

**AUDITED  
CONSOLIDATED FINANCIAL STATEMENTS**

**FEEDMORE WESTERN NEW YORK, INC.  
AND RELATED ENTITY**

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**DECEMBER 31, 2021**

**FEEDMORE WESTERN NEW YORK, INC.  
AND RELATED ENTITY**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
FeedMore Western New York, Inc.  
and Related Entity

### **Opinion**

We have audited the consolidated financial statements of FeedMore Western New York, Inc. and Related Entity (the Organization), which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, and the related consolidated statements of activities and changes in net assets, cash flows and functional expenditures for the years then ended, and the related notes to the consolidated financial statements, (collectively, the consolidated financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2021 and 2020, and the results of their operations 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company 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 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the 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 FeedMore Western New York, Inc. and Related Entity'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about FeedMore Western New York, Inc. and Related Entity'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.

*Freed Maxick CPAs, P.C.*

Buffalo, New York  
June 15, 2022

**FEEDMORE WESTERN NEW YORK, INC.  
AND RELATED ENTITY**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
December 31,**

<b>ASSETS</b>	<b>2021</b>	<b>2020</b>
<b>Current assets:</b>		
Cash and cash equivalents	\$ 10,544,347	\$ 14,171,552
Grants and accounts receivable, net	4,711,106	3,875,348
Pledges receivable	83,642	37,585
Prepaid expenses	172,866	133,212
Food inventory	2,004,666	3,381,940
Investments	167,341	126,464
Total current assets	<u>17,683,968</u>	<u>21,726,101</u>
<b>Investments</b>	<b>19,570,410</b>	<b>12,922,566</b>
<b>Land, building and equipment, net</b>	<b>10,034,742</b>	<b>6,747,084</b>
<b>Pledges receivable</b>	<b>138,548</b>	<b>63,908</b>
Total assets	<u><b>\$ 47,427,668</b></u>	<u><b>\$ 41,459,659</b></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 2,268,003	\$ 1,842,536
Accrued expenses	386,155	438,153
Refundable advances	275,523	534,444
Total current liabilities	<u>2,929,681</u>	<u>2,815,133</u>
<b>Net assets:</b>		
Without donor restrictions	43,525,955	36,814,030
With donor restrictions	972,032	1,830,496
Total net assets	<u>44,497,987</u>	<u>38,644,526</u>
Total liabilities and net assets	<u><b>\$ 47,427,668</b></u>	<u><b>\$ 41,459,659</b></u>

See accompanying notes.

**FEEDMORE WESTERN NEW YORK, INC.  
AND RELATED ENTITY**

**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
For the Year Ended December 31, 2021**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Revenue, grants and other support:</b>			
Contributions:			
Government funding	\$ 7,237,735	\$ 7,849,525	\$ 15,087,260
Client contributions	861,133	-	861,133
General contributions	5,016,181	771,664	5,787,845
Special events	1,901,578	-	1,901,578
Private grants	2,439,530	20,000	2,459,530
Revenues:			
Contract Medicaid funding	1,113,300	-	1,113,300
Program fees	1,551,115	-	1,551,115
Rental income	387,787	-	387,787
In-Kind Contributions:			
Donated food	9,680,582	-	9,680,582
USDA food	5,138,696	-	5,138,696
General	434,768	-	434,768
Net assets released from restrictions	9,499,653	(9,499,653)	-
	<u>45,262,058</u>	<u>(858,464)</u>	<u>44,403,594</u>
<b>Expenditures:</b>			
Program services	38,237,334	-	38,237,334
Management and general	1,011,410	-	1,011,410
Fundraising	979,382	-	979,382
Total expenditures	<u>40,228,126</u>	<u>-</u>	<u>40,228,126</u>
Income from operations	5,033,932	(858,464)	4,175,468
<b>Other income:</b>			
Interest income	332,251	-	332,251
Net realized and unrealized gain on investments	1,345,742	-	1,345,742
Total other incomes	<u>1,677,993</u>	<u>-</u>	<u>1,677,993</u>
<b>Change in net assets</b>	6,711,925	(858,464)	5,853,461
Net assets - beginning of year	<u>36,814,030</u>	<u>1,830,496</u>	<u>38,644,526</u>
Net assets - end of year	<u>\$ 43,525,955</u>	<u>\$ 972,032</u>	<u>\$ 44,497,987</u>

See accompanying notes.

