

# **FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY**



## **Consolidated Financial Statements With Supplementary Information (Together with Independent Auditors' Report)**

**Years Ended June 30, 2023 and 2022**

**FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY**

**CONSOLIDATED FINANCIAL STATEMENTS  
WITH SUPPLEMENTARY INFORMATION  
(Together with Independent Auditors' Report)**

**YEARS ENDED JUNE 30, 2023 AND 2022**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Food Bank For New York City and Subsidiary  
New York, NY

### ***Opinion***

We have audited the consolidated financial statements of Food Bank For New York City and Subsidiary (collectively, "Food Bank For NYC"), which comprise the consolidated statements of financial position as of June 30, 2023 and 2022, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Food Bank For New York City and Subsidiary as of June 30, 2023 and 2022, 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 ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Food Bank For NYC 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.

### ***Change in Accounting Principle***

As discussed in Note 2Q to the consolidated financial statements, Food Bank For NYC changed its method of accounting for leases as a result of the adoption of Accounting Standards Codification ("ASC") Topic 842, *Leases*, effective July 1, 2022, under the modified retrospective transition method. Our opinion is not modified with respect to this matter.

### ***Responsibilities of Management for the Consolidated 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 Food Bank For NYC's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

**Mayer Hoffman McCann CPAs**  
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### ***Auditors' Responsibilities for the Audit of the Consolidated 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 GAAS 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 GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audits 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 Food Bank For NYC'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 Food Bank For NYC'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.

### ***Supplementary Information***

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information (shown on pages 22-23) is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and changes in net assets of the individual companies and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

*Mayer Hoffman McCann CPAs*

New York, NY  
March 31, 2024

**FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS OF JUNE 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Cash and cash equivalents (Notes 2C and 17)	\$ 8,227,211	\$ 9,420,339
Investments (Notes 2E, 2F, 4, 5 and 13B)	11,324,234	17,336,821
Government grants receivable (Note 2I)	18,013,164	18,401,852
Contributions receivable (Notes 2D and 7)	830,000	1,472,057
Accounts receivable, net (Note 2D)	575,801	298,363
Purchased products inventory (Notes 2K and 9)	2,111,177	2,370,917
Donated products inventory (Notes 2J, 2L and 9)	2,335,695	1,893,061
Prepaid expenses and other assets	2,053,579	1,671,531
Property and equipment, net (Notes 2G and 6)	9,031,616	9,693,775
Operating lease right-of-use assets (Notes 2Q and 15)	32,045,998	-
Finance lease right-of-use assets (Notes 2Q and 15)	<u>272,434</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u>\$ 86,820,909</u>	<u>\$ 62,558,716</u>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses (Note 13B)	\$ 6,088,871	\$ 8,172,028
Accrued salaries	722,219	413,070
Accrued vacation	659,795	593,189
Government contract advances (Note 2I)	1,617,023	3,315,879
Deferred rent	-	498,979
Mortgage loan payable, net (Notes 2O and 11)	1,180,826	1,293,950
Operating lease liabilities (Notes 2Q and 15)	32,387,747	-
Finance lease liabilities (Notes 2Q and 15)	<u>305,150</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>42,961,631</u>	<u>14,287,095</u>
<b>COMMITMENTS AND CONTINGENCIES</b> (Note 16)		
<b>NET ASSETS</b> (Note 2B)		
Net assets without donor restrictions:		
Operations	25,777,695	31,266,628
Board-designated (Note 12)	7,288,532	7,288,532
Net investment in property and equipment	<u>7,850,790</u>	<u>8,399,825</u>
Total net assets without donor restrictions	40,917,017	46,954,985
Net assets with donor restrictions (Note 12)	<u>2,942,261</u>	<u>1,316,636</u>
<b>TOTAL NET ASSETS</b>	<u>43,859,278</u>	<u>48,271,621</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 86,820,909</u>	<u>\$ 62,558,716</u>

The accompanying notes are an integral part of these consolidated financial statements.

**FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY  
CONSOLIDATED STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

	Year Ended June 30, 2023			Year Ended June 30, 2022		
	Without Donor Restrictions	With Donor Restrictions	Consolidated Total	Without Donor Restrictions	With Donor Restrictions	Consolidated Total
<b>PUBLIC SUPPORT AND REVENUE</b> (Note 2H):						
Contributions - foundations and corporations (Note 2D)	\$ 6,200,740	\$ 4,774,678	\$ 10,975,418	\$ 7,768,254	\$ 2,956,188	\$ 10,724,442
Contributions - individuals (Note 2D)	19,831,994	663,000	20,494,994	27,008,080	604,481	27,612,561
Special and other events (net of direct expenses of \$418,162 and \$0 in 2023 and 2022) (Note 2M)	420,267	-	420,267	-	-	-
Government contracts (Notes 2I and 8)	46,870,465	-	46,870,465	61,502,375	-	61,502,375
Gain on extinguishment of debt	-	-	-	867,500	-	867,500
Donated food received and contributions-in-kind (Notes 2J, 2L and 9)	82,479,897	-	82,479,897	85,298,330	-	85,298,330
Sale of food and paper products (Note 2K)	2,956,997	-	2,956,997	792,919	-	792,919
Investment activity (Notes 2E and 4)	470,610	1,302	471,912	(132,562)	40	(132,522)
Other income	7,900	-	7,900	914,435	-	914,435
Net assets released from restrictions (Notes 2B and 12)	3,813,355	(3,813,355)	-	6,415,182	(6,415,182)	-
<b>TOTAL PUBLIC SUPPORT AND REVENUE</b>	<u>163,052,225</u>	<u>1,625,625</u>	<u>164,677,850</u>	<u>190,434,513</u>	<u>(2,854,473)</u>	<u>187,580,040</u>
<b>EXPENSES</b> (Notes 2H and 2P):						
<b>Program services:</b>						
Distribution and food storage	137,274,571	-	137,274,571	161,092,349	-	161,092,349
Research and policy	526,213	-	526,213	476,516	-	476,516
Food and nutrition services	2,795,868	-	2,795,868	2,154,919	-	2,154,919
Community kitchen and food pantry	2,410,844	-	2,410,844	2,342,038	-	2,342,038
Income support services	2,608,294	-	2,608,294	2,173,931	-	2,173,931
Food and benefits access	1,597,843	-	1,597,843	1,320,181	-	1,320,181
Total program services	<u>147,213,633</u>	<u>-</u>	<u>147,213,633</u>	<u>169,559,934</u>	<u>-</u>	<u>169,559,934</u>
<b>Supporting services:</b>						
Management and general	12,588,684	-	12,588,684	10,576,292	-	10,576,292
Fundraising	9,287,876	-	9,287,876	8,672,373	-	8,672,373
Total supporting services	<u>21,876,560</u>	<u>-</u>	<u>21,876,560</u>	<u>19,248,665</u>	<u>-</u>	<u>19,248,665</u>
<b>TOTAL EXPENSES</b>	<u>169,090,193</u>	<u>-</u>	<u>169,090,193</u>	<u>188,808,599</u>	<u>-</u>	<u>188,808,599</u>
<b>CHANGE IN NET ASSETS</b>	(6,037,968)	1,625,625	(4,412,343)	1,625,914	(2,854,473)	(1,228,559)
Net assets - beginning of year	<u>46,954,985</u>	<u>1,316,636</u>	<u>48,271,621</u>	<u>45,329,071</u>	<u>4,171,109</u>	<u>49,500,180</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 40,917,017</u>	<u>\$ 2,942,261</u>	<u>\$ 43,859,278</u>	<u>\$ 46,954,985</u>	<u>\$ 1,316,636</u>	<u>\$ 48,271,621</u>

The accompanying notes are an integral part of these consolidated financial statements.

**FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2023**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)**

	Program Services						Supporting Services					
	Distribution and Food Storage	Research and Policy	Food and Nutrition Services	Community Kitchen and Food Pantry	Income Support Services	Food and Benefits Access	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total 2023	Total 2022
Salaries	\$ 7,578,331	\$ 411,698	\$ 1,004,928	\$ 837,098	\$ 543,743	\$ 626,235	\$ 11,002,033	\$ 4,932,575	\$ 4,287,120	\$ 9,219,695	\$ 20,221,728	\$ 17,098,355
Temporary labor - staffing agencies	926,955	-	419,901	180,426	770	47,254	1,575,306	193,482	116	193,598	1,768,904	4,001,844
Payroll taxes and employee benefits (Note 13)	2,107,515	94,104	321,617	234,524	206,284	243,252	3,207,296	1,130,657	901,331	2,031,988	5,239,284	4,288,948
Total salaries and related costs	10,612,801	505,802	1,746,446	1,252,048	750,797	916,741	15,784,635	6,256,714	5,188,567	11,445,281	27,229,916	25,389,147
Donated food distributed (Notes 2J, 2K, 2L and 9)	81,477,516	-	-	313,192	-	-	81,790,708	-	-	-	81,790,708	83,485,344
Food purchased for distribution (Note 9)	19,614,122	-	-	-	-	-	19,614,122	-	-	-	19,614,122	24,880,626
Consultant and professional fees	238,540	10,000	50,070	192,602	128,299	52,860	672,371	2,865,711	1,094,448	3,960,159	4,632,530	3,067,534
Donated consultants, legal and other (Note 2L)	-	-	-	-	-	-	-	241,135	-	241,135	241,135	638,554
Facilitated meals and related costs (Note 14)	15,109,519	-	-	-	-	-	15,109,519	-	-	-	15,109,519	26,427,300
Transportation costs	4,336,262	-	-	115	-	-	4,336,377	115	-	115	4,336,492	6,853,820
Direct mail costs	-	-	-	-	-	-	-	-	1,158,563	1,158,563	1,158,563	1,374,340
Fundraising and other engagement events	2,489	-	-	-	-	-	2,489	2,436	1,027,506	1,029,942	1,032,431	576,164
Facilities and maintenance	2,305,869	-	3,698	130,295	199,543	135,927	2,775,332	274,457	135,927	410,384	3,185,716	3,281,090
Warehouse operating expenses	660,361	647	4,513	72,145	-	-	737,666	12,991	12,165	25,156	762,822	1,188,354
Business technology expenses	108,146	2,150	22,890	14,192	59,075	11,588	218,041	847,289	149,347	996,636	1,214,677	1,197,752
Grant expense (Note 14)	1,993,083	-	10,993	-	364,633	237,100	2,605,809	-	-	-	2,605,809	4,868,891
Other program expenses	30,828	-	845,929	246,676	1,028,649	144,568	2,296,650	6,530	5,187	11,717	2,308,367	1,845,016
Bad debt	-	-	-	-	-	-	-	103,817	-	103,817	103,817	1,244
Interest (Notes 2O and 11)	17,477	-	-	-	-	-	17,477	71,421	-	71,421	88,898	97,287
Media outreach and marketing	202,383	900	-	-	2,868	-	206,151	550,327	332,949	883,276	1,089,427	853,454
Insurance	-	-	-	-	-	-	-	462,075	-	462,075	462,075	171,026
Other expenses	131,764	6,714	22,465	20,240	59,559	22,744	263,486	763,830	543,412	1,307,242	1,570,728	1,812,182
Total expenses before depreciation and amortization and cost of direct benefits to donors	136,841,160	526,213	2,707,004	2,241,505	2,593,423	1,521,528	146,430,833	12,458,848	9,648,071	22,106,919	168,537,752	188,009,125
Depreciation and amortization (Notes 2G and 6)	433,411	-	88,864	169,339	14,871	76,315	782,800	129,836	57,967	187,803	970,603	799,474
Sub-total	137,274,571	526,213	2,795,868	2,410,844	2,608,294	1,597,843	147,213,633	12,588,684	9,706,038	22,294,722	169,508,355	188,808,599
Less: cost of direct benefits to donors (Note 2M)	-	-	-	-	-	-	-	-	(418,162)	(418,162)	(418,162)	-
<b>TOTAL EXPENSES</b>	<b>\$ 137,274,571</b>	<b>\$ 526,213</b>	<b>\$ 2,795,868</b>	<b>\$ 2,410,844</b>	<b>\$ 2,608,294</b>	<b>\$ 1,597,843</b>	<b>\$ 147,213,633</b>	<b>\$ 12,588,684</b>	<b>\$ 9,287,876</b>	<b>\$ 21,876,560</b>	<b>\$ 169,090,193</b>	<b>\$ 188,808,599</b>

The accompanying notes are an integral part of these consolidated financial statements.

**FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Program Services						Supporting Services			Total Supporting Services	Total 2022
	Distribution and Food Storage	Research and Policy	Food and Nutrition Services	Community Kitchen and Food Pantry	Income Support Services	Food and Benefits Access	Total Program Services	Management and General	Fundraising		
Salaries	\$ 6,749,230	\$ 314,348	\$ 961,786	\$ 902,015	\$ 489,417	\$ 530,015	\$ 9,946,811	\$ 3,719,644	\$ 3,431,900	\$ 7,151,544	\$ 17,098,355
Temporary labor - staffing agencies	2,838,146	-	10,399	347,772	72,920	109,524	3,378,761	623,053	30	623,083	4,001,844
Payroll taxes and employee benefits (Note 13)	1,608,011	96,701	320,033	244,647	175,785	251,510	2,696,687	847,852	744,409	1,592,261	4,288,948
Total salaries and related costs	11,195,387	411,049	1,292,218	1,494,434	738,122	891,049	16,022,259	5,190,549	4,176,339	9,366,888	25,389,147
Donated food distributed (Notes 2J, 2K, 2L and 9)	83,485,344	-	-	-	-	-	83,485,344	-	-	-	83,485,344
Food purchased for distribution (Note 9)	24,880,626	-	-	-	-	-	24,880,626	-	-	-	24,880,626
Consultant and professional fees	582,041	-	87,125	149,056	25,742	-	843,964	1,623,283	600,287	2,223,570	3,067,534
Donated consultants, legal and other (Note 2L)	-	-	-	-	-	-	-	638,554	-	638,554	638,554
Facilitated meals and related costs (Note 14)	26,427,300	-	-	-	-	-	26,427,300	-	-	-	26,427,300
Transportation costs	6,853,103	-	-	-	61	-	6,853,164	656	-	656	6,853,820
Direct mail costs	-	-	-	-	-	-	-	50	1,374,290	1,374,340	1,374,340
Fundraising and other engagement events	788	-	-	4,090	-	-	4,878	-	571,286	571,286	576,164
Facilities and maintenance	2,461,609	-	6,402	106,866	56,127	-	2,631,004	648,912	1,174	650,086	3,281,090
Warehouse operating expenses	1,072,253	-	14,825	56,575	155	-	1,143,808	40,285	4,261	44,546	1,188,354
Business technology expenses	54,706	-	28,402	4,760	77,760	10,483	176,111	895,803	125,838	1,021,641	1,197,752
Grant expense (Note 14)	3,461,644	-	44,754	-	323,115	323,725	4,153,238	25,000	690,653	715,653	4,868,891
Other program expenses	27,896	26	570,570	352,303	843,595	21,559	1,815,949	4,631	24,436	29,067	1,845,016
Bad debt	-	-	-	-	-	-	-	1,244	-	1,244	1,244
Interest (Notes 2O and 11)	27,304	-	-	-	-	-	27,304	69,983	-	69,983	97,287
Media outreach and marketing	-	-	-	-	10,020	-	10,020	323,232	520,202	843,434	853,454
Insurance	-	-	-	-	-	-	-	171,026	-	171,026	171,026
Other expenses	180,207	65,441	25,193	8,798	84,939	-	364,578	919,722	527,882	1,447,604	1,812,182
Total expenses before depreciation and amortization	160,710,208	476,516	2,069,489	2,176,882	2,159,636	1,246,816	168,839,547	10,552,930	8,616,648	19,169,578	188,009,125
Depreciation and amortization (Notes 2G and 6)	382,141	-	85,430	165,156	14,295	73,365	720,387	23,362	55,725	79,087	799,474
<b>TOTAL EXPENSES</b>	<b>\$ 161,092,349</b>	<b>\$ 476,516</b>	<b>\$ 2,154,919</b>	<b>\$ 2,342,038</b>	<b>\$ 2,173,931</b>	<b>\$ 1,320,181</b>	<b>\$ 169,559,934</b>	<b>\$ 10,576,292</b>	<b>\$ 8,672,373</b>	<b>\$ 19,248,665</b>	<b>\$ 188,808,599</b>

The accompanying notes are an integral part of these consolidated financial statements.



**FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ (4,412,343)	\$ (1,228,559)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	970,603	799,474
Interest expense on deferred financing costs	4,450	4,096
Realized and unrealized (gain) loss on investments, net	(124,769)	162,477
Gain on extinguishment of debt	-	(867,500)
Bad debt	103,817	1,244
Operating leases	341,749	-
Finance leases	136,673	-
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Government grants receivable	388,688	(959,278)
Contributions receivable	642,057	(714,881)
Accounts receivable	(381,255)	(299,607)
Purchased products inventory	259,740	(1,748,973)
Donated products inventory	(442,634)	822,926
Prepaid expenses and other assets	(382,048)	(865,642)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(2,083,157)	(3,896,265)
Accrued salaries	309,149	(206,590)
Accrued vacation	66,606	179,654
Government contract advances	(1,698,856)	(1,471,229)
Deferred rent	(498,979)	(99,517)
<b>Net Cash Used in Operating Activities</b>	<u>(6,800,509)</u>	<u>(10,388,170)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of investments	18,337,490	36,523,086
Purchases of investments	(12,200,134)	(30,994,971)
Purchases of property and equipment	(308,444)	(2,759,617)
<b>Net Cash Provided by Investing Activities</b>	<u>5,828,912</u>	<u>2,768,498</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayment of mortgage payable	(117,574)	(117,574)
Finance lease principal payment	(103,957)	-
<b>Net Cash Used in Financing Activities</b>	<u>(221,531)</u>	<u>(117,574)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(1,193,128)	(7,737,246)
Cash and Cash Equivalents - beginning of year	<u>9,420,339</u>	<u>17,157,585</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 8,227,211</u>	<u>\$ 9,420,339</u>
<b>Supplemental Disclosure of Cash Flow Information:</b>		
Cash paid during the year for interest	<u>\$ 84,448</u>	<u>\$ 93,191</u>

**FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES**

Food Bank For New York City was incorporated in the State of New York in 1983 pursuant to the Not-for-Profit Corporation Law. Food Bank For New York City was determined to be a publicly supported organization by the Internal Revenue Service (“IRS”) and is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code (“IRC”). Community Food Resources Center Property, Inc. (“CFRC”) is a controlled subsidiary of Food Bank For New York City and was incorporated in the State of New York in 2000. CFRC is a Section 501(c)(2) organization whose purpose is to hold title to property and turn over all of its earnings, less expenses, to Food Bank For New York City and, accordingly, is exempt from Federal and state income taxes. Collectively, these two entities are referred to as “Food Bank For NYC.”

Food Bank For NYC is a member of Feeding America, the Nation’s Food Bank Network and Feeding New York State.

Food Bank For NYC’s mission is to empower every New Yorker to achieve food security for good. As the largest hunger-relief organization in New York City, Food Bank For NYC employs a multifaceted approach centered on tackling hunger as a symptom of poverty and developing solutions to address both. To that end, Food Bank For NYC’s programs are designed to help low-income New Yorkers access the knowledge, tools and resources needed today to achieve greater financial stability, mobility and independence tomorrow. Major programs include:

**Community Kitchen and Food Pantry:** Opened in 1984, the Community Kitchen and Food Pantry of West Harlem (the “Kitchen”) is a resource and service center for the community of West Harlem. The Kitchen operates a congregate meal program; a consumer-choice food pantry and a program connecting individuals and families to income support programs, including Supplemental Nutrition Assistance Program (“SNAP”), free tax-return preparation services, and rent, mortgage and utility assistance.

**Benefits Access:** Food Bank For NYC provides sessions to 1) inform and educate low-income New Yorkers and community-based organizations on government food assistance programs and, 2) help communities move toward more sustainable strategies for combating food and financial insecurity. It also conducts SNAP training and provides technical assistance on eligibility screening for community-based organizations. In addition, its services are provided directly to thousands of clients annually.

**Nutrition Education Services:** Food Bank For NYC provides nutrition education for children, teens and adults, encourages the development and adoption of healthy diets and promotes healthy eating in communities throughout New York City. Food Bank For NYC’s core nutrition education program is Cook Shop, and reaches over 50,000 children, teens and adults across New York City annually.

**Income Support Services:** At the core of Food Bank For NYC’s income support services for low to moderate-income New Yorkers are free services, screenings, enrollment and information on how to access the various federal credits and benefits. As evidence is the focus on the Earned Income Tax Credit program, Food Bank For NYC tries to help families achieve the highest credit allowed under the tax law. Additionally, Food Bank For NYC’s free tax-return preparation services for the working poor can also connect eligible individuals to tax refunds that move them closer to food and financial security. Food Bank For NYC’s Food and Financial Empowerment Services also provide group workshops and financial counseling sessions that enable individuals to begin creating a viable financial future.

**Fiscal Year 2023 (“FY23”) Summary**

In FY23, Food Bank For NYC faced a year marked by both achievements and new challenges. Food Bank for NYC’s commitment to addressing hunger took center stage as it distributed 80.7 million pounds of food, surpassing pre-pandemic levels by 16%. Its commitment extended beyond sheer quantity, with a focus on addressing diverse dietary needs and forging increased partnerships with healthcare institutions that began during the pandemic. This strategic collaboration aimed to tackle the broader issue of well-being, acknowledging the interconnection of food security and overall health.

**FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY  
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**NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES (Continued)**

**Fiscal Year 2023 (“FY23”) Summary (Continued)**

Efforts to secure additional resources proved fruitful, resulting in a substantial increase of 4 million pounds in donated food compared to the previous year. This not only highlighted the generosity of donors but also Food Bank For NYC’s ability to mobilize and effectively utilize available resources for maximum impact.

However, the end of pandemic-response food and funding from government sources in FY23 presented a new set of challenges that require adaptability and strategic planning. Meanwhile, across New York City, visits to emergency food programs remained stubbornly high, surpassing pre-pandemic levels. This alarming trend echoed the city’s struggle with the higher cost of living, emphasizing the persistent need for Food Bank For NYC’s services in the face of economic challenges.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- A. **Basis of Accounting** – Food Bank For NYC adheres to accounting principles generally accepted in the United States of America (“U.S. GAAP”) and prepares its consolidated financial statements using the accrual basis of accounting. The accompanying consolidated financial statements consist of the accounts of Food Bank For New York City and CFRC (collectively, “Food Bank For NYC”). All inter-company transactions are eliminated.
- B. **Net Asset Classifications** – Food Bank For NYC maintains its net assets under the following two classes:
- Without Donor Restrictions:
    - Operating – this represents resources received that have not been restricted by the donor. Such resources are available for support of Food Bank For NYC’s operations over which the Board of Directors has discretionary control.
    - Board Designated Fund – consists of funds designated by the Board of Directors which represents a portion of Food Bank For NYC’s net assets without donor restrictions as an operating reserve for extraordinary events and any governmental funding reductions that may cause hardship for Food Bank For NYC. The operating reserve may also be used to expand, purchase and lease equipment and warehouse space. The Board reviews the amount of the operating reserve annually. The operating reserve is not credited or charged with Food Bank For NYC’s investment results.
    - Invested in Property and Equipment – consists of property and equipment less mortgage loan payable.
  - With Donor Restrictions: Represents resources received with donor stipulations that limit the use of the donated assets or that have time restrictions placed on their use. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. In addition, net assets with donor restrictions also represent assets subject to donor-imposed stipulations that the corpus be maintained in perpetuity.
- C. **Cash and Cash Equivalents** – Food Bank For NYC considers money market funds and all other highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents, except cash equivalents held as part of Food Bank For NYC’s investment portfolio.
- D. **Contributions and Accounts Receivable** – Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows if deemed material to the consolidated financial statements. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Contributions are accounted for under Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made* (Topic 958). Conditional promises to give are not included as support until the conditions are substantially met. Food Bank For NYC’s management evaluates the need for an allowance for doubtful accounts applicable to its contributions and accounts receivable based on a combination of factors such as management’s estimate of the creditworthiness of its donors, a review of individual accounts outstanding, and the aged basis of the receivables, current economic conditions and historical experience. As of June 30, 2023 and 2022, Food Bank For NYC determined that an allowance of approximately \$336,000 and \$293,000, respectively, was necessary for its accounts receivable.

**FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- E. **Investments** – Investments are carried at fair value. Net appreciation/(depreciation) in the fair value of investments, which includes realized and unrealized gains and losses on those investments, is reported in the consolidated statements of activities as increases or decreases in net assets without donor restrictions, unless their use is restricted by explicit donor stipulations or by law. Securities received as gifts are recorded at fair value at the date of the gift. Investment securities are exposed to various market risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least possible that changes in risks in the near term could materially affect investment balances.
- F. **Fair Value Measurements** – Investments are stated at fair value. Fair value measurements are based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three levels, as reported in Note 5.
- G. **Property and Equipment** – Property and equipment, including leasehold improvements, are recorded at cost less accumulated depreciation and amortization. These amounts do not purport to represent replacement or realizable values. Depreciation and amortization is provided on a straight-line basis over the useful lives of the asset, and relative to leasehold improvements, over the shorter of the term of the lease or the estimated useful lives of the assets. Food Bank For NYC capitalizes property and equipment with cost of \$5,000 or more with a useful life of greater than two years. Upon retirement or disposal, the asset cost and related accumulated depreciation or amortization is eliminated from the respective accounts and the resulting gain or loss is included in the changes in net assets for the period.
- H. **Changes in Net Assets** – Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or law. Expenses are reported as decreases in net assets without donor restrictions. Contributions with donor-imposed restrictions, such as time or purpose restrictions, are recorded as net assets with donor restrictions.

Investment income and net realized and unrealized gain (loss) on investments are reported as follows:

- As increases (decreases) in net assets with donor restrictions if the terms of the gift impose restrictions on the current use of the investment income and unappropriated earnings from endowment funds.
  - As increases (decreases) in net assets without donor restrictions in all other cases.
- I. **Government Grants and Contracts** – Government grants and contracts are nonexchange transactions and accounted for under FASB ASU 2018-08. Governmental grants and contracts are recognized as revenue when barriers within the contract are overcome, and there is no right of return. Government contracts amounted to approximately \$46.9 million and \$61.5 million for the years ended June 30, 2023 and 2022, respectively, and are included in the accompanying consolidated statements of activities. Revenue from cost reimbursement-based government contracts is recognized when reimbursable costs are incurred under the terms of the contracts. Revenue from performance-based government contracts is recognized when performance objectives pursuant to the contract have been accomplished. Funds are received in either predetermined installments or in increments based on estimated or actual expenditures for the period. Accordingly, grant revenue under these awards is recognized in amounts equal to actual expenditures incurred. Contract payments received in advance of the qualified cost or performance are accounted for as government contract advances.

As of June 30, 2023 and 2022, Food Bank For NYC received conditional grants and contracts from government agencies in the aggregate amount of \$83,216,000 and \$6,883,000, respectively. Such amounts have not been recognized in the accompanying consolidated financial statements as they are for future periods and will be recognized when contract barriers are overcome. Such barriers include expending these funds in accordance with their agreements. If such services are not provided, the governmental entities are not obligated to expend the funds allotted under the grants and contracts and Food Bank For NYC may be required to return any funds already received.

As of June 30, 2023 and 2022, Food Bank For NYC determined that no allowance was needed for its government grants receivable.

**FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

J. **Government-provided Products** – Food Bank For NYC receives food commodities for distribution to recipients under The Emergency Food Assistance Program (“TEFAP”), granted by New York State, and under the Emergency Food Assistance Program (“EFAP”), granted by New York City. TEFAP commodities belong to Food Bank For NYC as title passes when the goods are delivered to its warehouse. Government-provided food commodities under TEFAP on hand as of June 30, 2023 and 2022 amounted to approximately \$1,544,000 and \$1,295,000, respectively, and are included as donated products inventory in the accompanying consolidated statements of financial position. EFAP commodities are considered pass-through products and are not included in the accompanying consolidated financial statements. Food Bank For NYC is responsible for safekeeping government food products held in inventory. Food Bank For NYC receives reimbursement from New York City for administrative costs incurred in the receipt, storage and distribution of these food products. Government-provided food commodities under EFAP on hand as of June 30, 2022, amounted to approximately \$719,000. There were none on hand as of June 30, 2023.

K. **Purchased Products Inventory** – Purchased products inventory consists of food and food service supplies used to fulfill obligations under certain government contracts and for resale to member organizations. Inventory is stated at the lower of cost or net realizable value using the first-in, first-out method.

Reimbursements received for products delivered under government contracts and proceeds from sales to member organizations are recognized as revenue, while related costs are included in program services as distribution and food storage. Food Bank For NYC recognizes sales revenue, to its member organizations, when the performance obligation is satisfied, which is when inventories are shipped. Control transfers to the customer when the inventory ships and the risk of loss is no longer with Food Bank For NYC. The transaction price of the inventories is determined by Food Bank For NYC and is based upon their listed price.

L. **Donated Goods and Services** – Donated food, financial instruments and other non-cash items are recorded as contributions at their fair value at the time of receipt. The fair value of donated food is calculated by utilizing the approximate average wholesale value of one pound of donated product at the national level (see Note 9). Donated services are reported as contributions when the services create or enhance nonfinancial assets, would be purchased if they had not been provided by contribution, or require specialized skills and are provided by individuals possessing those skills. Members of the Board of Directors and a substantial number of volunteers have made significant contributions of their time in support of Food Bank For NYC. The value of this contributed time is not reflected in these consolidated financial statements since these services do not meet the criteria for recognition.

Food Bank For NYC recognized contributed services amounting to \$241,135 and \$638,554 as in-kind contributions and expenses in the accompanying consolidated financial statements for the years ended June 30, 2023 and 2022, respectively.

Donated services for the year ended June 30, 2023 consisted of the following:

<b><u>Nonfinancial Asset</u></b>	<b><u>Amount</u></b>	<b><u>Usage in Programs/Activities</u></b>	<b><u>Donor-imposed Restrictions</u></b>	<b><u>Fair Value Techniques</u></b>
Donated food	\$ 82,238,762	Distribution and Food Storage	No associated donor restriction	Based on wholesale value of one pound of donated product as published by Feeding America
Legal and other donated services	\$ 241,135	Management and General	No associated donor restriction	Based on current rates of legal and other donated services

**FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Donated services for the year ended June 30, 2022 consisted of the following:

<b><u>Nonfinancial Asset</u></b>	<b><u>Amount</u></b>	<b><u>Usage in Programs/Activities</u></b>	<b><u>Donor-imposed Restrictions</u></b>	<b><u>Fair Value Techniques</u></b>
Donated food	\$ 84,659,776	Distribution and Food Storage	No associated donor restriction	Based on wholesale value of one pound of donated product as published by Feeding America
Legal services	\$ 638,554	Food and Nutrition Services	No associated donor restriction	Based on current rates of legal services provided by law firm

