to consolidated financial statements.

NEW YORK COMMON PANTRY, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024 WITH COMPARATIVE TOTALS FOR 2023

	2024									2023				
	Program Services								Supporting Services			Total	Total	
	Choice Pantry Manhattan	Choice Pantry Bronx	Mobile Pantry	Help 365	Hot Meal Programs	Live Healthy!	Project Dignity	Nourish Program	Total	Management and General	Fundraising	Total	Total Expenses	Total Expenses
Food (Note 8)	\$2,043,300	\$1,011,374	\$1,331,000	\$ 9,417	\$429,962	\$ 79,852	\$ -	\$5,840,933	\$10,745,838	\$ -	\$ 49	\$ 49	\$10,745,887	\$10,637,187
Salaries	326,631	216,409	336,297	720,268	129,415	589,304	113,056	1,219,042	3,650,422	1,384,343	629,540	2,013,883	5,664,305	5,262,097
Payroll taxes and employee benefits	43,083	28,060	45,081	107,079	29,649	68,827	25,240	146,103	493,122	660,877	87,477	748,354	1,241,476	1,118,627
Rent	43,232	41,255	39,042	32,996	9,065	74,601	7,724	140,200	388,115	165,463	31,095	196,558	584,673	899,155
Utilities	10,936	6,310	12,123	25,428	4,454	25,704	4,083	57,898	146,936	146,936	65,976	16,333	82,309	229,245
Postage and delivery	756	266	504	1,985	433	1,235	351	2,847	8,377	5,866	2,204	8,070	16,447	12,347
Telephone and internet	6,082	2,738	5,119	15,293	1,359	13,363	1,119	18,209	63,282	17,566	7,778	25,344	88,626	95,804
Technology	202	2,718	1,131	9,908	453	153	153	3,420	18,138	39,006	60,903	99,909	118,047	120,085
Supplies	27,918	14,555	33,721	13,815	22,048	26,381	2,406	59,922	200,766	91,803	7,538	99,341	300,107	273,089
Insurance	24,905	10,957	19,437	41,160	6,288	30,393	5,297	88,989	227,426	20,581	15,625	36,206	263,632	219,028
Printing	622	-	-	1,620	-	14,794	81	-	17,117	509	22,227	22,736	39,853	56,216
Travel	1,499	246	366	15,836	93	14,093	1,130	1,869	35,132	30,029	3,181	33,210	68,342	74,530
Building/equipment rental, repairs	39,145	9,386	9,237	31,981	13,112	23,159	6,274	65,972	198,266	127,700	20,132	147,832	346,098	184,326
Professional services	5,760	1,193	-	16,150	-	250	14,924	124,086	162,363	195,641	348,388	544,029	706,392	812,899
Vehicle expenses	22,073	-	36,995	-	-	-	16	142,499	201,583	2,040	65	2,105	203,688	153,735
Bank charges	-	-	-	-	-	-	-	24	24	2,676	21,365	24,041	24,065	26,627
Advertising	418	-	309	401	-	422	-	1,398	2,948	17,657	-	17,657	20,605	28,041
Indirect benefit expenses	133	373	-	171	38	244	-	-	959	1,151	128,411	129,562	130,521	108,002
Membership dues and subscription	1,148	329	583	2,304	484	6,888	-	155	11,891	11,933	6,894	18,827	30,718	28,905
Training	490	597	460	1,430	160	2,690	297	1,367	7,491	2,409	1,732	4,141	11,632	4,412
Bad debt expense	-	-	-	-	-	-	-	-	-	50,746	-	50,746	50,746	-
Real estate taxes	11,421	5,025	8,913	18,875	2,884	13,938	2,429	40,809	104,294	9,437	7,166	16,603	120,897	113,562
Interest	18,311	8,056	14,290	30,262	4,623	22,346	3,895	65,427	167,210	15,132	11,488	26,620	193,830	124,459
Miscellaneous	-	-	-	-	-	-	-	-	-	322	1,252	1,574	1,574	542
Total expenses before depreciation	2,628,065	1,359,847	1,894,608	1,096,379	654,520	1,008,637	188,475	8,021,169	16,851,700	2,918,863	1,430,843	4,349,706	21,201,406	20,531,998
Depreciation	69,647	30,640	54,354	115,102	17,585	84,994	14,814	248,854	635,990	57,547	43,696	101,243	737,233	478,570
Total Expenses, 2024	<u>\$2,697,712</u>	<u>\$1,390,487</u>	<u>\$1,948,962</u>	<u>\$1,211,481</u>	<u>\$672,105</u>	<u>\$1,093,631</u>	<u>\$203,289</u>	<u>\$8,270,023</u>	<u>\$17,487,690</u>	<u>\$ 2,976,410</u>	<u>\$ 1,474,539</u>	<u>\$4,450,949</u>	<u>\$21,938,639</u>	
Total Expenses, 2023	<u>\$2,768,226</u>	<u>\$1,251,590</u>	<u>\$2,128,667</u>	<u>\$1,044,668</u>	<u>\$528,874</u>	<u>\$1,065,589</u>	<u>\$215,455</u>	<u>\$9,434,795</u>	<u>\$18,437,864</u>	<u>\$ 1,148,889</u>	<u>\$ 1,423,815</u>	<u>\$2,572,704</u>		<u>\$21,010,568</u>