**FEEDMORE WESTERN NEW YORK, INC.  
AND RELATED ENTITY**

**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
For the Year Ended December 31, 2020**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Revenue, grants and other support:</b>			
Contributions:			
Government funding	\$ 6,129,421	\$ 9,367,781	\$ 15,497,202
Client contributions	935,661	-	935,661
General contributions	7,707,117	1,143,303	8,850,420
Special events	1,735,754	-	1,735,754
Private grants	3,910,763	-	3,910,763
Revenues:			
Contract Medicaid funding	1,164,332	-	1,164,332
Program fees	1,700,110	-	1,700,110
Rental income	399,926	-	399,926
Other income	868,071	-	868,071
In-Kind Contributions:			
Donated food	11,206,703	-	11,206,703
USDA food	7,653,372	-	7,653,372
General	447,651	-	447,651
Net assets released from restrictions	12,760,914	(12,760,914)	-
	<u>56,619,795</u>	<u>(2,249,830)</u>	<u>54,369,965</u>
<b>Expenditures:</b>			
Program services	39,193,180	-	39,193,180
Management and general	1,794,579	-	1,794,579
Fundraising	1,132,452	-	1,132,452
Total expenditures	<u>42,120,211</u>	<u>-</u>	<u>42,120,211</u>
Income from operations	14,499,584	(2,249,830)	12,249,754
<b>Other income:</b>			
Interest income	136,522	-	136,522
Net realized and unrealized gain on investments	1,203,816	-	1,203,816
Total other incomes	<u>1,340,338</u>	<u>-</u>	<u>1,340,338</u>
<b>Change in net assets</b>	15,839,922	(2,249,830)	13,590,092
Net assets - beginning of year	<u>20,974,108</u>	<u>4,080,326</u>	<u>25,054,434</u>
Net assets - end of year	<u>\$ 36,814,030</u>	<u>\$ 1,830,496</u>	<u>\$ 38,644,526</u>

See accompanying notes.

**FEEDMORE WESTERN NEW YORK, INC.  
AND RELATED ENTITY**

**CONSOLIDATED STATEMENTS OF CASH FLOWS  
For the Years Ended December 31,**

	<u>2021</u>	<u>2020</u>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 5,853,461	\$ 13,590,092
Reconciliation of change in net assets to net cash provided by operating activities:		
Depreciation	750,364	706,523
Net realized and unrealized gain on investments	(1,345,742)	(1,203,816)
Changes in:		
Pledges receivable - operating	(120,697)	662,099
Grants and accounts receivable, net	(835,758)	(2,551,608)
Prepaid expenses	(39,654)	(87,038)
Food inventory	1,377,274	(471,841)
Accounts payable	425,467	1,670,290
Accrued expenses	(51,998)	(279,901)
Refundable advances	(258,921)	475,502
<b>Net cash provided by operating activities</b>	<b>5,753,796</b>	<b>12,510,302</b>
<b>Cash flows from investing activities:</b>		
Purchase of equipment	(4,038,021)	(908,995)
Purchase of investments	(6,740,980)	(10,763,081)
Proceeds from sale of investments	1,398,000	7,028,545
<b>Net cash used in investing activities</b>	<b>(9,381,001)</b>	<b>(4,643,531)</b>
<b>Net change in cash, cash equivalents, and restricted cash</b>	<b>(3,627,205)</b>	<b>7,866,771</b>
Cash, cash equivalents, and restricted cash - beginning of year	<u>14,171,552</u>	<u>6,304,781</u>
Cash, cash equivalents, and restricted cash - end of year	<u>\$ 10,544,347</u>	<u>\$ 14,171,552</u>
<b>Supplemental disclosure of non-cash operating activities:</b>		
Donated food	<u>\$ 14,819,278</u>	<u>\$ 18,953,188</u>
Donated equipment	<u>\$ 25,049</u>	<u>\$ 149,300</u>
Donated services	<u>\$ 96,221</u>	<u>\$ 53,589</u>
Donated goods	<u>\$ 81,498</u>	<u>\$ 244,762</u>
Donated land	<u>\$ 232,000</u>	<u>\$ -</u>
Donated stock	<u>\$ 69,047</u>	<u>\$ 113,477</u>

See accompanying notes.



