

**NEW YORK COMMON PANTRY, INC.**

**FINANCIAL STATEMENTS**

**JUNE 30, 2015 AND 2014**

**NEW YORK COMMON PANTRY, INC.**

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## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of New York Common Pantry, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

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

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New York Common Pantry, Inc. as of June 30, 2015 and 2014, 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.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2015, on our consideration of New York Common Pantry, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

*Lotz + Carr, LLP*

New York, New York  
December 4, 2015

**NEW YORK COMMON PANTRY, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
<b>Assets</b>		
Cash and cash equivalents (Notes 1c and 9)	\$1,595,852	\$1,606,329
Cash and cash equivalents held for investment (Notes 1c and 9)	51,329	32,040
Investments (Notes 1d and 3)	918,359	981,952
Unconditional promises to give (Notes 1e and 4)		
Unrestricted	420,609	164,557
Restricted to future programs and periods	64,067	71,250
Prepaid expenses and other assets	75,372	64,189
Property and equipment, at cost (net of accumulated depreciation) (Notes 1f and 5)	2,785,091	2,912,389
Security deposit	<u>6,220</u>	<u>6,220</u>
<b>Total Assets</b>	<u><u>\$5,916,899</u></u>	<u><u>\$5,838,926</u></u>
<b>Liabilities and Net Assets</b>		
Liabilities		
Accounts payable and accrued expenses	<u>\$ 219,614</u>	<u>\$ 186,297</u>
Commitments and Contingency (Note 8)		
Net Assets (Note 2)		
Unrestricted		
Board designated and other	2,535,569	2,266,905
Property and equipment	<u>2,785,091</u>	<u>2,912,389</u>
Total Unrestricted	<u>5,320,660</u>	<u>5,179,294</u>
Temporarily restricted	<u>376,625</u>	<u>473,335</u>
Total Net Assets	<u><u>5,697,285</u></u>	<u><u>5,652,629</u></u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$5,916,899</u></u>	<u><u>\$5,838,926</u></u>

See notes to financial statements.