- M. **Special Events Direct Costs** – The direct costs of special events include expenses for the benefit of the donor. For example, meals and facilities rental are considered direct costs of special events.
- N. **Use of Estimates** – The preparation of financial statements in conformity with U.S. GAAP requires Food Bank For NYC's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.
- O. **Deferred Financing Costs** – Debt financing costs are presented as a reduction of the carrying amount of the debt rather than as an asset (see Note 11). Amortization of the debt issuance costs is reported as interest expense in the accompanying consolidated financial statements for the years ended June 30, 2023 and 2022.
- P. **Functional Allocation of Expenses** – The costs of providing various programs and supporting services activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail for the functional expenses with the result that certain natural costs are allocated among the programs and supporting services benefited. Accordingly, the consolidated statements of functional expenses report certain categories of expenses that are attributed to more than one program or supporting function. Those expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include: salaries, payroll taxes and fringe benefits which are allocated based on time and effort reporting, and depreciation and amortization which are directly charged based on specific identification of program assets. A combination of allocation bases is used for occupancy, insurance, office and communications expenditures which are directly charged based on specific identification to program activities with the remaining costs allocated based on full time equivalencies (FTEs) across the other functional areas.
- Q. **Recent Accounting Pronouncements** – Food Bank adopted FASB ASU 2016-02, *Leases*, (Topic 842) for the year ended June 30, 2023. The ASU requires organizations that lease assets to recognize the present value of the assets and liabilities for the rights and obligations created by those leases. Food Bank For NYC adopted Topic 842 as of July 1, 2022 as the initial adoption date, which required the recognition of lease assets and liabilities as of that date. The adoption of Topic 842 had no effect on the change in net assets as previously reported. Food Bank For NYC has chosen the modified retrospective transition method of adoption that does not require adjustment to prior periods.
- R. **Reclassifications** – Certain line items in the June 30, 2022 consolidated financial statements have been reclassified to conform to the June 30, 2023.

**FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTE 3 – LIQUIDITY AND AVAILABILITY OF RESOURCES**

Food Bank For NYC regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. Food Bank For NYC has various sources of liquidity at its disposal, including cash and cash equivalents, investments, government grants, contributions and accounts receivable.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, Food Bank For NYC considers all expenditures related to its ongoing activities of food storage and delivery, research and policy, food and nutrition services, community kitchen and food pantry, income support services, and food and benefits access services, as well general administration and support services.

In addition to financial assets available to meet general expenditures over the next 12 months, Food Bank For NYC anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. In the event of an unanticipated liquidity need, Food Bank For NYC could also draw upon \$1,000,000 of its available line of credit.

The following financial assets could readily be made available immediately from the consolidated statements of financial position date to meet general expenditures as of June 30:

	<b><u>2023</u></b>	<b><u>2022</u></b>
Cash and cash equivalents	\$ 8,227,211	\$ 9,420,339
Investments	11,324,234	17,336,821
Government grants receivable	18,013,164	18,401,852
Contributions receivable	830,000	1,472,057
Accounts receivable, net	<u>575,801</u>	<u>298,363</u>
Total financial assets	38,970,410	46,929,432
Less: Board designated net assets	(7,288,532)	(7,288,532)
Less: Net assets with donor restrictions	<u>(2,942,261)</u>	<u>(1,316,636)</u>
	<b><u>\$ 28,739,617</u></b>	<b><u>\$ 38,324,264</u></b>

**NOTE 4 – INVESTMENTS**

Investments consist of the following as of June 30:

	<b><u>2023</u></b>	<b><u>2022</u></b>
Certificates of Deposit	\$ 2,090,290	\$ 4,028,438
U.S. Treasury Bills	9,136,220	13,308,383
Fixed Interest Account	<u>97,724</u>	<u>-</u>
	<b><u>\$ 11,324,234</u></b>	<b><u>\$ 17,336,821</u></b>

Investment activity consists of the following for the years ended June 30:

	<b><u>2023</u></b>	<b><u>2022</u></b>
Interest and dividend income	\$ 347,143	\$ 29,955
Realized gain (loss) on investments	5,696	(9,000)
Unrealized gain (loss) on investments	<u>119,073</u>	<u>(153,477)</u>
	<b><u>\$ 471,912</u></b>	<b><u>\$ (132,522)</u></b>

**FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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**NOTE 5 – FAIR VALUE MEASUREMENTS**

The three levels of the fair value hierarchy under FASB Accounting Standards Codification (“ASC”) Topic 820 are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that Food Bank For NYC has the ability to access.

Level 2 - Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the assets or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used during the years ended June 30, 2023 and 2022.

**U.S. Treasury Bills:**

U.S. treasury bills are valued based on quoted prices in active markets – Level 1

**Certificates of Deposit:**

Certificates of deposit (“CDs”) are valued at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the creditworthiness of the issuer – level 2. There is little difference between such calculation and cost.

**Fixed Interest Account:**

Fixed interest account is backed by MetLife's General Account which invests primarily in bonds, commercial, agricultural, and real estate mortgages, real estate and corporate equities. Amounts placed in the account are credited with interest at a rate determined by MetLife.

Financial assets carried at fair value as of June 30, 2023 are classified as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total 2023</u>
Investments:			
Certificates of deposit	\$ -	\$ 2,090,290	\$ 2,090,290
Fixed interest account	-	97,724	97,724
U.S. Treasury Bills	<u>9,136,220</u>	<u>-</u>	<u>9,136,220</u>
Total assets carried at fair value	<u>\$ 9,136,220</u>	<u>\$ 2,188,014</u>	<u>\$ 11,324,234</u>

Financial assets carried at fair value at June 30, 2022 are classified as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total 2022</u>
Investments:			
Certificates of deposit	\$ -	\$ 4,028,438	\$ 4,028,438
U.S. Treasury bills	<u>13,308,383</u>	<u>-</u>	<u>13,308,383</u>
Total assets carried at fair value	<u>\$ 13,308,383</u>	<u>\$ 4,028,438</u>	<u>\$ 17,336,821</u>



**FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTE 6 – PROPERTY AND EQUIPMENT, NET**

Property and equipment, net consists of the following as of June 30:

	<u>2023</u>	<u>2022</u>	<u>Estimated Useful Lives</u>
Land	\$ 137,957	\$ 137,957	
Building	551,830	551,830	40 years
Building improvements	3,202,315	3,177,441	10-40 years
Office equipment and computers	2,257,702	2,185,726	5 years
Warehouse equipment	656,175	568,532	5 years
Vehicles	2,675,929	1,468,507	3-7 years
Leasehold improvements	7,176,183	5,466,374	3-30 years
Furniture, fixtures and equipment	193,664	71,675	5 years
Vehicle deposits (see below)	41,372	3,357,071	
Construction in progress (see below)	<u>1,068,237</u>	<u>960,451</u>	
	17,961,364	17,945,564	
Less: Accumulated depreciation and amortization	<u>(8,929,748)</u>	<u>(8,251,789)</u>	
Net book value	<u>\$ 9,031,616</u>	<u>\$ 9,693,775</u>	

For the years ended June 30, 2023 and 2022, depreciation and amortization expense amounted to \$970,603 and \$799,474, respectively. During the year ended June 30, 2023, Food Bank For NYC wrote off fully depreciated property and equipment amounting to \$292,644.

As of June 30, 2023, construction in progress relates to the various warehouse improvements and the 116<sup>th</sup> Street freight elevator. The estimated dates of completion for the warehouse improvements are in Q1 and Q3 of fiscal year 2024. The 116<sup>th</sup> Street freight elevator is expected to be completed during Q3 of fiscal year 2024.

