

NEW YORK COMMON PANTRY, INC. AND SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024



LUTZ AND GARR
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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying consolidated financial statements of New York Common Pantry, Inc. (a nonprofit organization) and Subsidiary, which comprise the consolidated statements of financial position as of June 30, 2025 and 2024, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of New York Common Pantry, Inc. and Subsidiary as of June 30, 2025 and 2024, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of New York Common Pantry, Inc. and Subsidiary's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about New York Common Pantry, Inc. and Subsidiary's ability to continue as a going concern for a reasonable period of time.

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

Lutz + Carr, LLP

New York, New York
December 3, 2025

NEW YORK COMMON PANTRY, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Assets		
Cash and cash equivalents	\$ 3,158,528	\$ 2,869,013
Cash held for investment	83,155	31,277
Investments	1,870,934	1,804,600
Unconditional promises to give		
Without donor restrictions	4,758,598	4,001,718
With donor restrictions	1,979,633	2,260,490
Prepaid expenses and other assets	124,283	116,232
Property and equipment, at cost (net of accumulated depreciation)	14,425,824	14,828,731
Operating lease right-of-use asset	715,412	630,106
Security deposits	<u>132,879</u>	<u>129,966</u>
Total Assets	<u><u>\$27,249,246</u></u>	<u><u>\$26,672,133</u></u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 1,627,479	\$ 1,429,358
Operating lease liability	698,029	608,857
Mortgage note payable	<u>7,382,999</u>	<u>7,568,759</u>
Total Liabilities	<u><u>9,708,507</u></u>	<u><u>9,606,974</u></u>
Commitments and Contingencies		
Net Assets		
Without Donor Restrictions		
Board designated and other	6,554,753	6,732,416
Property and equipment	<u>7,042,825</u>	<u>7,259,972</u>
Total Without Donor Restrictions	<u>13,597,578</u>	<u>13,992,388</u>
With Donor Restrictions	<u>3,943,161</u>	<u>3,072,771</u>
Total Net Assets	<u><u>17,540,739</u></u>	<u><u>17,065,159</u></u>
Total Liabilities and Net Assets	<u><u>\$27,249,246</u></u>	<u><u>\$26,672,133</u></u>

See notes to consolidated financial statements.