## NEW YORK COMMON PANTRY, INC.

## STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2015 AND 2014

	2015			2014		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>Changes From Operations</b>						
Support and Revenue						
Government grants	\$ 891,181	\$ -	\$ 891,181	\$ 501,400	\$ -	\$ 501,400
Contributions	1,837,532	272,734	2,110,266	1,948,808	341,416	2,290,224
Sponsors	111,197	-	111,197	100,214	-	100,214
Fundraising - benefits (Note 10)	707,987	-	707,987	705,614	-	705,614
Direct benefit expenses (Note 10)	(97,453)	-	(97,453)	(97,993)	-	(97,993)
Donated materials (Note 6)	1,228,716	-	1,228,716	1,144,793	-	1,144,793
Miscellaneous	3,675	-	3,675	115	-	115
	<u>4,682,835</u>	<u>272,734</u>	<u>4,955,569</u>	<u>4,302,951</u>	<u>341,416</u>	<u>4,644,367</u>
Net assets released from restrictions						
Satisfaction of time and program restrictions	341,416	(341,416)	-	333,789	(333,789)	-
	<u>5,024,251</u>	<u>(68,682)</u>	<u>4,955,569</u>	<u>4,636,740</u>	<u>7,627</u>	<u>4,644,367</u>
Total Support and Revenue						
Expenses						
Program Services						
Pantry Programs	2,156,972	-	2,156,972	2,201,722	-	2,201,722
Help 365	474,239	-	474,239	843,263	-	843,263
Meal Programs	318,407	-	318,407	245,677	-	245,677
Live Healthy	849,143	-	849,143	199,225	-	199,225
Project Dignity	151,277	-	151,277	105,606	-	105,606
Total Program Services	<u>3,950,038</u>	<u>-</u>	<u>3,950,038</u>	<u>3,595,493</u>	<u>-</u>	<u>3,595,493</u>
Supporting Services						
Management and general	430,019	-	430,019	343,200	-	343,200
Fundraising	350,846	-	350,846	315,765	-	315,765
Total Supporting Services	<u>780,865</u>	<u>-</u>	<u>780,865</u>	<u>658,965</u>	<u>-</u>	<u>658,965</u>
Total Expenses Before Depreciation	<u>4,730,903</u>	<u>-</u>	<u>4,730,903</u>	<u>4,254,458</u>	<u>-</u>	<u>4,254,458</u>
Increase (Decrease) in Net Assets from Operations Before Depreciation	293,348	(68,682)	224,666	382,282	7,627	389,909
Depreciation Expense	(210,067)	-	(210,067)	(191,715)	-	(191,715)
Increase (Decrease) in Net Assets from Operations	<u>83,281</u>	<u>(68,682)</u>	<u>14,599</u>	<u>190,567</u>	<u>7,627</u>	<u>198,194</u>
Non-Operating Activities						
Contributions for property and equipment	64,316	-	64,316	6,000	-	6,000
Net assets released from restrictions - property and equipment	28,028	(28,028)	-	38,826	(38,826)	-
Interest and dividends	40,287	-	40,287	28,168	-	28,168
Net realized and unrealized gains (losses) on investments (Note 3)	(74,546)	-	(74,546)	71,857	-	71,857
Increase (Decrease) in Net Assets from Non-Operating Activities	<u>58,085</u>	<u>(28,028)</u>	<u>30,057</u>	<u>144,851</u>	<u>(38,826)</u>	<u>106,025</u>
Increase (decrease) in net assets	141,366	(96,710)	44,656	335,418	(31,199)	304,219
Net assets, beginning of year	5,179,294	473,335	5,652,629	4,843,876	504,534	5,348,410
<b>Net Assets, End of Year</b>	<u>\$ 5,320,660</u>	<u>\$ 376,625</u>	<u>\$5,697,285</u>	<u>\$ 5,179,294</u>	<u>\$ 473,335</u>	<u>\$5,652,629</u>

See notes to financial statements.

## NEW YORK COMMON PANTRY, INC.

## STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2015

	Program Services					Supporting Services			Total Expenses	
	Pantry Programs	Help 365	Meal Programs	Live Healthy	Project Dignity	Total	Management and General	Fundraising		Total
Food (Note 6)	\$1,687,720	\$ 53,760	\$ 39,045	\$ 2,099	\$ -	\$1,782,624	\$ 4,779	\$ 500	\$ 5,279	\$1,787,903
Toys (Note 6)	54,768	-	-	-	-	54,768	-	-	-	54,768
Salaries	233,208	267,001	174,127	535,386	98,942	1,308,664	218,135	152,069	370,204	1,678,868
Payroll taxes and employee benefits	47,100	53,924	35,167	108,128	19,983	264,302	44,056	30,712	74,768	339,070
Rent	15,150	17,345	11,312	34,780	6,428	85,015	14,171	9,879	24,050	109,065
Utilities	8,505	9,738	6,351	19,526	3,609	47,729	7,956	5,546	13,502	61,231
Postage and delivery	1,477	1,691	1,103	3,391	627	8,289	1,383	963	2,346	10,635
Telephone	3,541	4,054	2,644	8,129	1,502	19,870	3,312	2,309	5,621	25,491
Supplies	38,035	3,769	19,902	18,401	1,511	81,618	15,645	1,678	17,323	98,941
Insurance	9,817	11,239	7,330	22,537	4,165	55,088	9,182	6,401	15,583	70,671
Printing	2,985	3,418	2,229	6,854	1,266	16,752	2,792	18,651	21,443	38,195
Travel	1,670	2,908	796	24,007	852	30,233	5,065	2,072	7,137	37,370
Building/equipment rental, repairs	15,911	18,216	11,880	36,527	6,750	89,284	14,882	10,375	25,257	114,541
Miscellaneous	2,905	1,798	1,172	3,614	667	10,156	2,161	1,192	3,353	13,509
Professional services	25,588	21,731	2,931	20,446	1,977	72,673	65,466	54,871	120,337	193,010
Vehicle expenses	8,181	1,678	1,095	3,366	622	14,942	1,371	956	2,327	17,269
Bank charges	-	-	-	-	-	-	11,203	11,904	23,107	23,107
Advertising	50	180	1,115	785	-	2,130	2,262	1,191	3,453	5,583
Indirect benefit expenses	-	-	-	-	-	-	-	37,469	37,469	37,469
Membership dues and subscription	286	1,714	208	784	2,226	5,218	5,823	193	6,016	11,234
Training	75	75	-	383	150	683	375	1,915	2,290	2,973
Total expenses before depreciation	2,156,972	474,239	318,407	849,143	151,277	3,950,038	430,019	350,846	780,865	4,730,903
Depreciation	29,180	33,408	21,788	66,990	12,380	163,746	27,294	19,027	46,321	210,067
Total Expenses	<u>\$2,186,152</u>	<u>\$507,647</u>	<u>\$340,195</u>	<u>\$916,133</u>	<u>\$163,657</u>	<u>\$4,113,784</u>	<u>\$ 457,313</u>	<u>\$ 369,873</u>	<u>\$827,186</u>	<u>\$4,940,970</u>

