

**FOOD BANK ASSOCIATION OF NEW YORK STATE, INC.  
FINANCIAL REPORT  
JUNE 30, 2018**

**FOOD BANK ASSOCIATION OF NEW YORK STATE, INC.**

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## INDEPENDENT AUDITOR'S REPORT

The Board of Directors  
Food Bank Association of New York State, Inc.

We have audited the accompanying financial statements of Food Bank Association of New York State, Inc. (Association) (a New York not-for-profit organization), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Food Bank Association of New York State, Inc. as of June 30, 2018, and the change in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Marvin and Company, P.C.*

Latham, NY  
January 3, 2019

**FOOD BANK ASSOCIATION OF NEW YORK STATE, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2018**

**ASSETS**

**Current Assets**

Cash	\$ 32,683
Accounts receivable - governmental contracts	160,220
Prepaid expenses and security deposit	<u>1,162</u>
Total Current Assets	<u>194,065</u>

**Property and Equipment**

Office equipment, net accumulated depreciation of \$1,994	<u>1,235</u>
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<b>TOTAL ASSETS</b>	<b><u>\$ 195,300</u></b>
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**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Accounts payable and accrued expenses	\$ 108,091
Salaries and annual leave payable	<u>7,454</u>
Total Current Liabilities	<u>115,545</u>

**Contingent Liability**

Net assets - unrestricted	<u>79,755</u>
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<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 195,300</u></b>
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**FOOD BANK ASSOCIATION OF NEW YORK STATE, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2018**

**Unrestricted Net Assets**

Unrestricted revenues and support	
Membership dues	\$ 90,000
Public support	
Governmental contracts	318,690
Contributions	5,545
Interest	180
Miscellaneous	29
Total Unrestricted Revenues and Support	414,444
Expenses	
Salaries	87,768
Payroll taxes and employee benefits	19,543
Consultant	14,000
Professional fees	18,800
Insurance	1,378
Dues and fees	108
Information technology/web-site	2,800
Postage	158
Supplies	1,709
Printing and copying	2,468
Telephone and communications	2,676
Rent and parking	3,850
Conference	3,000
Travel and meetings	7,123
Grants made-support to organizations	258,172
Miscellaneous	733
Depreciation	530
Total Expenses	424,816
<b>Change in Net Assets</b>	(10,372)
Net Assets, Beginning of Year	90,127
<b>Net Assets, End of Year</b>	<b>\$ 79,755</b>

See accompanying notes to financial statements.

**FOOD BANK ASSOCIATION OF NEW YORK STATE, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2018**

**Cash Flows From Operating Activities**

Change in net assets	\$ (10,372)
Adjustment to reconcile change in net assets to net cash used by operating activities	
Depreciation	530
Change in operating assets and liabilities	
Accounts receivable - governmental contracts	(128,514)
Prepaid expenses and security deposit	(1,162)
Accounts payable and accrued expenses	96,617
Salaries and annual leave payable	(178)
Net Cash Used By Operating Activities and (Decrease) in Cash	(43,079)
 Cash, Beginning of Year	 75,762
 <b>Cash, End of Year</b>	 <b>\$ 32,683</b>

**FOOD BANK ASSOCIATION OF NEW YORK STATE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Organization and Income Tax Status***

The Food Bank Association of New York State, Inc. (Association) is a not-for-profit organization representing regional food banks (member agencies) located in the State of New York. The mission of the Association is to ensure that every person in every community has access to good healthy food and to lead a unified effort for a hunger-free State of New York. The mission of food banking is to obtain food and deliver it to emergency food programs. The Association works to end hunger by assisting the food bank network in obtaining food and funds, fostering public awareness of the food banks' mission, and creating partnerships to help alleviate hunger in the State of New York. The executive director of each member agency serves on the Association's Board of Directors. Membership dues totaled \$90,000 during 2018. The Association is supported primarily through public support, principally governmental contracts.

The Association is an organization described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes on activities related to its exempt purpose. The Association qualifies for the charitable contribution deduction and has been classified as an organization that is not a private foundation. There is no provision for income taxes included in the financial statements. Management has determined that all tax positions would be sustained upon examination by taxing authorities. There are no taxing authority examinations in progress.

***Financial Statement Presentation***

The financial statements have been prepared on the accrual basis of accounting which recognizes income when earned, expenses when incurred, and reflects all significant receivables, payables, and other liabilities.

The *Financial Accounting Standards Board Codification* requires the Association to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. There were no temporarily restricted or permanently restricted net assets at June 30, 2018.

***Revenue Recognition***

Membership dues revenue is recognized over the membership period July 1 to June 30. Deferred membership dues, if any, represent amounts collected before year-end that will not be earned until the subsequent year.