NEW YORK COMMON PANTRY, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2025 AND 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Changes in Net Assets from Operations						
Support and Revenue						
Government grants	\$ 6,471,530	\$ 52,714	\$ 6,524,244	\$ 5,967,416	\$ -	\$ 5,967,416
Contributions	4,704,103	2,971,623	7,675,726	4,819,548	3,072,771	7,892,319
Sponsors	77,855	-	77,855	106,302	-	106,302
Fundraising - benefits	1,459,917	-	1,459,917	1,218,926	-	1,218,926
Direct benefit expenses	(234,488)	-	(234,488)	(194,333)	-	(194,333)
Donated services, materials and facility	8,408,798	-	8,408,798	8,102,960	-	8,102,960
Other income	186,933	-	186,933	41,727	-	41,727
	<u>21,074,648</u>	<u>3,024,337</u>	<u>24,098,985</u>	<u>20,062,546</u>	<u>3,072,771</u>	<u>23,135,317</u>
Net assets released from restrictions						
Satisfaction of time and program restrictions	<u>2,153,947</u>	<u>(2,153,947)</u>	<u>-</u>	<u>1,440,313</u>	<u>(1,440,313)</u>	<u>-</u>
Total Support and Revenue	<u>23,228,595</u>	<u>870,390</u>	<u>24,098,985</u>	<u>21,502,859</u>	<u>1,632,458</u>	<u>23,135,317</u>
Expenses						
Program Services						
Choice Pantry Manhattan	3,373,367	-	3,373,367	2,628,065	-	2,628,065
Choice Pantry Bronx	1,557,088	-	1,557,088	1,359,847	-	1,359,847
Mobile Pantry	2,064,631	-	2,064,631	1,894,608	-	1,894,608
Help 365	1,446,751	-	1,446,751	1,096,379	-	1,096,379
Hot Meal Programs	642,969	-	642,969	654,520	-	654,520
Live Healthy!	1,030,645	-	1,030,645	1,008,637	-	1,008,637
Project Dignity	233,348	-	233,348	188,475	-	188,475
Nourish Program	7,989,570	-	7,989,570	8,021,169	-	8,021,169
Total Program Services	<u>18,338,369</u>	<u>-</u>	<u>18,338,369</u>	<u>16,851,700</u>	<u>-</u>	<u>16,851,700</u>
Supporting Services						
Management and general	2,967,736	-	2,967,736	2,918,863	-	2,918,863
Fundraising	1,717,946	-	1,717,946	1,430,843	-	1,430,843
Total Supporting Services	<u>4,685,682</u>	<u>-</u>	<u>4,685,682</u>	<u>4,349,706</u>	<u>-</u>	<u>4,349,706</u>
Total Expenses Before Depreciation	<u>23,024,051</u>	<u>-</u>	<u>23,024,051</u>	<u>21,201,406</u>	<u>-</u>	<u>21,201,406</u>
Increase in Net Assets from Operations Before Depreciation	204,544	870,390	1,074,934	301,453	1,632,458	1,933,911
Depreciation expense	<u>(764,692)</u>	<u>-</u>	<u>(764,692)</u>	<u>(737,233)</u>	<u>-</u>	<u>(737,233)</u>
Increase (Decrease) in Net Assets from Operations	(560,148)	870,390	310,242	(435,780)	1,632,458	1,196,678
Non-Operating Activities						
Investment income, net of investment fees	<u>165,338</u>	<u>-</u>	<u>165,338</u>	<u>235,082</u>	<u>-</u>	<u>235,082</u>
Increase (decrease) in net assets	(394,810)	870,390	475,580	(200,698)	1,632,458	1,431,760
Net assets, beginning of year	<u>13,992,388</u>	<u>3,072,771</u>	<u>17,065,159</u>	<u>14,193,086</u>	<u>1,440,313</u>	<u>15,633,399</u>
Net Assets, End of Year	<u>\$13,597,578</u>	<u>\$ 3,943,161</u>	<u>\$17,540,739</u>	<u>\$13,992,388</u>	<u>\$ 3,072,771</u>	<u>\$17,065,159</u>

See notes to consolidated financial statements.