See notes to consolidated financial statements.

NEW YORK COMMON PANTRY, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023

	Program Services								Supporting Services			Total Expenses	
	Choice Pantry Manhattan	Choice Pantry Bronx	Mobile Pantry	Help 365	Hot Meal Programs	Live Healthy!	Project Dignity	Nourish Program	Total	Management and General	Fundraising		Total
Food (Note 8)	\$2,059,054	\$ 697,239	\$1,593,829	\$ -	\$281,612	\$ 54,678	\$ -	\$5,949,761	\$10,636,173	\$ 1,014	\$ -	\$ 1,014	\$10,637,187
Salaries	368,662	321,350	294,982	617,844	147,933	610,818	108,056	1,945,002	4,414,647	240,625	606,825	847,450	5,262,097
Payroll taxes and employee benefits	60,622	53,845	52,767	136,518	29,505	109,825	21,252	417,715	882,049	144,276	92,302	236,578	1,118,627
Rent	68,361	51,020	69,159	102,870	25,064	90,608	17,258	328,132	752,472	79,752	66,931	146,683	899,155
Utilities	23,577	15,464	4,232	17,060	4,799	14,081	16,067	53,133	148,413	26,150	3,760	29,910	178,323
Postage and delivery	691	127	43	4	18	154	1	1,484	2,522	9,010	815	9,825	12,347
Telephone and internet	6,611	4,733	2,195	10,774	1,381	11,815	2,173	25,999	65,681	20,521	9,602	30,123	95,804
Technology	6,180	11,128	1,192	6,084	1,474	4,004	2,540	12,688	45,290	21,726	53,069	74,795	120,085
Supplies	37,079	4,502	38,341	10,262	4,514	13,042	3,594	84,300	195,634	72,157	5,298	77,455	273,089
Insurance	17,877	7,217	7,585	17,975	4,630	15,850	3,323	43,629	118,086	89,817	11,125	100,942	219,028
Printing	579	1,871	221	1,479	148	13,131	348	6,222	23,999	11,571	20,646	32,217	56,216
Travel	693	-	225	9,724	4	15,685	550	1,643	28,524	35,128	10,878	46,006	74,530
Building/equipment rental, repairs	8,576	12,381	4,865	17,288	3,819	27,498	2,548	50,950	127,925	38,921	17,480	56,401	184,326
Professional services	29,962	31,294	84	286	97	279	16,058	173,319	251,379	229,861	331,659	561,520	812,899
Vehicle expenses	31,915	335	16,085	1,026	171	1,641	112	101,218	152,503	877	355	1,232	153,735
Bank charges	-	-	-	-	-	-	-	-	-	12,646	13,981	26,627	26,627
Advertising	-	145	442	130	-	306	249	2,209	3,481	20,359	4,201	24,560	28,041
Indirect benefit expenses	-	-	-	-	-	-	-	-	-	-	108,002	108,002	108,002
Membership dues and subscription	2,321	440	54	2,652	10	422	4,413	2,319	12,631	7,394	8,880	16,274	28,905
Training	-	-	-	-	-	-	-	-	-	4,412	-	4,412	4,412
Real estate taxes	8,634	6,444	8,735	12,992	3,166	11,444	2,180	41,443	95,038	10,071	8,453	18,524	113,562
Interest	7,602	6,605	6,941	16,449	4,237	14,505	3,041	39,927	99,307	14,971	10,181	25,152	124,459
Miscellaneous	-	54	-	-	-	27	-	175	256	62	224	286	542
Total expenses before depreciation	2,738,996	1,226,194	2,101,977	981,417	512,582	1,009,813	203,763	9,281,268	18,056,010	1,091,321	1,384,667	2,475,988	20,531,998
Depreciation	29,230	25,396	26,690	63,251	16,292	55,776	11,692	153,527	381,854	57,568	39,148	96,716	478,570
Total Expenses	\$2,768,226	\$1,251,590	\$2,128,667	\$1,044,668	\$528,874	\$1,065,589	\$215,455	\$9,434,795	\$18,437,864	\$ 1,148,889	\$ 1,423,815	\$2,572,704	\$21,010,568