**FEEDMORE WESTERN NEW YORK, INC.  
AND RELATED ENTITY**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENDITURES  
For the Year Ended December 31, 2021**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salary and wages	\$ 3,637,450	\$ 281,617	\$ 288,974	\$ 4,208,041
Employee taxes and benefits	907,046	72,540	75,683	1,055,269
Contracted employment	62,703	-	-	62,703
<b>Total personnel and related expenses</b>	<b>4,607,199</b>	<b>354,157</b>	<b>364,657</b>	<b>5,326,013</b>
Purchased food	7,083,969	-	-	7,083,969
Contracted food service	6,289,917	-	-	6,289,917
Grants and awards	2,094,529	-	-	2,094,529
Fundraising and special events	-	-	501,899	501,899
Occupancy	415,555	32,743	8,295	456,593
Professional services	134,448	205,823	7,925	348,196
Transportation	342,818	-	-	342,818
Office supplies	207,600	6,046	20,800	234,446
Information Technology	110,182	17,797	72,820	200,799
Bad debts	-	188,209	-	188,209
Insurance	106,170	8,158	2,264	116,592
Travel	72,717	8,274	-	80,991
Food production	80,803	-	-	80,803
Other administrative	-	57,987	-	57,987
Volunteers	-	46,078	-	46,078
Repairs and maintenance	42,367	1,160	722	44,249
<b>Total other expenses</b>	<b>16,981,075</b>	<b>572,275</b>	<b>614,725</b>	<b>18,168,075</b>
<b>Total operating expenses</b>	<b>21,588,274</b>	<b>926,432</b>	<b>979,382</b>	<b>23,494,088</b>
In-kind value of donated food	15,791,569	-	-	15,791,569
In-kind value of donated supplies and services	188,598	3,507	-	192,105
<b>Total in-kind expenses</b>	<b>15,980,167</b>	<b>3,507</b>	<b>-</b>	<b>15,983,674</b>
Expenses before depreciation	37,568,441	929,939	979,382	39,477,762
Depreciation	668,893	81,471	-	750,364
<b>Total expenses</b>	<b>\$ 38,237,334</b>	<b>\$ 1,011,410</b>	<b>\$ 979,382</b>	<b>\$ 40,228,126</b>

See accompanying notes.

**FEEDMORE WESTERN NEW YORK, INC.  
AND RELATED ENTITY**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENDITURES  
For the Year Ended December 31, 2020**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salary and wages	\$ 2,657,428	\$ 646,962	\$ 347,116	\$ 3,651,506
Employee taxes and benefits	629,535	153,263	82,230	865,028
Contracted employment	123,160	12,614	-	135,774
	<u>3,410,123</u>	<u>812,839</u>	<u>429,346</u>	<u>4,652,308</u>
Total personnel and related expenses				
Purchased food	7,755,669	-	-	7,755,669
Contracted food service	6,416,244	-	-	6,416,244
Grants and awards	1,005,899	-	-	1,005,899
Fundraising and special events	-	-	467,914	467,914
Transportation	420,037	-	-	420,037
Office supplies	255,819	62,724	13,233	331,776
Professional services	-	287,190	1,365	288,555
Occupancy	186,689	47,040	26,352	260,081
Repairs and maintenance	161,391	15,898	16,234	193,523
Bad debts	-	177,592	-	177,592
Information technology	29,992	61,044	71,598	162,634
Insurance	80,768	19,665	10,554	110,987
Travel	-	101,801	-	101,801
Food production	67,219	-	-	67,219
Other administrative	-	49,233	-	49,233
Volunteers	-	34,358	-	34,358
Total other expenses	<u>16,379,727</u>	<u>856,545</u>	<u>607,250</u>	<u>17,843,522</u>
Total operating expenses	<u>19,789,850</u>	<u>1,669,384</u>	<u>1,036,596</u>	<u>22,495,830</u>
In-kind value of donated food	18,474,163	-	-	18,474,163
In-kind value of donated supplies and services	415,030	-	28,665	443,695
Total in-kind expenses	<u>18,889,193</u>	<u>-</u>	<u>28,665</u>	<u>18,917,858</u>
Expenses before depreciation	38,679,043	1,669,384	1,065,261	41,413,688
Depreciation	514,137	125,195	67,191	706,523
Total expenses	<u>\$ 39,193,180</u>	<u>\$ 1,794,579</u>	<u>\$ 1,132,452</u>	<u>\$ 42,120,211</u>

