

**FEEDING NEW YORK STATE  
FINANCIAL REPORT  
JUNE 30, 2019**

# FEEDING NEW YORK STATE

## TABLE OF CONTENTS

	<b>PAGE</b>
INDEPENDENT AUDITOR'S REPORT	1-2
STATEMENT OF FINANCIAL POSITION	3
STATEMENT OF ACTIVITIES	4
STATEMENT OF FUNCTIONAL EXPENSES	5
STATEMENT OF CASH FLOWS	6
NOTES TO FINANCIAL STATEMENTS	7-11

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Feeding New York State

We have audited the accompanying financial statements of Feeding New York State (a New York not-for-profit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, 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 Feeding New York State as of June 30, 2019, 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.

## Effect of Adopting New Accounting Standard

As discussed in Note 1, Feeding New York State adopted the Financial Accounting Standards Board's Accounting Standards Update ("ASU") 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities* as of and for the year ended June 30, 2019. The requirements of the ASU have been applied retrospectively. Our opinion is not modified with respect to this matter.

*Marvin and Company, P.C.*

Latham, NY

December 11, 2019

**FEEDING NEW YORK STATE  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2019**

**ASSETS**

**Current Assets**

Cash	\$ 116,082
Accounts receivable - governmental contracts	202,717
Prepaid expenses and security deposit	1,300
Total Current Assets	<u>320,099</u>

**Property and Equipment**

Office equipment, net accumulated depreciation of \$1,413	<u>705</u>
---	------------

<b>TOTAL ASSETS</b>	<b><u>\$ 320,804</u></b>
---------------------	--------------------------

**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Accounts payable and accrued expenses	\$ 188,546
Salaries and annual leave payable	5,660
Total Current Liabilities	<u>194,206</u>

**Contingent Liability**

Net assets without donor restrictions	<u>126,598</u>
---------------------------------------	----------------

<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 320,804</u></b>
---	--------------------------

**FEEDING NEW YORK STATE  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019**

**Net Assets Without Donor Restrictions**

Revenues and support	
Membership dues	\$ 90,000
Public support	
Governmental contracts	530,810
Contributions	12,958
Interest	390
Miscellaneous	16
Total Revenues and Support	634,174
 Expenses	
Salaries	79,434
Payroll taxes and employee benefits	14,127
Management fees	7,524
Consultant	15,000
Professional fees	12,780
Insurance	1,409
Dues and fees	600
Information technology/web-site	2,357
Postage	63
Supplies	1,701
Printing and copying	4,076
Telephone and communications	3,722
Rent	7,200
Travel and meetings	7,712
Grants made-support to organizations	428,979
Miscellaneous	117
Depreciation	530
Total Expenses	587,331
 <b>Change in Net Assets</b>	<b>46,843</b>
 Net Assets, Beginning of Year	79,755
 <b>Net Assets, End of Year</b>	<b>\$ 126,598</b>

**FEEDING NEW YORK STATE  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Program Services</u>	<u>Supporting Services</u>		<u>Total</u>
	<u>End Hunger</u>	<u>Management and General</u>	<u>Fundraising</u>	
Salaries	\$ 65,930	\$ 12,709	\$ 795	\$ 79,434
Payroll taxes and employee benefits	11,726	2,260	141	14,127
Total Personnel Services	<u>77,656</u>	<u>14,969</u>	<u>936</u>	<u>93,561</u>
Management fees	6,245	1,204	75	7,524
Consultant	15,000	-	-	15,000
Professional fees	-	12,780	-	12,780
Insurance	1,169	240	-	1,409
Dues and fees	498	102	-	600
Information technology/website	1,650	707	-	2,357
Postage	52	10	1	63
Supplies	1,412	272	17	1,701
Printing and copying	3,424	652	-	4,076
Telephone and communications	3,089	596	37	3,722
Rent	6,048	1,152	-	7,200
Travel and meetings	6,401	1,311	-	7,712
Grants made - support to organizations	428,979	-	-	428,979
Miscellaneous	-	117	-	117
Depreciation	440	90	-	530
<b>Total Expenses</b>	<u>\$ 552,063</u>	<u>\$ 34,202</u>	<u>\$ 1,066</u>	<u>\$ 587,331</u>

See accompanying notes to financial statements.