**NOTE 7 – CONTRIBUTIONS RECEIVABLE**

Contributions receivable, net, consist of the following as of June 30:

	<u>2023</u>	<u>2022</u>
Due in less than one year	\$ 830,000	\$ 1,387,057
Due between one year and five years	<u>-</u>	<u>85,000</u>
	<u>\$ 830,000</u>	<u>\$ 1,472,057</u>

**FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTE 8 – GOVERNMENT CONTRACTS**

Revenue recognized from government contracts consists of the following for the years ended June 30:

	<u>2023</u>	<u>2022</u>
<b>New York State:</b>		
Office of General Services, Division of Food Distribution and Warehousing - The Emergency Food Assistance Program	\$ 10,849,889	\$ 11,503,574
Department of Health Division of Nutrition, Nourish New York Initiative	21,598,331	33,476,690
Department of Health Division of Nutrition, Hunger Prevention Nutrition Assistance Program	6,611,736	4,671,396
Office of Temporary and Disability Assistance	1,052,757	935,555
Department of Environmental Conservation	84,211	-
<b>New York City:</b>		
Department of Youth and Community Development	2,963,013	3,614,518
Human Resources Administration – Emergency Food Assistance Program	182,658	4,230,024
Council Office	582,941	796,868
Department for the Aging	553,899	587,000
Office of the Mayor	19,640	-
<b>Other:</b>		
Internal Revenue Service – Volunteer Income Tax Assistance Program	350,000	350,000
Commodities Supplemental Food Program	718,263	1,026,988
Hunger Solutions New York	125,001	71,000
U.S. Department of Homeland Security – Emergency Food and Shelter National Board	<u>1,178,126</u>	<u>238,762</u>
	<u>\$ 46,870,465</u>	<u>\$ 61,502,375</u>

**NOTE 9 – FOOD AND OTHER PRODUCTS DISTRIBUTION PROGRAM**

Food and other products distributed by Food Bank For NYC are provided by various sources, such as donations from the food industry, public food drives, food purchases by Food Bank For NYC, and government-provided products. The total pounds and value of products distributed to more than 1,000 feeding programs for the years ended June 30 were as follows:

	<u>2023</u>		<u>2022</u>	
	<u>Poundage</u>	<u>Value</u>	<u>Poundage</u>	<u>Value</u>
Donated food	17,397,569	\$ 33,806,119	13,403,177	\$ 25,842,019
Purchased food	21,725,394	19,614,122	26,725,020	25,626,703
Government programs	<u>41,664,532</u>	<u>47,984,588</u>	<u>74,588,133</u>	<u>76,600,538</u>
	<u>80,787,495</u>	<u>\$ 101,404,829</u>	<u>114,716,330</u>	<u>\$ 128,069,260</u>

The valuation of donated food received, donated food distributed, and donated food inventory is based on the approximate average wholesale value of one pound of donated product at the national level of \$1.93 and \$1.92 for the years ended June 30, 2023 and 2022, respectively, as published by Feeding America, a non-profit organization audited by a national accounting firm. Donated food inventory amounted to \$2,335,695 and \$1,893,061 as of June 30, 2023 and 2022, respectively.

**FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY  
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JUNE 30, 2023 AND 2022**

**NOTE 10 – LINE OF CREDIT**

Food Bank For NYC has a line of credit (“LOC”) with a financial institution for \$1,000,000. There was no line of credit balance as of June 30, 2023 and 2022. Food Bank For NYC’s LOC was secured by Food Bank For NYC’s certificates of deposit and carries interest at the Secured Overnight Financing Rate (“SOFR”) rate plus 1.6% interest. This LOC expired on April 2, 2023 and a new LOC was obtained on April 30, 2023 with a maturity date of April 30, 2024. There was no Interest expense incurred for the years ended June 30, 2023 and 2022. As of March 31, 2024, there were no amounts outstanding.

**NOTE 11 – MORTGAGE LOAN PAYABLE, NET**

Food Bank For NYC had a mortgage loan payable with a financial institution (“Lender Bank”). The agreement called for Food Bank For NYC to make monthly principal-only payment amounts of \$9,798 with a balloon principal payment of \$1,185,535 due on August 1, 2023. This loan bore interest at 4.72% annually, payable when the principal installments were due, computed based on the actual number of elapsed days over 360 days. This loan was collateralized by a security agreement that grants the Lender Bank a security interest in all present and future tangible and intangible assets of CFRC and a guarantee from Food Bank For New York City. Food Bank For NYC was required to comply with certain administrative and financial covenants which it has done. The outstanding balance was repaid on August 4, 2023.

Mortgage loan payable, net consists of the following as of June 30:

	<u><b>2023</b></u>	<u><b>2022</b></u>
Mortgage loan payable	\$ 1,195,333	\$ 1,312,907
Less: Deferred financing costs	<u>(14,507)</u>	<u>(18,957)</u>
Mortgage loan payable, net	<u><b>\$ 1,180,826</b></u>	<u><b>\$ 1,293,950</b></u>

Future annual principal payments for the remaining year ending after June 30, 2023 are as follows:

2024	<u><b>\$ 1,195,333</b></u>
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Interest expense amounted to \$60,263 and \$65,887 for the years ended June 30, 2023 and 2022, respectively.

**NOTE 12 – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are available for the following as of June 30:

	<u><b>2023</b></u>	<u><b>2022</b></u>
Purpose and Time Restricted:		
Food distribution	\$ 1,791,089	\$ 643,596
Children’s feeding and nutrition programs	717,870	455,000
Unappropriated earnings from endowment	1,302	3,040
Income support services	120,000	165,000
Capital projects	12,000	-
Time restricted	<u>250,000</u>	<u>-</u>
Subtotal	2,892,261	1,266,636
Endowment - Perpetual in nature	<u>50,000</u>	<u>50,000</u>
	<u><b>\$ 2,942,261</b></u>	<u><b>\$ 1,316,636</b></u>

**FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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**NOTE 12 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose and/or time specified by the donors and consist of the following for the years ended June 30:

	<u>2023</u>	<u>2022</u>
Food distribution	\$ 1,699,178	\$ 4,909,374
Income support services	877,037	594,283
Children's feeding and nutrition programs	967,648	618,382
Capital projects	16,452	293,143
Board appropriations from endowment	3,040	-
Time restricted	<u>250,000</u>	<u>-</u>
	<u>\$ 3,813,355</u>	<u>\$ 6,415,182</u>

Endowment net assets consist of donor restricted funds and a board designated endowment. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. See Note 2B for how Food Bank For NYC maintains its net assets.

Food Bank For NYC adheres to the New York Prudent Management of Institutional Funds Act ("NYPMIFA"). NYPMIFA creates a rebuttable presumption of imprudence if an organization appropriates more than 7% of a donor-restricted endowment fund's fair value (averaged over a period of not less than the preceding five years) in any year.

Any unappropriated earnings that would otherwise be considered without restrictions by the donor will be reflected as earnings with donor restrictions until appropriated by the organization.

Food Bank For NYC's Board has interpreted NYPMIFA as allowing Food Bank For NYC to appropriate for expenditure or accumulate so much of an endowment fund as Food Bank For NYC determines is prudent for the uses, benefits, purposes and duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument.

Food Bank For NYC records earnings on donor restricted funds not otherwise restricted by the donor as net assets with donor restrictions until appropriated for expenditure by the Board in a manner consistent with the standard of prudence described by NYPMIFA.

In accordance with U.S. GAAP, any deterioration of the fair value of assets associated with donor-restricted endowment funds that falls below the level the donor requires Food Bank For NYC to retain in perpetuity is to be reported in net assets without donor restrictions. Food Bank For NYC has not incurred such deficiencies in its endowment funds as of June 30, 2023 and 2022.

Food Bank For NYC has adopted investment policies whereby the endowment assets are invested in a manner intended to preserve the assets of donor-restricted funds that Food Bank For NYC must hold in perpetuity while assuming a low level of investment risk. Therefore, the investment objectives require disciplined and consistent management philosophies that accommodate all relevant, reasonable and probable events. In addition, a periodic review of the total rate of return is required. The Board appropriates for expenditures such amounts it determines may be used to support Food Bank For NYC activities.

**FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**NOTE 12 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)**

Changes in endowment net assets for the year ended June 30, 2023 are as follows:

	<b>Board- designated</b>	<b>Unappropriated Endowment Earnings</b>	<b>Endowment – Perpetual in nature</b>	<b>Total 2023</b>
Balance, at beginning of year	\$ 7,288,532	\$ 3,040	\$ 50,000	\$ 7,341,572
Investment earnings	-	1,302	-	1,302
Board appropriation	-	(3,040)	-	(3,040)
<b>Endowment net assets, end of year</b>	<b><u>\$ 7,288,532</u></b>	<b><u>\$ 1,302</u></b>	<b><u>\$ 50,000</u></b>	<b><u>\$ 7,339,834</u></b>

Changes in endowment net assets for the year ended June 30, 2022 are as follows:

	<b>Board- designated</b>	<b>Unappropriated Endowment Earnings</b>	<b>Endowment – Perpetual in nature</b>	<b>Total 2022</b>
Balance, at beginning of year	\$ 7,288,532	\$ 3,000	\$ 50,000	\$ 7,341,532
Investment earnings	-	40	-	40
<b>Endowment net assets, end of year</b>	<b><u>\$ 7,288,532</u></b>	<b><u>\$ 3,040</u></b>	<b><u>\$ 50,000</u></b>	<b><u>\$ 7,341,572</u></b>

**NOTE 13 – RETIREMENT PLAN**

- A. Food Bank For NYC has a 403(b) defined contribution retirement plan (the “Plan”). Employees become eligible to contribute to the Plan upon employment. Participating employees may contribute any amount, up to the maximum IRS annual contribution limit. Food Bank For NYC provides an employer match up to 5% of employees’ compensation after one year of service. Food Bank For NYC will provide an additional 3% of compensation for non-exempt employees not subject to an employee match. Retirement expense amounted to \$600,767 and \$446,735 for the years ended June 30, 2023 and 2022, respectively.
- B. Effective July 1, 2007, Food Bank NYC adopted a nonqualified 457(b) Deferred Compensation Plan for the benefit of a select group of Food Bank NYC’s management. The plan is funded solely by employee contributions. Included in investments and accounts payable and accrued expenses is \$97,724 as of June 30, 2023, relating to this plan.

**NOTE 14 – GRANT EXPENSE, FACILITATED MEALS AND RELATED COSTS**

Grant expense, facilitated meals and other related costs consists of the following for the years ended June 30:

	<b><u>2023</u></b>	<b><u>2022</u></b>
Equipment	\$ 865,869	\$ 301,964
Operating funds	1,739,940	4,566,927
Facilitated meals and related costs	15,109,519	26,427,300
	<b><u>\$ 17,715,328</u></b>	<b><u>\$ 31,296,191</u></b>

Funds for facilitated meals and other related costs were awarded to specific community organizations for the purchase and distribution of New York State produced food products.

**NOTE 15 – OPERATING AND FINANCING LEASES**

Food Bank For NYC leases certain office facilities and equipment at various terms under long-term non-cancelable operating & finance lease agreements.

Food Bank For NYC leases office space at 39 Broadway under a non-cancellable lease that expires March 31, 2026 and additional space at Hunts Point Market under a non-cancellable lease expiring on May 31, 2038. Food Bank NYC has one operating lease for a vehicle, expiring September 30, 2023.

Food Bank For NYC has various finance leases for warehouse and office equipment expiring at various dates between September 2023 and April 2026. There is one addition to the leases, a new copier lease signed this year.

**FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 15 – OPERATING AND FINANCING LEASES (Continued)**

Food Bank For NYC includes in the determination of the right-of-use assets and lease liabilities any renewal options when the options are reasonably certain to be exercised. The operating lease for 39 Broadway provides for increases in future minimum annual rental payments. Additionally, the lease agreement requires payment of operating expenses, including real estate taxes.

The weighted-average discount rate is based on the risk-free rate for all occupancy leases. Food Bank for NYC used the applicable discount rates for leases were selected using US Treasury Rates of 5-year and 30-year maturities. Food Bank For NYC used the applicable treasury rate at the later of the adoption of ASC 842 or the inception of the lease.

For leases of equipment, the borrowing rate approach was used, with the copiers amortized using their incremental short-term borrowing rate and the vehicle lease using the rate implicit in the contract. Previously capitalized equipment leases for forklifts and other warehouse equipment had been capitalized using a similar approach in prior years.

Total lease costs for the year ended June 30, 2023 are as follows:

Operating lease cost	\$ 2,852,415
Finance lease cost	
Interest expense	18,155
Amortization of right-of-use assets	<u>182,067</u>
Total finance lease cost	<u>200,222</u>
Short term lease cost	<u>83,958</u>
Total lease cost	<u>\$ 3,136,595</u>

The following table summarizes the supplemental cash flow information for the years ended June 30, 2023:

Cash paid for amounts included in the measurement of lease liabilities:

Cash flows from operating leases	\$ 341,749
Cash flows from finance leases	\$ 32,716

Noncash financing and investing cash flow (post ASC 842 adoption)

Right-of-use assets obtained in exchange for lease liabilities

Operating leases	\$ 34,202,424
Finance leases	\$ 183,765

The following summarizes the weighted-average remaining lease term and weighted-average discount rate:

Weighted average remaining lease term in years:

Operating leases	14.28
Finance leases	2.16

Weighted-average discount rate:

Operating leases	3.11%
Finance leases	6.80%

The future minimum lease payments under noncancelable operating and finance leases with terms greater than one year are listed below as of June 30, 2023:

	<u>Operating Leases</u>	<u>Financing Leases</u>
2024	\$ 3,228,957	\$ 172,293
2025	3,233,595	84,286
2026	3,081,487	54,870
2027	2,589,136	-
2028	2,589,136	-
Thereafter	<u>25,675,598</u>	<u>-</u>
	40,397,909	312,449
Less discount to present value	<u>(8,010,162)</u>	<u>(7,299)</u>
	<u>\$ 32,387,747</u>	<u>\$ 305,150</u>

Rent expense for real property (included in facilities and maintenance expense) for the years ended June 30, 2023 and 2022 amounted to \$2,852,415 and \$2,870,527, respectively.

**FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**NOTE 16 – COMMITMENTS AND CONTINGENCIES**

**A. *Funding Source Audits***

Cost reimbursable contracts applicable to various programs conducted for, and on behalf of, New York State and New York City governmental agencies are subject to adjustments for disallowed costs, if any, based on the results of audits by the agencies. Management believes that the results of such audits would not have a material effect on the accompanying consolidated financial statements.

**B. *Income Tax***

Food Bank For NYC believes it has no uncertain income tax positions as of June 30, 2023 and 2022 in accordance with FASB ASC Topic 740 ("Income Taxes"), which provides standards for establishing and classifying any tax provisions for uncertain tax positions.

**NOTE 17 – CONCENTRATION**

Cash and cash equivalents that potentially subject Food Bank For NYC to a concentration of credit risk include cash accounts at three and two banks, respectively, that exceeded the Federal Deposit Insurance Corporation ("FDIC") insurance limits by approximately \$7,463,000 and \$10,684,000 as of June 30, 2023 and 2022, respectively.

**NOTE 18 – SUBSEQUENT EVENTS**

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the consolidated statement of financial position through March 31, 2024, the date the consolidated financial statements were available to be issued. There were no subsequent events other than what was disclosed in Note 11.

**FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY**  
**CONSOLIDATING STATEMENTS OF FINANCIAL POSITION**  
**AS OF JUNE 30, 2023 AND 2022**