See accompanying notes.

**FEEDMORE WESTERN NEW YORK, INC.  
AND RELATED ENTITY**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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**NOTE 1. OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Operations:** On January 1, 2020, The Food Bank of Western New York, Inc. merged with the Meals on Wheels for Western New York, Inc. and commenced operations as FeedMore Western New York, Inc. (the Organization)(FeedMore). The Meals on Wheels Foundation of Western New York, Inc. amended its certificate of incorporation to change the corporation name to the FeedMore WNY Foundation, Inc. (the Foundation). The separate organizations merged together to leverage and integrate their respective programs with the goal of serving as a comprehensive hunger relief organization. As a merged organization, FeedMore can more efficiently and effectively fulfill the overarching shared charitable objective of alleviating hunger in the Western New York community.

The Organization is a not-for-profit organization in Western New York dedicated to obtaining nutritious food and support from public and private sources and efficiently distributing these resources to the hungry in Western New York through its member agencies. The Organization solicits donations of surplus food and grocery items from the food industry, public and private sources, and distributes these products to qualified 501(c)(3) charities. The food is obtained from various donors based in Western New York, national donors through an affiliation with Feeding America, and the United States Department of Agriculture (USDA). The Organization also distributes purchased food with funds from private contributions, private foundations and government grants, and respectfully provides food, training, education and hunger advocacy for its member agencies and clients. The Organization also provides the delivery of nutritious meals to home-bound elderly and disabled persons in the community.

The Foundation, an entity influenced by the Organization, is a public charity under Section 170(b)(1)(a)(vi) whose purpose is to raise, hold and invest funds for the Organization and other beneficiary organizations involved in the promotion of nutritious meals to home-bound individuals and the solicitation, collection, and storage of food products and the distribution of food products to feed people in need.

**Principles of Consolidation:** The consolidated financial statements include the accounts of FeedMore Western New York, Inc. and FeedMore Foundation of WNY, Inc. (collectively, the Organization). All significant intercompany balances and transactions have been eliminated in consolidation.

**Basis of Presentation:** The consolidated financial statements have been prepared on the accrual basis of accounting.

**Accounting for Contributions Received and Contributions Made:** In accordance with generally accepted accounting principles in the United States of America (U.S. GAAP), the Organization recognizes contributions received as income and contributions made as expenses. The Organization recognizes all contributions received as income in the period received. All contributions are considered to be available for use without restriction unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as increases to net assets with donor restrictions. When a restriction is fulfilled, 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, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as without donor restrictions. The Organization recognizes contributions made as expenses in the period pledged or distributed.

**Revenue Recognition:** Support received under Federal, New York State and County grants is recorded as revenue when the related costs are incurred. Included in grants and accounts receivable on the consolidated statements of financial position is \$4,088,471 which represents amounts due to the Organization for reimbursement of costs incurred during the year ended December 31, 2021 (\$3,100,708 – 2020). There was \$275,523 received in advance classified as refundable advances related to grant revenue at December 31, 2021 (\$534,444 – 2020).

**FEEDMORE WESTERN NEW YORK, INC.  
AND RELATED ENTITY**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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**NOTE 1. OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Shared Maintenance Fees:** Through membership agreements, nonprofit agencies agree to share the cost of operations by contributing up to fourteen cents for each pound of donated product they receive. The Organization will not stop supplying an organization, which provides emergency relief, for failure to contribute to shared maintenance.