See notes to financial statements.

## NEW YORK COMMON PANTRY, INC.

## STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2014

	Program Services					Supporting Services			Total Expenses	
	Pantry Programs	Help 365	Meal Programs	Live Healthy	Project Dignity	Total	Management and General	Fundraising		Total
Food (Note 6)	\$1,703,504	\$ 67,773	\$ 43,005	\$ 5,099	\$ -	\$1,819,381	\$ 486	\$ 257	\$ 743	\$1,820,124
Toys (Note 6)	51,305	-	-	-	-	51,305	-	-	-	51,305
Salaries	250,648	474,772	119,356	108,747	64,983	1,018,506	156,489	151,184	307,673	1,326,179
Payroll taxes and employee benefits	57,413	108,750	27,339	24,909	14,885	233,296	35,845	34,630	70,475	303,771
Rent	17,268	32,708	8,223	7,492	4,477	70,168	10,781	10,416	21,197	91,365
Utilities	12,442	23,567	5,925	5,398	3,226	50,558	7,768	7,505	15,273	65,831
Postage and delivery	1,113	2,109	530	483	289	4,524	695	672	1,367	5,891
Telephone	7,246	13,725	3,450	3,144	1,878	29,443	4,524	4,371	8,895	38,338
Supplies	32,520	11,803	16,939	2,134	2,628	66,024	10,779	1,800	12,579	78,603
Insurance	12,280	23,261	5,848	5,328	3,184	49,901	7,667	7,407	15,074	64,975
Printing	4,233	8,018	2,016	1,836	1,097	17,200	2,643	2,553	5,196	22,396
Travel	3,589	7,548	1,709	5,321	1,681	19,848	5,472	2,176	7,648	27,496
Building/equipment rental, repairs	15,810	29,947	7,529	6,859	4,099	64,244	9,870	9,536	19,406	83,650
Miscellaneous	3,178	1,048	763	393	143	5,525	1,218	334	1,552	7,077
Professional services	24,795	27,714	1,183	20,492	1,455	75,639	69,039	47,166	116,205	191,844
Vehicle expenses	3,095	5,864	1,474	1,343	803	12,579	1,933	1,867	3,800	16,379
Bank charges	-	-	-	-	-	-	9,679	16,762	26,441	26,441
Advertising	345	2,085	-	-	-	2,430	2,381	357	2,738	5,168
Indirect benefit expenses	-	-	-	-	-	-	-	15,256	15,256	15,256
Membership dues and subscription	710	2,346	388	247	778	4,469	5,212	418	5,630	10,099
Training	228	225	-	-	-	453	719	1,098	1,817	2,270
Total expenses before depreciation	2,201,722	843,263	245,677	199,225	105,606	3,595,493	343,200	315,765	658,965	4,254,458
Depreciation	36,234	68,634	17,254	15,721	9,394	147,237	22,622	21,856	44,478	191,715
Total Expenses	<u>\$2,237,956</u>	<u>\$911,897</u>	<u>\$262,931</u>	<u>\$214,946</u>	<u>\$115,000</u>	<u>\$3,742,730</u>	<u>\$ 365,822</u>	<u>\$ 337,621</u>	<u>\$703,443</u>	<u>\$4,446,173</u>