	As of June 30, 2023				As of June 30, 2022			
	Food Bank For NYC	CFRC	Consolidating Eliminations	Consolidated Total	Food Bank For NYC	CFRC	Consolidating Eliminations	Consolidated Total
<b>ASSETS</b>								
Cash and cash equivalents	\$ 8,227,211	\$ -	\$ -	\$ 8,227,211	\$ 9,420,339	\$ -	\$ -	\$ 9,420,339
Investments	11,324,234	-	-	11,324,234	17,336,821	-	-	17,336,821
Government grants receivable	18,013,164	-	-	18,013,164	18,401,852	-	-	18,401,852
Contributions receivable	830,000	-	-	830,000	1,472,057	-	-	1,472,057
Accounts receivable, net	575,801	-	-	575,801	298,363	-	-	298,363
Due from subsidiary	1,788,630	-	(1,788,630)	-	1,788,631	-	(1,788,631)	-
Purchased products inventory	2,111,177	-	-	2,111,177	2,370,917	-	-	2,370,917
Donated products inventory	2,335,695	-	-	2,335,695	1,893,061	-	-	1,893,061
Prepaid expenses and other assets	2,053,579	-	-	2,053,579	1,671,531	-	-	1,671,531
Property and equipment, net	6,916,142	2,115,474	-	9,031,616	7,441,157	2,252,618	-	9,693,775
Operating lease right-of-use assets	32,045,998	-	-	32,045,998	-	-	-	-
Finance lease right-of-use assets	272,434	-	-	272,434	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 86,494,065</u>	<u>\$ 2,115,474</u>	<u>\$ (1,788,630)</u>	<u>\$ 86,820,909</u>	<u>\$ 62,094,729</u>	<u>\$ 2,252,618</u>	<u>\$ (1,788,631)</u>	<u>\$ 62,558,716</u>
<b>LIABILITIES</b>								
Accounts payable and accrued expenses	\$ 6,088,871	\$ -	\$ -	\$ 6,088,871	\$ 8,172,028	\$ -	\$ -	\$ 8,172,028
Accrued salaries	722,219	-	-	722,219	413,070	-	-	413,070
Accrued vacation	659,795	-	-	659,795	593,189	-	-	593,189
Government contract advances	1,617,023	-	-	1,617,023	3,315,879	-	-	3,315,879
Due to subsidiary	-	1,788,630	(1,788,630)	-	-	1,788,631	(1,788,631)	-
Deferred rent	-	-	-	-	498,979	-	-	498,979
Mortgage loan payable, net	1,180,826	-	-	1,180,826	1,293,950	-	-	1,293,950
Operating lease liabilities	32,387,747	-	-	32,387,747	-	-	-	-
Finance lease liabilities	305,150	-	-	305,150	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>42,961,631</u>	<u>1,788,630</u>	<u>(1,788,630)</u>	<u>42,961,631</u>	<u>14,287,095</u>	<u>1,788,631</u>	<u>(1,788,631)</u>	<u>14,287,095</u>
<b>NET ASSETS</b>								
Without donor restrictions:								
Operations	27,566,325	(1,788,630)	-	25,777,695	33,055,259	(1,788,631)	-	31,266,628
Board-designated	7,288,532	-	-	7,288,532	7,288,532	-	-	7,288,532
Net investment in property and equipment	5,735,316	2,115,474	-	7,850,790	6,147,207	2,252,618	-	8,399,825
Total net assets without donor restrictions	40,590,173	326,844	-	40,917,017	46,490,998	463,987	-	46,954,985
Net assets with donor restrictions	2,942,261	-	-	2,942,261	1,316,636	-	-	1,316,636
<b>TOTAL NET ASSETS</b>	<u>43,532,434</u>	<u>326,844</u>	<u>-</u>	<u>43,859,278</u>	<u>47,807,634</u>	<u>463,987</u>	<u>-</u>	<u>48,271,621</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 86,494,065</u>	<u>\$ 2,115,474</u>	<u>\$ (1,788,630)</u>	<u>\$ 86,820,909</u>	<u>\$ 62,094,729</u>	<u>\$ 2,252,618</u>	<u>\$ (1,788,631)</u>	<u>\$ 62,558,716</u>



FOOD BANK FOR NEW YORK CITY AND SUBSIDIARY  
CONSOLIDATING STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	Year Ended June 30, 2023						Year Ended June 30, 2022					
	Food Bank New York City						Food Bank New York City					
	Without Donor Restrictions	With Donor Restrictions	Total	CFRC	Eliminations	Consolidated Total	Without Donor Restrictions	With Donor Restrictions	Total	CFRC	Eliminations	Consolidated Total
<b>PUBLIC SUPPORT AND REVENUE:</b>												
Contributions - foundations and corporations	\$ 6,200,740	\$ 4,774,678	\$ 10,975,418	\$ -	\$ -	\$ 10,975,418	\$ 7,768,254	\$ 2,956,188	\$ 10,724,442	\$ -	\$ -	\$ 10,724,442
Contributions - individuals	19,831,994	663,000	20,494,994	-	-	20,494,994	27,008,080	604,481	27,612,561	-	-	27,612,561
Special and other events (net of direct expenses of \$418,162 and \$0 in 2023 and 2022, respectively)	420,267	-	420,267	-	-	420,267	-	-	-	-	-	-
Government contracts	46,870,465	-	46,870,465	-	-	46,870,465	61,502,375	-	61,502,375	-	-	61,502,375
Gain on extinguishment of debt	-	-	-	-	-	-	867,500	-	867,500	-	-	867,500
Donated food received and contributions-in-kind	82,479,897	-	82,479,897	-	-	82,479,897	85,298,330	-	85,298,330	-	-	85,298,330
Sale of food and paper products	2,956,997	-	2,956,997	-	-	2,956,997	792,919	-	792,919	-	-	792,919
Investment activity	470,610	1,302	471,912	-	-	471,912	(132,562)	40	(132,522)	-	-	(132,522)
Other income	7,900	-	7,900	-	-	7,900	914,435	-	914,435	-	-	914,435
Net assets released from restrictions	3,813,355	(3,813,355)	-	-	-	-	6,415,182	(6,415,182)	-	-	-	-
<b>TOTAL PUBLIC SUPPORT AND REVENUE</b>	<b>163,052,225</b>	<b>1,625,625</b>	<b>164,677,850</b>	<b>-</b>	<b>-</b>	<b>164,677,850</b>	<b>190,434,513</b>	<b>(2,854,473)</b>	<b>187,580,040</b>	<b>-</b>	<b>-</b>	<b>187,580,040</b>
<b>EXPENSES:</b>												
<b>Program services:</b>												
Distribution and food storage	137,274,571	-	137,274,571	-	-	137,274,571	161,092,349	-	161,092,349	-	-	161,092,349
Research and policy	526,213	-	526,213	-	-	526,213	476,516	-	476,516	-	-	476,516
Food and nutrition services	2,795,868	-	2,795,868	-	-	2,795,868	2,154,919	-	2,154,919	-	-	2,154,919
Community kitchen and food pantry	2,273,701	-	2,273,701	137,143	-	2,410,844	2,205,910	-	2,205,910	136,128	-	2,342,038
Income support services	2,608,294	-	2,608,294	-	-	2,608,294	2,173,931	-	2,173,931	-	-	2,173,931
Food and benefits access	1,597,843	-	1,597,843	-	-	1,597,843	1,320,181	-	1,320,181	-	-	1,320,181
Total program services	147,076,490	-	147,076,490	137,143	-	147,213,633	169,423,806	-	169,423,806	136,128	-	169,559,934
<b>Supporting services:</b>												
Management and general	12,588,684	-	12,588,684	-	-	12,588,684	10,576,292	-	10,576,292	-	-	10,576,292
Fundraising	9,287,876	-	9,287,876	-	-	9,287,876	8,672,373	-	8,672,373	-	-	8,672,373
Total supporting services	21,876,560	-	21,876,560	-	-	21,876,560	19,248,665	-	19,248,665	-	-	19,248,665
<b>TOTAL EXPENSES</b>	<b>168,953,050</b>	<b>-</b>	<b>168,953,050</b>	<b>137,143</b>	<b>-</b>	<b>169,090,193</b>	<b>188,672,471</b>	<b>-</b>	<b>188,672,471</b>	<b>136,128</b>	<b>-</b>	<b>188,808,599</b>
<b>CHANGE IN NET ASSETS</b>	<b>(5,900,825)</b>	<b>1,625,625</b>	<b>(4,275,200)</b>	<b>(137,143)</b>	<b>-</b>	<b>(4,412,343)</b>	<b>1,762,042</b>	<b>(2,854,473)</b>	<b>(1,092,431)</b>	<b>(136,128)</b>	<b>-</b>	<b>(1,228,559)</b>
Net assets - beginning of year	46,490,998	1,316,636	47,807,634	463,987	-	48,271,621	44,728,956	4,171,109	48,900,065	600,115	-	49,500,180
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 40,590,173</b>	<b>\$ 2,942,261</b>	<b>\$ 43,532,434</b>	<b>\$ 326,844</b>	<b>\$ -</b>	<b>\$ 43,859,278</b>	<b>\$ 46,490,998</b>	<b>\$ 1,316,636</b>	<b>\$ 47,807,634</b>	<b>\$ 463,987</b>	<b>\$ -</b>	<b>\$ 48,271,621</b>