See notes to consolidated financial statements.

NEW YORK COMMON PANTRY, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Cash Flows From Operating Activities		
Increase in net assets	\$1,431,760	\$ 84,369
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:		
Reduction in carrying amount of operating lease right-of-use asset	413,622	378,998
Bad debt expense	50,746	-
Depreciation	737,233	478,570
Net realized and unrealized gain on investments	(169,988)	(122,610)
(Increase) decrease in:		
Unconditional promises to give	(1,756,930)	(1,628,586)
Prepaid expenses and other assets	41,189	54,137
Security deposits	64,500	106,109
Increase (decrease) in:		
Accounts payable and accrued expenses	335,709	(132,089)
Accounts payable and accrued expenses - property	-	(640,466)
Operating lease liability	(406,352)	(388,517)
Net Cash Provided (Used) By Operating Activities	<u>741,489</u>	<u>(1,810,085)</u>
Cash Flows From Investing Activities		
Acquisition of property and equipment	(195,304)	(11,770,395)
Purchases of investments	(563,988)	(375,620)
Proceeds from sale of investments	444,147	369,716
Net Cash Used By Investing Activities	<u>(315,145)</u>	<u>(11,776,299)</u>
Cash Flows From Financing Activities		
Proceeds from mortgage note	-	7,875,000
Repayment of mortgage note	(180,888)	(125,353)
Net Cash Provided (Used) By Financing Activities	<u>(180,888)</u>	<u>7,749,647</u>
Net increase (decrease) in cash, cash equivalents and cash held for investment	245,456	(5,836,737)
Cash, cash equivalents and cash held for investment, beginning of year	<u>2,654,834</u>	<u>8,491,571</u>
Cash, Cash Equivalents and Cash Held For Investment, End of Year	<u>\$2,900,290</u>	<u>\$ 2,654,834</u>
Supplemental Disclosure		
Interest paid	<u>\$ 193,830</u>	<u>\$ 124,459</u>
Operating lease right-of-use asset obtained in exchange for lease liability	<u>\$ -</u>	<u>\$ 1,455,891</u>

See notes to consolidated financial statements.

NEW YORK COMMON PANTRY, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

Note 1 - Organization and Summary of Significant Accounting Policies

a - Organization

New York Common Pantry, Inc. (collectively with Oak Point Hub LLC, the “Organization”) 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.

Oak Point Hub LLC (the “LLC”) is a New York Limited Liability Company formed as a single member limited liability company of New York Common Pantry, Inc. The LLC was formed to acquire and hold title to real property.

b - Principles of Consolidation

The consolidated financial statements include the accounts of New York Common Pantry, Inc. and Oak Point Hub LLC. All significant intercompany transactions and accounts have been eliminated.

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 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.

NEW YORK COMMON PANTRY, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

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

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.

f - Leases

For leases with an initial term greater than twelve months, the Organization's operating lease liability is initially recorded at the present value of the unpaid lease payments. The Organization's operating lease right-of-use asset is initially recorded at the carrying amount of the lease liability adjusted for initial direct costs, accruals, prepayments and lease incentives, if any. Operating lease cost is recognized on a straight-line basis over the 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.

NEW YORK COMMON PANTRY, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

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

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.

j - Financial Statement Presentation

The consolidated 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.

k - Functional Allocation of Expenses

The consolidated 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.

NEW YORK COMMON PANTRY, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

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

l - 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.

m - 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.

Oak Point Hub LLC is a single member limited liability company of New York Common Pantry, Inc. As such, the LLC's activity and accounts are included in the annual information returns of New York Common Pantry, Inc.

n - Subsequent Events

The Organization has evaluated subsequent events through December 3, 2024, 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.