NEW YORK COMMON PANTRY, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2025 WITH COMPARATIVE TOTALS FOR 2024

	2025												2024	
	Program Services									Supporting Services				
	Choice Pantry Manhattan	Choice Pantry Bronx	Mobile Pantry	Help 365	Hot Meal Programs	Live Healthy!	Project Dignity	Nourish Program	Total	Management and General	Fundraising	Total	Total Expenses	Total Expenses
Food	\$2,549,076	\$1,227,447	\$1,481,813	\$ 270	\$456,939	\$ 121,703	\$ -	\$5,693,358	\$11,530,606	\$ -	\$ 708	\$ 708	\$11,531,314	\$10,745,887
Salaries	443,503	203,101	360,940	1,023,197	122,606	449,572	119,445	1,303,928	4,026,292	1,520,035	730,845	2,250,880	6,277,172	5,664,305
Payroll taxes and employee benefits	83,697	35,495	66,078	188,889	30,440	72,554	42,523	214,167	733,843	397,678	126,506	524,184	1,258,027	1,241,476
Rent	56,650	40,516	35,014	54,658	9,226	74,014	9,408	138,760	418,246	141,405	44,369	185,774	604,020	584,673
Utilities	15,619	8,018	14,596	36,641	4,509	26,837	3,700	51,836	161,756	29,237	23,276	52,513	214,269	229,245
Postage and delivery	2,430	25	386	1,986	378	5,851	356	24,243	35,655	2,454	4,144	6,598	42,253	16,447
Telephone and internet	6,473	2,392	3,638	12,993	1,078	9,476	1,103	13,873	51,026	14,840	13,278	28,118	79,144	88,626
Technology	3,275	6,165	4,863	7,479	1,298	1,190	1,766	5,535	31,571	20,102	86,316	106,418	137,989	118,047
Supplies	49,350	12,131	34,969	22,581	8,380	9,195	3,088	70,542	210,236	59,701	5,235	64,936	275,172	300,107
Insurance	1,170	526	1,160	4,988	275	1,521	281	105,677	115,598	148,265	646	148,911	264,509	263,632
Printing	1,570	880	-	1,726	-	13,489	262	64	17,991	1,338	24,988	26,326	44,317	39,853
Travel	2,676	39	654	8,752	-	11,760	993	8,908	33,782	48,965	14,966	63,931	97,713	68,342
Building/equipment rental, repairs	28,199	9,105	18,904	22,606	2,491	19,586	4,149	53,927	158,967	134,765	17,599	152,364	311,331	346,098
Professional services	49,843	-	-	12,811	-	10,051	40,770	129,845	243,320	324,585	467,637	792,222	1,035,542	706,392
Vehicle expenses	47,438	105	20,164	117	-	318	-	75,512	143,654	3,774	17	3,791	147,445	203,688
Bank charges	71	21	67	102	69	276	14	-	620	5,271	32,983	38,254	38,874	24,065
Advertising	-	-	-	-	-	167,887	-	-	167,887	29,703	-	29,703	197,590	20,605
Indirect benefit expenses	451	648	130	-	347	-	-	175	1,751	4,120	90,821	94,941	96,692	130,521
Membership dues and subscription	459	200	510	1,138	104	5,725	1,339	155	9,630	21,854	1,481	23,335	32,965	30,718
Training	324	231	396	517	57	823	236	752	3,336	8,120	2,908	11,028	14,364	11,632
Bad debt expense	-	-	-	-	-	-	-	-	-	-	-	-	-	50,746
Real estate taxes	12,140	3,963	8,177	18,203	1,918	11,580	1,573	39,505	97,059	18,399	11,478	29,877	126,936	120,897
Interest	18,072	5,900	12,172	27,097	2,854	17,237	2,342	58,808	144,482	27,389	17,087	44,476	188,958	193,830
Miscellaneous	881	180	-	-	-	-	-	-	1,061	5,736	658	6,394	7,455	1,574
Total expenses before depreciation	3,373,367	1,557,088	2,064,631	1,446,751	642,969	1,030,645	233,348	7,989,570	18,338,369	2,967,736	1,717,946	4,685,682	23,024,051	21,201,406
Depreciation	73,134	23,876	49,257	109,660	11,552	69,758	9,477	237,990	584,704	110,840	69,148	179,988	764,692	737,233
Total Expenses, 2025	\$3,446,501	\$1,580,964	\$2,113,888	\$1,556,411	\$654,521	\$1,100,403	\$242,825	\$8,227,560	\$18,923,073	\$ 3,078,576	\$ 1,787,094	\$4,865,670	\$23,788,743	
Total Expenses, 2024	\$2,697,712	\$1,390,487	\$1,948,962	\$1,211,481	\$672,105	\$1,093,631	\$203,289	\$8,270,023	\$17,487,690	\$ 2,976,410	\$ 1,474,539	\$4,450,949		\$21,938,639

See notes to consolidated financial statements.

NEW YORK COMMON PANTRY, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024

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

See notes to consolidated financial statements.