**Program Reimbursement Fees:** The Organization receives reimbursements under Federal, State, County and private grants for a portion of the costs incurred in receiving, storing and distributing purchased and USDA food products.

**Donated and In-Kind Services:** Contributed services and goods were received by the Organization and have been reflected as in-kind contributions and corresponding expenses in the accompanying statement of activities and changes in net assets in accordance with current accounting standards. Additionally, a number of unpaid volunteers have made contributions of their time to develop and participate in the Organization's program. No accounting recognition is made for the fair market value of services provided by volunteer personnel as no objective basis is available to measure the value of such services.

**Food Inventory:** One of the primary functions of the Organization is the collection and distribution of food and grocery items. The majority of the Organization's inventory consisted of donated food. The remainder of inventory not received through in-kind donations is purchased. The inventory is valued as follows:

**Donated food and grocery items:** The donated inventory is valued utilizing the Feeding America Product Valuation Survey. This survey helps the Organization determine the approximate wholesale value of one pound of donated product at the national level.

**Purchased inventory:** The purchased inventory is valued at the lower of cost or market on a first-in, first-out basis (FIFO). The Organization evaluated inventory levels and expected usage on a periodic basis and records valuation allowances as require.

**Income Tax Status:** The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, no provision for federal or state income taxes has been reflected in the consolidated financial statements.

U.S. GAAP provides guidance on the financial statement recognition and measurement for income tax positions that the Organization has taken or expects to take. Corporations take many tax positions relative to tax laws, including those taken in determining whether the tax is due, a refund is owed, a tax return needs to be filed, or the characterization of income as taxable (for example, unrelated business income) or nontaxable. The Organization has not recorded any liabilities relating to uncertain tax positions.

The Organization files its Return of Organization Exempt from Income Tax in the U.S. federal jurisdiction and its Annual Filing of Charitable Organizations in New York State.

**Accounting Estimates:** The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the consolidated financial statements. Accordingly, actual results may differ from estimated amounts.

**Cash and Cash Equivalents:** The Organization maintains its cash in bank deposit and money market accounts which, at times, may exceed federally insured limits at several of its banks. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk with regards to its cash and cash equivalents. The Organization considers financial instruments with original maturities of three months or less to be cash equivalents.

**FEEDMORE WESTERN NEW YORK, INC.  
AND RELATED ENTITY**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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**NOTE 1. OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

In accordance with certain grant agreements, the Organization is required to hold cash in a separate bank account. The Organization has complied with this requirement for the years end December 31, 2021 and 2020.

**Pledges Receivable:** Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value which approximates fair value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. Conditional promises to give are not included as support until such time as the conditions are substantially satisfied. The discounts on those amounts are computed using a risk-adjusted interest rate applicable to the date of pledge. Amortization of the discount is included in contribution revenue. Management's estimate of an allowance for uncollectible pledges is based on historical collection rates and an analysis of the collectability of individual promises. Management determined that no allowance related to pledges receivable was necessary at December 31, 2021 and 2020.

**Grants and Accounts Receivable:** Accounts receivable are carried at amount invoiced or amounts due from grantors on cost reimbursement grants. Balances outstanding longer than 30 days are considered past due. The grants and accounts receivable are reviewed periodically to determine the need for an allowance. Management has determined that an allowance of \$93,995 related to accounts receivable was necessary at December 31, 2021 (\$139,537 – 2020).

**Land, Building and Equipment:** Land, building, vehicles and equipment are recorded at cost and depreciated using the straight-line method over the assets' estimated useful lives. Routine repairs and maintenance costs are expensed as incurred.

Accounting principles generally accepted in the United States of America require that long-lived assets and certain identifiable intangibles held and used by an entity be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. There was no impairment noted for the years ended December 31, 2021 and 2020.

**Advertising:** The Organization follows the policy of charging the costs of advertising to expense as incurred. Advertising expense amounted to \$15,152 for the year ended December 31, 2021 (\$15,597 – 2020).

**Self Insurance:** The Organization was a member of a self-funded workers compensation insurance trust through April 2010. The Organization remains subject to potential future liabilities related to workers compensation claims. As of December 31, 2021 and 2020, there were no known claims for which the Organization is liable.