See notes to financial statements.



**NEW YORK COMMON PANTRY, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
<b>Cash Flows From Operating Activities</b>		
Increase in net assets	\$ 44,656	\$ 304,219
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:		
Depreciation	210,067	191,715
Donated stock	(134,987)	(62,335)
Net realized and unrealized (gain) loss on investments	74,546	(71,857)
Contributions for property and equipment	(64,316)	(6,000)
(Increase) decrease in:		
Unconditional promises to give	(248,869)	(3,957)
Prepaid expenses and other assets	(11,183)	6,320
Increase in accounts payable and accrued expenses	33,317	29,676
Net Cash Provided (Used) By Operating Activities	<u>(96,769)</u>	<u>387,781</u>
<b>Cash Flows From Investing Activities</b>		
Acquisition of property and equipment	(82,769)	(44,827)
Cash received for capital improvements	64,316	6,000
Purchases of investments	(913,557)	(284,493)
Proceeds from sale of investments	1,037,591	197,343
Net Cash Provided (Used) By Investing Activities	<u>105,581</u>	<u>(125,977)</u>
Net increase in cash and cash equivalents	8,812	261,804
Cash and cash equivalents, beginning of year	<u>1,638,369</u>	<u>1,376,565</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u><u>\$1,647,181</u></u>	<u><u>\$1,638,369</u></u>

See notes to financial statements.

**NEW YORK COMMON PANTRY, INC.****NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2015 AND 2014****Note 1 - Organization and Summary of Significant Accounting Policies****a - Organization**

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

**b - Financial Statement Presentation**

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

**c - Cash and Cash Equivalents**

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

**d - Investments**

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

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

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

**NEW YORK COMMON PANTRY, INC.****NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2015 AND 2014****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.

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

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

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

**f - 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. Advertising expenses for 2015 and 2014 were \$5,583 and \$5,168, respectively.

## NEW YORK COMMON PANTRY, INC.

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

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

j - Tax Status

New York Common Pantry, Inc. is recognized as a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been designated as an organization which is not a private foundation. The Organization has evaluated all income tax positions and concluded that no disclosures relating to uncertain tax positions are required in the financial statements. The Organization's tax returns are generally subject to examination by taxing authorities for a period of three years from the date of filing.

k - Subsequent Events

The Organization has evaluated subsequent events through December 4, 2015, 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>2015 Total</u>	<u>2014 Total</u>
Board designated cash reserve for operations	\$ 540,997	\$ -	\$ 540,997	\$ 540,997
Other	1,994,572	-	1,994,572	1,725,908
Property and equipment	2,785,091	103,891	2,888,982	3,044,308
Future programs and periods	<u>-</u>	<u>272,734</u>	<u>272,734</u>	<u>341,416</u>
2015 Total	<u>\$5,320,660</u>	<u>\$376,625</u>	<u>\$5,697,285</u>	
2014 Total	<u>\$5,179,294</u>	<u>\$473,335</u>		<u>\$5,652,629</u>

**NEW YORK COMMON PANTRY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015 AND 2014**

**Note 3 - Investments**

Investments at June 30, 2015 and 2014 are classified within Level 1 of the fair value hierarchy and consist of the following:

	<u>2015</u>		<u>2014</u>	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Equities	\$378,780	\$406,732	\$ -	\$ -
Equity mutual funds	73,147	67,110	594,079	473,671
Bond mutual funds	313,327	313,328	317,321	317,784
All asset mutual fund	<u>153,105</u>	<u>158,506</u>	<u>70,552</u>	<u>74,438</u>
	<u>\$918,359</u>	<u>\$945,676</u>	<u>\$981,952</u>	<u>\$865,893</u>

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

	<u>2015</u>	<u>2014</u>
Net realized gains	\$ 68,830	\$ 4,817
Net unrealized gain (loss)	<u>(143,376)</u>	<u>67,040</u>
	<u>\$ (74,546)</u>	<u>\$71,857</u>

**Note 4 - 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, 2015, the Organization received a grant of \$5,241,950, to provide nutrition education and obesity prevention activities to a targeted population over a five year period ending September 30, 2019. As of June 30, 2015, \$347,270 of costs were incurred and billed. The remaining portion of the grant, \$4,894,680, has not been reflected in the accompanying financial statements since there are uncertainties regarding the actual amount of the expenses that will be billed under this grant.

**NEW YORK COMMON PANTRY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015 AND 2014**

**Note 5 - Property and Equipment**

Property and equipment consist of the following:

	<u>Life</u>	<u>2015</u>	<u>2014</u>
	Life of lease		
Leasehold improvements	and options	\$3,683,222	\$3,683,222
Equipment	5 years	<u>714,465</u>	<u>631,696</u>
		4,397,687	4,314,918
Less: Accumulated depreciation		<u>(1,612,596)</u>	<u>(1,402,529)</u>
Total		<u>\$2,785,091</u>	<u>\$2,912,389</u>

Depreciation expense for the years ended June 30, 2015 and 2014 was \$210,067 and \$191,715, 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>2015</u>	<u>2014</u>
Food	\$1,168,547	\$1,089,555
Toys	54,768	51,305
Other	<u>5,401</u>	<u>3,933</u>
	<u>\$1,228,716</u>	<u>\$1,144,793</u>

During the years ended June 30, 2015 and 2014, non-professional volunteers worked for the Organization. In accordance with generally accepted accounting principles, the value of these services is not included in the accompanying financial statements. During the year ended June 30, 2015, there were 46,769 volunteer hours donated to the Organization.

**Note 7 - Functional Allocation of Expenses**

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

**NEW YORK COMMON PANTRY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015 AND 2014**

**Note 8 - Commitments and Contingency**

a - The Organization's lease agreements provide for minimum annual rental payments as follows:

<u>Year Ending June30,</u>	
2016	\$93,333
2017	95,000
2018	95,000
2019	95,000
2020	95,000
Two months ending August 31, 2020	15,833

The Organization has options to renew the lease on its main facility through August 31, 2035. Rent expense for the years ended June 30, 2015 and 2014 was \$109,065 and \$91,365, 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 - Benefit Income**

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

	<u>2015</u>	<u>2014</u>
Gross benefit income	\$707,987	\$705,614
Less: Direct expenses	<u>(97,453)</u>	<u>(97,993)</u>
Net Benefit Income Before Indirect Expenses	610,534	607,621
Indirect expenses	<u>(37,469)</u>	<u>(15,256)</u>
Net Benefit Income	<u>\$573,065</u>	<u>\$592,365</u>

**NEW YORK COMMON PANTRY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015 AND 2014**

**Note 10 - Benefit Income (continued)**

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

**Note 11 - Retirement Plan**

The Organization maintains a tax deferred annuity 403(b) plan for its employees. The participating employees may contribute up to the statutory maximum. The amount of the employer's contribution is discretionary and is determined by the Organization each year. The Organization made a discretionary contribution of \$28,958 and \$15,720 in the years ended June 30, 2015 and 2014, respectively.



**SUPPLEMENTARY INFORMATION**



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED  
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of New York Common Pantry, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated November 5, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered New York Common Pantry, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of New York Common Pantry, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether New York Common Pantry, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

New York, New York  
December 4, 2015