Revenue from governmental contracts is recognized when eligible expenses are incurred (cost-reimbursement). Governmental contract accounts receivable are stated at unpaid balances and are expected to be subsequently collected in full. Cash received on contracts in excess of eligible expenses incurred, or in advance of being earned, is recorded as deferred revenue and recognized over the period or periods to which it relates.

Contributions and grants received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Support that is not restricted by the donor is reported as an increase in unrestricted net assets. The Association has not received any support that would be classified as temporarily or permanently restricted.

**FOOD BANK ASSOCIATION OF NEW YORK STATE, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Revenue Recognition***

Donor restricted support is recorded as an increase in temporarily or permanently restricted support, depending on the nature of the restriction. When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. However, contributions which impose restrictions that are met in the same fiscal year they are received are included in unrestricted revenues.

***Use of Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles requires 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

***Property and Equipment***

Property and equipment is capitalized at cost. The Association's policy is to capitalize expenditures for these items in excess of \$1,000. Lesser amounts are expensed. Depreciation is provided on the straight-line method over the estimated useful lives of the assets (4 years).

Donations of property and equipment are recorded as support at their estimated fair value on the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose.

***Grants Made - Support to Organizations***

Grants are made from available resources in accordance with funding source requirements and Board of Directors' recommendations. Liabilities for grants made are recognized when approved and payment is generally made shortly thereafter.

***Functional Expenses***

Expenses are charged directly to program or support services based on specific identification. Indirect expenses have been allocated based on estimates by management. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Association. Expenses were incurred in the following functional areas during the year ended June 30, 2018:

Program services - end hunger	\$ 382,073
Support services:	
Management and general	41,624
Fundraising	<u>1,119</u>
Total	<u>\$ 424,816</u>



**FOOD BANK ASSOCIATION OF NEW YORK STATE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**2. CONCENTRATION OF CREDIT RISK**

Financial instruments that potentially subject the Association to concentrations of credit risk consist of cash accounts in a financial institution which, from time to time, may exceed insured limits. The Association has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash. There were no uninsured balances at June 30, 2018.

**3. RETIREMENT PLAN**

The Association has a non-contributory SEP IRA retirement plan with Oppenheimer Funds. The Plan covers substantially all employees who have performed one year of service. The Association's contributions are a specified percentage, currently 5%, of eligible salaries. Contributions to employees' accounts amounted to \$3,100 for the year ended June 30, 2018.

**4. RELATED PARTY TRANSACTIONS**

The Association distributed grant support totaling \$258,172 during the year ended June 30, 2018 to fund food processing costs (principally a venison donation program) and to increase food donation through New York State food banks. Of this total, grant support to member agencies was as follows:

Island Harvest	\$ 14,120
Food Bank for Westchester	13,041
Food Bank of the Southern Tier	11,930
Regional Food Bank of Northeastern New York	7,430
Food Bank of Western New York	54,790
Foodlink	27,537
Food Bank of Central New York	14,603
City Harvest Food Bank	74,791
Long Island Cares	<u>30,717</u>
Total	<u>\$ 248,959</u>

Grant support payable to the above member agencies totaled \$102,237 at June 30, 2018.

**5. DONATED GOODS AND SERVICES**

The Association reports revenue for the fair value of donated services received where the services require specialized skills, are provided by individuals possessing those skills, and represent services that would have been purchased had they not been donated. The Association receives donated services from unpaid organizations and volunteers who assist in fundraising and other projects. No amounts have been recognized in the statement of activities because the criteria for recognition has not been satisfied.

**FOOD BANK ASSOCIATION OF NEW YORK STATE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**6. CONTINGENT LIABILITY**

Contract/Grant Programs

The Association participates in contract programs subject to financial and compliance audits. Compliance with requirements may be established at some future date. The amount of expenditures or funding which may be disallowed cannot be determined at this time. Management expects such amounts, if any, to be immaterial.

**7. FAIR VALUE/FINANCIAL INSTRUMENTS**

Financial instruments consist of cash, accounts receivable, and all current liabilities. It is management's opinion that the Association is not exposed to significant interest rate or credit risk arising from these instruments. The fair values of these financial instruments are their market values, which approximate their carrying values.

**8. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through January 3, 2019, the date on which the financial statements were available to be issued. No events require recording or disclosure.

**9. PUBLIC SUPPORT - GOVERNMENTAL CONTRACTS**

A significant amount of revenues and support (approximately 75%) is provided by contracts with New York State Department of Health and New York State Department of Environmental Conservation. The current level of Association operations and program services may be impacted, or segments discontinued, if the funding is not renewed.