**Concentration of Risk:** The Organization maintains its excess cash primarily in savings and checking accounts at several financial institutions. Although certain cash accounts exceed the federally insured deposit amount, management does not anticipate nonperformance by the financial institutions and reviews their performance periodically.

The Organization's investments are subject to various risks, such as interest rate, credit, and overall market volatility risks. Further, because of the significance of the investments to the Organization's financial position and the level of risk inherent in most investments, it is reasonably possible that changes in the values of these investments could occur in the near term and such changes could materially affect the amounts reported in the financial statements. Management is of the opinion that the diversification of its invested assets among the various asset classes should mitigate the impact of changes in any one class.

The Organization relies on one company for meal preparation. Management does not anticipate nonperformance by the company.

**FEEDMORE WESTERN NEW YORK, INC.  
AND RELATED ENTITY**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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**NOTE 1. OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The Organization received approximately 48% (45% - 2020) of its revenues and other support from federal, state and county sources, including client contributions under the home delivered meals program, and the loss of any one of these sources could have a material adverse effect on the Organization. The Organization has two separate agreements (the Agreements) with the Erie County Department of Senior Services (the County) to provide home delivered meals and congregate meals, respectively. The Agreements are each for a term of three years, terminating on December 31, 2021, subject to annual appropriation. The County in its sole discretion may extend the Agreements beyond their initial terms for up to two additional one-year periods subject to the terms of Agreements. The Agreements were renewed through December 31, 2022.

**Net Assets:** The consolidated financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

***Net Assets Without Donor Restrictions:*** Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting for the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

***Net Assets With Donor Restrictions:*** Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the Organization must continue to use the resources in accordance with the donor's instructions.

The Organization's unspent contributions are included in this class if the donor limited their use, as are its donor-restricted endowment funds.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the consolidated financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of buildings or equipment (or less commonly, the contribution of those assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by the Organization, unless the donor provides more specific directions about the period of its use.

***Classification of Transactions:*** All revenues and net gains are reported as increases in net assets without donor restrictions in the consolidated statement of activities and changes in net assets unless the donor specified the use of the related resources for a particular purpose or in a future period. All expenses and net losses other than losses on endowment investments are reported as decreases in net assets without donor restrictions. Net gains on endowment investments increase net assets with donor restrictions, and net losses on endowment investments reduce that net asset class.

**Expense recognition and allocation:** The consolidated financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation, repairs and maintenance, occupancy, and other administrative which are allocated by percentage of square footage, as well as salaries and benefits, which are allocated on the basis of estimates of time and effort. Every year the basis on which costs are allocated are evaluated.

Management and general expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Organization.

**FEEDMORE WESTERN NEW YORK, INC.  
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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**NOTE 1. OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The Organization generally does not conduct its fundraising activities in conjunction with its other activities.

**Recently Issued Accounting Pronouncements:** In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires a not-for-profit entity to present contributed nonfinancial assets in the statement of activities as a line item that is separate from contributions of cash or other financial assets. ASU 2020-07 also requires additional qualitative and quantitative disclosures about contributed nonfinancial assets received, disaggregated by category. This guidance is effective for fiscal years beginning after June 15, 2021. The Organization is currently evaluating the impact of this new guidance on its consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the consolidated statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the consolidated statement of activities. The new standard is effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the consolidated financial statements, with certain practical expedients available. The Organization is currently evaluating the impact the adoption of this new standard will have on its consolidated financial statements.

**Reclassification:** Certain 2020 amounts have been reclassified to conform with current year presentation. The reclassifications had no effect on the change in net assets.

**NOTE 2. GRANTS AND ACCOUNTS RECEIVABLE**

The grants and accounts receivable consist of the following at December 31,

	<u>2021</u>	<u>2020</u>
Due from New York State	\$ 3,154,373	\$ 1,752,694
Due from Erie and Niagara County	934,098	1,348,014
Due from private pay contracts	464,976	682,377
Other	<u>251,654</u>	<u>231,800</u>
	4,805,101	4,014,885
Less allowance for doubtful accounts	<u>(93,995)</u>	<u>(139,537)</u>
	<u>\$ 4,711,106</u>	<u>\$ 3,875,348</u>

**NOTE 3. PLEDGES RECEIVABLE**

The Organization initiated a Capital Campaign (the "Campaign") to raise funds for a new facility. The Campaign, commenced in 2021, is intended to last a minimum of 3 years. As of December 31, 2021, the Organization has raised approximately \$169,760 under the Campaign. As of December 31, 2021, pledges receivable relating to the campaign have been recorded in the amount of \$155,609.