NEW YORK COMMON PANTRY, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Cash Flows From Operating Activities		
Increase in net assets	\$ 475,580	\$1,431,760
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Change in carrying amount of operating lease right-of-use asset	467,969	413,622
Bad debt expense	-	50,746
Depreciation	764,692	737,233
Net realized and unrealized gain on investments	(81,468)	(169,988)
(Increase) decrease in:		
Unconditional promises to give	(476,023)	(1,756,930)
Prepaid expenses and other assets	(8,051)	41,189
Security deposits	(2,913)	64,500
Increase (decrease) in:		
Accounts payable and accrued expenses	198,121	335,709
Operating lease liability	(464,103)	(406,352)
Net Cash Provided By Operating Activities	<u>873,804</u>	<u>741,489</u>
Cash Flows From Investing Activities		
Acquisition of property and equipment	(361,785)	(195,304)
Purchases of investments	(2,391,377)	(563,988)
Proceeds from sale of investments	2,406,511	444,147
Net Cash Used By Investing Activities	<u>(346,651)</u>	<u>(315,145)</u>
Cash Flows From Financing Activities		
Repayment of mortgage note	<u>(185,760)</u>	<u>(180,888)</u>
Net increase in cash, cash equivalents and cash held for investment	341,393	245,456
Cash, cash equivalents and cash held for investment, beginning of year	<u>2,900,290</u>	<u>2,654,834</u>
Cash, Cash Equivalents and Cash Held For Investment, End of Year	<u><u>\$3,241,683</u></u>	<u><u>\$2,900,290</u></u>
Supplemental Disclosure		
Interest paid	<u>\$ 188,958</u>	<u>\$ 193,830</u>
Operating lease right-of-use asset obtained in exchange for lease liability	<u>\$ 553,275</u>	<u>\$ -</u>

See notes to consolidated financial statements.

NEW YORK COMMON PANTRY, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

Note 1 - Organization and Summary of Significant Accounting Policies

a - Organization

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

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

b - Principles of Consolidation

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

c - Cash and Cash Equivalents

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

d - Investments and Fair Value Measurements

The Organization reflects investments at fair value in the statement of financial position. Unrealized gains and losses on investments are reflected in the statement of activities as increases and decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law.

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

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

NEW YORK COMMON PANTRY, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

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

d - Investments and Fair Value Measurements (continued)

An asset or liability's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Availability of observable inputs can vary and is affected by a variety of factors. Level 3 assets and liabilities involve greater judgment than Level 1 or Level 2 assets or liabilities.

e - Contributions and Unconditional Promises to Give

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

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

f - Leases

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

g - Property and Equipment

Property and equipment are recorded at cost and are being depreciated using the straight-line method over the estimated useful life of the asset. Donations of property and equipment are recorded as support at their estimated fair value on the date of receipt. Leasehold improvements are depreciated over the term of the lease and options to renew.

NEW YORK COMMON PANTRY, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

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

h - Donated Services

Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased, if not provided by donation, are recorded at their fair values in the period received. No amounts have been reflected for services received from individuals who volunteer their time and perform numerous tasks that assist the Organization with its programs, solicitations and committee assignments.

i - Advertising Expenses

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

j - Financial Statement Presentation

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

Net Assets Without Donor Restrictions

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

Net Assets With Donor Restrictions

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

k - Functional Allocation of Expenses

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

NEW YORK COMMON PANTRY, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

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

l - Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

m - Tax Status

New York Common Pantry, Inc. is recognized as a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been designated as an organization which is not a private foundation.

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

n - Subsequent Events

The Organization has evaluated subsequent events through December 3, 2025, the date that the financial statements are considered available to be issued.

Note 2 - Information Regarding Liquidity and Availability

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

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

NEW YORK COMMON PANTRY, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

Note 2 - Information Regarding Liquidity and Availability (continued)

The Organization's financial assets as June 30, 2025 and 2024 available to meet cash needs for general expenditures within one year are summarized as follows:

	<u>2025</u>	<u>2024</u>
Financial Assets at Year End:		
Cash and cash equivalents	\$ 3,158,528	\$ 2,869,013
Cash and cash equivalents held for investment	83,155	31,277
Investments	1,870,934	1,804,600
Unconditional promises to give	<u>6,738,231</u>	<u>6,262,208</u>
Total Financial Assets	11,850,848	10,967,098
Less: Amounts not Available to be Used within One Year:		
Net assets with donor restrictions, subject to expenditure for specific purposes or passage of time	(3,943,161)	(3,072,771)
Plus: Net assets with donor restrictions to be met in less than one year	2,705,392	1,457,250
Net assets without donor restrictions - board designated funds	<u>(644,888)</u>	<u>(644,888)</u>
Financial Assets Available to Meet General Expenditures within One Year	<u>\$ 9,968,191</u>	<u>\$ 8,706,689</u>

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

Note 3 - Net Assets

Net assets consist of the following:

	2025			2024
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Board designated cash reserve for operations	\$ 644,888	\$ -	\$ 644,888	\$ 644,888
Other	5,909,865	-	5,909,865	6,087,528
Property and equipment	7,042,825	-	7,042,825	7,259,972
Subject to expenditure for specific purpose	<u>-</u>	<u>3,943,161</u>	<u>3,943,161</u>	<u>3,072,771</u>
2025 Total	<u>\$13,597,578</u>	<u>\$3,943,161</u>	<u>\$17,540,739</u>	
2024 Total	<u>\$13,992,388</u>	<u>\$3,072,771</u>		<u>\$17,065,159</u>

NEW YORK COMMON PANTRY, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

Note 4 - Investments

Investments at June 30, 2025 and 2024 are classified within Level 1 of the fair value hierarchy and consist of the following:

	<u>2025</u>		<u>2024</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Equities	\$ -	\$ -	\$ 594,755	\$ 754,661
Corporate bonds	697,176	710,159	261,762	257,758
Exchange traded funds - equities	1,083,203	1,160,775	-	-
Equity mutual funds	-	-	225,584	318,202
Bond mutual funds	-	-	329,083	284,362
Government and agency securities	-	-	193,642	189,617
	<u>\$1,780,379</u>	<u>\$1,870,934</u>	<u>\$1,604,826</u>	<u>\$1,804,600</u>

Net investment income consists of the following:

	<u>2025</u>	<u>2024</u>
Net realized gains	\$190,687	\$ 6,740
Net unrealized gains (losses)	(109,219)	163,248
Interest and dividends	95,134	79,719
Investment fees	<u>(11,264)</u>	<u>(14,625)</u>
	<u>\$165,338</u>	<u>\$235,082</u>

Note 5 - Promises to Give

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

	<u>2025</u>	<u>2024</u>
Due in one year	\$5,934,382	\$5,014,318
Due in one to five years	<u>897,449</u>	<u>1,393,300</u>
	6,831,831	6,407,618
Discount to present value	<u>(93,600)</u>	<u>(145,410)</u>
	<u>\$6,738,231</u>	<u>\$6,262,208</u>

Unconditional promises to give due after one year are discounted to net present value using rates ranging from 3.00% to 4.38%. Uncollectible promises to give are expected to be insignificant.

NEW YORK COMMON PANTRY, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

Note 5 - Promises to Give (continued)

- b - The Organization has entered into grants with federal and state agencies for various programs over multiple years. The total obligated funds under these grants is \$22,013,717. As of June 30, 2025, \$4,397,138 of costs were incurred on these grants. The remaining funds totaling \$17,616,579 have not been reflected in the accompanying financial statements since the recognition of revenue is subject to the incurrence of eligible reimbursable costs.

Note 6 - Property and Equipment

Property and equipment consist of the following:

	<u>Life</u>	<u>2025</u>	<u>2024</u>
Building	39 years	\$ 9,110,014	\$ 9,110,014
Building improvements	29 years	4,397,032	4,397,032
Leasehold improvements	Life of lease and options	3,868,913	3,868,913
Vans	5 years	948,130	792,229
Equipment and software	5 years	1,014,835	995,673
Construction in progress	Not in service	<u>186,722</u>	<u>-</u>
		19,525,646	19,163,861
Less: Accumulated depreciation		<u>(5,309,822)</u>	<u>(4,545,130)</u>
		14,215,824	14,618,731
Land		<u>210,000</u>	<u>210,000</u>
Total		<u>\$14,425,824</u>	<u>\$14,828,731</u>

Construction in progress consists of bathroom renovations at one of the Organization's leased spaces that are expected to be completed in the next fiscal year.

NEW YORK COMMON PANTRY, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

Note 7 - Mortgage Note Payable

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

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

The future scheduled principal installments are as follows:

<u>Year Ending June 30,</u>	
2026	\$ 189,784
2027	194,651
2028	199,163
2029	204,750
2030	210,001
Thereafter, through October 1, 2052	<u>6,384,650</u>
	<u>\$7,382,999</u>

Interest expense totaled \$188,958 and \$193,830 for the years ended June 30, 2025 and 2024, respectively.