NEW YORK COMMON PANTRY, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

Note 2 - Information Regarding Liquidity and Availability (continued)

The Organization's financial assets as June 30, 2024 and 2023 available to meet cash needs for general expenditures within one year are summarized as follows:

	<u>2024</u>	<u>2023</u>
Financial Assets at Year End:		
Cash and cash equivalents	\$ 2,869,013	\$2,528,821
Cash and cash equivalents held for investment	31,277	126,013
Investments	1,804,600	1,514,771
Unconditional promises to give	<u>6,262,208</u>	<u>4,556,024</u>
Total Financial Assets	10,967,098	8,725,629
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	(3,072,771)	(1,440,313)
Plus: Net assets with donor restrictions to be met in less than one year	1,457,250	940,479
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>\$ 8,706,689</u>	<u>\$7,580,907</u>

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:

	<u>2024</u>			<u>2023</u>
	<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	6,087,528	-	6,087,528	5,927,185
Property and equipment	7,259,972	-	7,259,972	7,621,013
Subject to expenditure for specific purpose	<u>-</u>	<u>3,072,771</u>	<u>3,072,771</u>	<u>1,440,313</u>
2024 Total	<u>\$13,922,388</u>	<u>\$3,072,771</u>	<u>\$17,065,159</u>	
2023 Total	<u>\$14,193,086</u>	<u>\$1,440,313</u>		<u>\$15,633,399</u>

NEW YORK COMMON PANTRY, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

Note 4 - Investments

Investments at June 30, 2024 and 2023 are classified within Level 1 of the fair value hierarchy and consist of the following:

	<u>2024</u>		<u>2023</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Equities	\$ 594,755	\$ 754,661	\$ 579,805	\$ 649,116
Corporate bonds	261,762	257,758	254,054	243,992
Equity mutual funds	225,584	318,202	224,662	258,432
Bond mutual funds	329,083	284,362	329,156	276,510
Government and agency securities	<u>193,642</u>	<u>189,617</u>	<u>90,568</u>	<u>86,721</u>
	<u>\$1,604,826</u>	<u>\$1,804,600</u>	<u>\$1,478,245</u>	<u>\$1,514,771</u>

Net investment income consists of the following:

	<u>2024</u>	<u>2023</u>
Net realized gains (losses)	\$ 6,740	\$ (50,811)
Net unrealized gains	163,248	173,421
Interest and dividends	79,719	58,272
Investment fees	<u>(14,625)</u>	<u>(13,139)</u>
	<u>\$235,082</u>	<u>\$167,743</u>

Note 5 - Promises to Give

a - Unconditional promises to give at June 30 are due as follows:

	<u>2024</u>	<u>2023</u>
Due in one year	\$5,014,318	\$4,056,190
Due in one to five years	<u>1,393,300</u>	<u>573,333</u>
	6,407,618	4,629,523
Discount to present value	<u>(145,410)</u>	<u>(73,499)</u>
	<u>\$6,262,208</u>	<u>\$4,556,024</u>

Unconditional promises to give due after one year are discounted to net present value using rates ranging from 3.00% to 3.94%. Uncollectible promises to give are expected to be insignificant.

NEW YORK COMMON PANTRY, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

Note 5 - Promises to Give (continued)

b - The Organization has entered into grants with federal and state agencies for various programs over multiple years. The total obligated funds under these grants is \$13,993,089. As of June 30, 2024, \$10,215,785 of costs were incurred on these grants. The remaining funds totaling \$3,777,304 have not been reflected in the accompanying financial statements since the recognition of revenue is subject to the incurrence of eligible reimbursable costs.

Note 6 - Property and Equipment

Property and equipment consist of the following:

	<u>Life</u>	<u>2024</u>	<u>2023</u>
Building	39 years	\$ 9,110,014	\$ 9,110,014
Building improvements	29 years	4,397,032	4,392,937
Leasehold improvements	Life of lease and options	3,868,913	3,868,913
Vans	5 years	792,229	651,740
Equipment and software	5 years	<u>995,673</u>	<u>944,953</u>
		19,163,861	18,968,557
Less: Accumulated depreciation		<u>(4,545,130)</u>	<u>(3,807,897)</u>
		14,618,731	15,160,660
Land		<u>210,000</u>	<u>210,000</u>
Total		<u>\$14,828,731</u>	<u>\$15,370,660</u>