**FEEDING NEW YORK STATE  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2019**

**Cash Flows From Operating Activities**

Change in net assets	\$ 46,843
Adjustment to reconcile change in net assets to net cash provided by operating activities	
Depreciation	530
Change in operating assets and liabilities	
Accounts receivable - governmental contracts	(42,497)
Prepaid expenses and security deposit	(138)
Accounts payable and accrued expenses	80,455
Salaries and annual leave payable	(1,794)
Net Cash Provided By Operating Activities and Increase in Cash	<u>83,399</u>
Cash, Beginning of Year	<u>32,683</u>
<b>Cash, End of Year</b>	<u><u>\$ 116,082</u></u>



**FEEDING NEW YORK STATE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

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

***Organization and Income Tax Status***

Feeding New York State, incorporated as Food Bank Association of New York State, Inc., is a not-for-profit organization representing regional food banks (member food banks) located in the State of New York. The mission of Feeding New York State 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. Feeding New York State 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 food banks serves on Feeding New York State's Board of Directors. Membership dues totaled \$90,000 during 2019. Feeding New York State is supported primarily through public support, principally governmental contracts.

Feeding New York State 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. Feeding New York State 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.

For the year ended June 30, 2019, Feeding New York State adopted the Financial Accounting Standards Board's Accounting Standards Update (ASU) No. 2016-14 - *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. This update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities. The changes required by the update have been applied retrospectively. A key change required by ASU 2016-14 is the net asset classes used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets, if any, are now reported as net assets with donor restrictions.

***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 Feeding New York State to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. There were no net assets with donor restrictions at June 30, 2019.

**FEEDING NEW YORK STATE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

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

***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 support without or with donor restrictions depending on the existence of any donor restrictions. Support that is not restricted by the donor is reported as an increase in net assets without donor restrictions. Feeding New York State has not received any support that would be classified as net assets with donor restrictions.

Donor restricted support is recorded as an increase in net assets with donor restrictions. When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. However, contributions which impose restrictions met in the same year they are received are included in support without donor restrictions.

***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. 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 support without donor restrictions 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.

**FEEDING NEW YORK STATE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

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

***Functional Expenses***

The financial statements report expenses that are attributable to more than one function. When possible, expenses are charged directly to program or supporting services based on specific identification. Indirect expenses require allocation on a reasonable basis that is consistently applied. The significant expenses that are allocated are personnel services, which have been allocated based on estimates determined by management, based on a review of the effort, time and expenditures which are program related and which are support and administrative related.

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 Feeding New York State.

**2. CONCENTRATION OF CREDIT RISK**

Financial instruments that potentially subject Feeding New York State to concentrations of credit risk consist of cash accounts in a financial institution which, from time to time, may exceed insured limits. Feeding New York State 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, 2019.

**3. LIQUIDITY**

Feeding New York State's financial assets available within one year of the statement of financial position date to meet general expenditures are as follows:

Cash	\$ 116,082
Accounts receivable – governmental contracts	<u>202,717</u>
Total Financial Assets	<u>\$ 318,799</u>

As part of liquidity management, Feeding New York State has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. To help manage unanticipated liquidity needs, Feeding New York State invests cash in excess of daily requirements in a money market savings account.

**4. 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. Contributions are a specified percentage, currently 5%, of eligible salaries. Contributions to employees' accounts amounted to \$1,889 for the year ended June 30, 2019.

**FEEDING NEW YORK STATE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**5. RELATED PARTY TRANSACTIONS**

Feeding New York State distributed grant support totaling \$428,979 during the year ended June 30, 2019 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 food banks was as follows:

Island Harvest	\$ 29,764
Feeding Westchester	140,817
Food Bank of the Southern Tier	58,452
Regional Food Bank of Northeastern New York	51,521
Food Bank of Western New York	16,473
Foodlink	38,082
Food Bank of Central New York	35,470
City Harvest	1,863
Long Island Cares	48,567
Total	<u>\$ 421,009</u>

Grant support payable to the above member food banks totaled \$178,335 at June 30, 2019.

Feeding New York State received administrative and management services from Food Bank of Central New York. During the year ended June 30, 2019, the amount billed by Food Bank of Central New York and expensed by Feeding New York State totaled \$7,524.

**6. DONATED GOODS AND SERVICES**

Feeding New York State 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. Feeding New York State 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.

**7. CONTINGENT LIABILITY**

Contract/Grant Programs

Feeding New York State 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.

**8. FAIR VALUE/FINANCIAL INSTRUMENTS**

Financial instruments consist of cash, accounts receivable, and all current liabilities. It is management's opinion that Feeding New York State 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.

**FEEDING NEW YORK STATE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**9. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through December 11, 2019, the date on which the financial statements were available to be issued. No events require recording or disclosure.

**10. PUBLIC SUPPORT - GOVERNMENTAL CONTRACTS AND GRANTS**

A significant amount of revenues and support (approximately 84%) is provided by contracts with New York State Department of Health, New York State Department of Environmental Conservation, and New York State Empire State Development. The current level of operations and program services may be impacted, or segments discontinued, if the funding is not renewed.