NEW YORK COMMON PANTRY, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

Note 8 - Donated Services, Materials and Facility

The Organization received donated food and satellite pantry space utilized for its food pantry programs. The value of food donated by the United States Department of Agriculture via the New York State Department of Health is based on the actual price the agency incurred to purchase. Other donated food is valued at \$1.97 (2025) and \$1.93 (2024) per pound, calculated by averaging the value per pound used by four similar organizations in New York. Donated pantry space is valued based on management's analysis of the market rate of similar space. The total contribution per category is as follows:

	<u>2025</u>	<u>2024</u>
Food	\$8,369,021	\$8,063,183
Pantry space	<u>39,777</u>	<u>39,777</u>
	<u>\$8,408,798</u>	<u>\$8,102,960</u>

During the years ended June 30, 2025 and 2024, non-professional volunteers worked for the Organization. In accordance with generally accepted accounting principles, the value of these services is not included in the accompanying financial statements. During the years ended June 30, 2025 and 2024, there were 48,884 and 45,463 volunteer hours donated to the Organization, respectively.

Note 9 - Operating Lease Liability

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

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

NEW YORK COMMON PANTRY, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

Note 9 - Operating Lease Liability (continued)

During the year ended June 30, 2025, the Organization entered into a lease agreement for additional program and office space. The annual rent for the year beginning February 1, 2025 has been established at \$125,196, the estimated fair market value. On September 1, 2025 and on every September 1 thereafter, the annual rent increases by a percentage equal to the percentage increase in the Consumer Price Index from January 1 to December 31 of the immediately prior calendar year. The lease expires on December 31, 2029.

Operating lease costs for the years ended June 30, 2025 and 2024 totaled \$489,700 and \$437,535, respectively. For the year ended June 30, 2025, variable lease costs totaled \$28,096. As of June 30, 2025, the weighted average remaining term of the Organization's operating leases is forty-four months, and the discount rate is 3.98%.

Maturities of the Organization's lease liability as of June 30, 2025 are as follows:

<u>Year Ending June 30,</u>	
2026	\$275,206
2027	165,714
2028	125,196
2029	125,196
Through December 31, 2029	<u>62,598</u>
	753,910
Less: Amount attributable to interest	<u>(55,881)</u>
	<u>\$698,029</u>

Note 10 - Commitments and Contingencies

- a - The Organization occupies a satellite pantry under a memorandum of understanding, rent-free, beginning November 2016 for a period of up to ten years. The fair value of the use of the facility, \$39,777 for the years ended June 30, 2025 and 2024, is included in donated materials and facility on the statement of activities (Note 8).
- b - Government grants are subject to audit by the respective granting agencies. Management believes that no significant adjustments, if any, would result from such audits.

NEW YORK COMMON PANTRY, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

Note 11 - Concentrations

a - Credit Risk

The Organization maintains cash accounts in financial institutions in New York City. Certain balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Organization also maintains a balance in a money market account backed by U.S. Government securities.

b - Contributions

During the years ended June 30, 2025 and 2024, two donors accounted for approximately 33% and 35%, respectively, of public support.

Note 12 - Benefit Income

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

	<u>2025</u>	<u>2024</u>
Gross benefit income	\$1,459,917	\$1,218,926
Less: Direct expenses	<u>(234,488)</u>	<u>(194,333)</u>
Net Benefit Income Before Indirect Expenses	1,225,429	1,024,593
Indirect expenses	<u>(96,692)</u>	<u>(130,521)</u>
Net Benefit Income	<u>\$1,128,737</u>	<u>\$ 894,072</u>

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

Note 13 - Retirement Plan

The Organization maintains a tax deferred annuity 403(b) plan for its employees. The participating employees may contribute up to the statutory maximum. The amount of the employer's contribution is discretionary and is determined by the Organization each year. The Organization did not make any discretionary contributions during the year ended June 30, 2025. The Organization made a discretionary contribution during the year ended June 30, 2024 of \$99,916.