Note 7 - Mortgage Note Payable

On October 19, 2022, the Organization entered into a Master Loan Agreement with First Republic Bank ("First Republic") and Build NYC Resource Corporation ("Build NYC"), a local development corporation, to secure financing for the property located at Oak Point Avenue. Under the terms of the Master Loan Agreement, Build NYC obtained loan proceeds through an Issuer Promissory Note with First Republic, with the intention to lend the proceeds of the note to Oak Point Hub LLC, through a separate Borrower Promissory Note between the two organizations. Build NYC assigned the payments due under the Borrower Promissory Note to First Republic to satisfy Build NYC's obligations under the Issuer Promissory Note. The loan is secured through a mortgage on the Oak Point Avenue property. New York Common Pantry has entered into a Guaranty Agreement with First Republic as additional inducement to execute the Master Loan Agreement.

NEW YORK COMMON PANTRY, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

Note 7 - Mortgage Note Payable (continued)

The principal sum of the loan is \$7,875,000 and the maturity date is October 1, 2052. The loan is payable in monthly principal and interest installments of \$31,226 through the maturity date. The interest rate is a fixed rate of 2.50% per annum.

The future scheduled principal installments are as follows:

<u>Year Ending June 30,</u>	
2025	\$ 185,039
2026	189,784
2027	194,651
2028	199,163
2029	204,750
Thereafter, through October 1, 2052	<u>6,595,372</u>
	<u>\$7,568,759</u>

Interest expense totaled \$193,830 and \$124,459 for the years ended June 30, 2024 and 2023, respectively.

Note 8 - Donated Services, Materials and Facility

The Organization received donated food and satellite pantry space utilized for its food pantry programs. The value of food donated by the United States Department of Agriculture via the New York State Department of Health is based on the actual price the agency incurred to purchase. Other donated food is valued at \$1.93 per pound, calculated by averaging the value per pound used by four similar organizations in New York. Donated pantry space is valued based on management's analysis of the market rate of similar space. The Organization also received donated legal services during the year ended June 30, 2023 in connection with the purchase of a building. The total contribution per category is as follows:

	<u>2024</u>	<u>2023</u>
Food	\$8,063,183	\$7,885,280
Pantry space	39,777	39,777
Legal services	<u>-</u>	<u>10,035</u>
	<u>\$8,102,960</u>	<u>\$7,935,092</u>

NEW YORK COMMON PANTRY, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

Note 8 - Donated Services, Materials and Facility (continued)

During the years ended June 30, 2024 and 2023, 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, 2024 and 2023, there were 45,463 and 31,186 volunteer hours donated to the Organization, respectively.

Note 9 - Operating Lease Liability

The Organization leases office and soup kitchen/food pantry space pursuant to a lease expiring on 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 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.

During the year ended June 30, 2021, the Organization entered into a lease agreement for program and office space. Rent payments were due beginning November 1, 2021. The lease expires October 31, 2026 with an option to renew through October 31, 2031.

Operating lease costs for the years ended June 30, 2024 and 2023 totaled \$437,535. For the year ended June 30, 2024, variable lease costs totaled \$16,632. As of June 30, 2024, the remaining term of the Organization's operating leases is twenty-eight months, and the discount rate is 2.88%.

Maturities of the Organization's lease liability as of June 30, 2023 are as follows:

<u>Year Ending June 30,</u>	
2025	\$433,669
2026	150,010
Through October 31, 2026	<u>40,518</u>
	624,197
Less: Amount attributable to interest	<u>(15,340)</u>
	<u>\$608,857</u>

NEW YORK COMMON PANTRY, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

Note 10 - Commitments and Contingencies

- a - The Organization occupies 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, 2024 and 2023, 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.

Note 11 - 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, 2024 and 2023, two donors and one donor accounted for approximately 35% and 28%, respectively, of public support.

Note 12 - Benefit Income

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

	<u>2024</u>	<u>2023</u>
Gross benefit income	\$1,218,926	\$1,259,445
Less: Direct expenses	<u>(194,333)</u>	<u>(177,064)</u>
Net Benefit Income Before Indirect Expenses	1,024,593	1,082,381
Indirect expenses	<u>(130,521)</u>	<u>(108,002)</u>
Net Benefit Income	<u>\$ 894,072</u>	<u>\$ 974,379</u>

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

NEW YORK COMMON PANTRY, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

Note 13 - 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, 2024 and 2023 of \$99,916 and \$89,560, respectively.