**FEEDMORE WESTERN NEW YORK, INC.  
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 3. PLEDGES RECEIVABLE (CONTINUED)**

Pledges receivable, net of present value discount, are summarized as follows at December 31,:

	<u>2021</u>	<u>2020</u>
Pledges expected to be collected in:		
Less than one year	\$ 83,642	\$ 37,585
One to five years	149,988	89,022
More than five years	<u>250</u>	<u>10,000</u>
	233,880	136,607
Less present value discount	<u>11,690</u>	<u>35,114</u>
	222,190	101,493
Less current portion	<u>83,642</u>	<u>37,585</u>
	\$ <u>138,548</u>	\$ <u>63,908</u>
Long-term portion, net of discount		

**NOTE 4. LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure that is, without donor or other restrictions limiting their use, within one year of December 31, are:

	<u>2021</u>	<u>2020</u>
<b>Financial assets available for expenditure:</b>		
Cash and cash equivalents	\$ 10,544,347	\$ 14,171,552
Pledges receivable - operating	83,642	37,585
Grants and accounts receivable, net	4,711,106	3,875,348
Investments	<u>19,737,751</u>	<u>13,049,030</u>
Total financial assets	35,076,846	31,133,515
<b>Less financial assets held to meet donor-imposed restrictions:</b>		
Purpose-restricted net assets (see Note 9)	<u>972,032</u>	<u>1,830,496</u>
<b>Amount available for general expenditures within one year</b>	<u>\$ 34,104,814</u>	<u>\$ 29,303,019</u>

Additional working capital needs of the Organization related to core programs and capital expenditures can be funded through philanthropic efforts of the Foundation. The Organization currently holds unrestricted investments which can be used for additional liquidity purposes.

**NOTE 5. INVESTMENTS**

Financial Accounting Standards Board (FASB) *Accounting Standard Codification* (ASC) 820, *Fair Value Measurements*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three Levels of the fair value hierarchy under FASB ASC 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 the plan has the ability to access.



**FEEDMORE WESTERN NEW YORK, INC.  
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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**NOTE 5. INVESTMENTS (CONTINUED)**

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 asset 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 valuation methodologies used at December 31, 2021 and 2020:

**Mutual Funds and Exchange Traded Funds (ETFs):** Valued at the closing price reported on the active market on which the individual securities are traded. These investments are classified as Level 1 investments.

**Corporate Equity Securities:** Valued at closing price reported on the active market on which the individual securities are traded. Equity securities are classified as Level 1 investments.

**Money Market Funds:** A Money Market Fund is a public investment vehicle valued using \$1 for the NAV. Money market funds are classified as level 1 investments.

**Corporate Bonds and Notes:** Valued based on yields currently available on comparable securities of issuers with similar credit ratings. Corporate bonds and notes are classified as level 2 investments.

**U.S. Treasury and Agency Bonds:** Valued at the closing price reported on the active market on which the individual securities are traded. U.S. treasury and agency bonds are classified as level 1 investments.

Investments are carried at fair value. Net realized and unrealized gains which are reported in the consolidated statement of activities and changes in net assets for the year ended December 31, 2021 amounted to \$1,345,742 (\$1,203,816 – 2020). The Organization has measured its investments at fair value on a recurring basis.

Investments consist of the following at December 31, 2021:

	<u>Cost</u>	<u>Fair Value</u>
Mutual funds and ETFs	\$ 13,578,905	\$ 14,378,782
Corporate equity securities	3,444,204	4,486,556
Money market funds	527,359	528,232
Corporate bonds and notes	221,218	221,542
U.S. Treasury and agency bonds	<u>121,248</u>	<u>122,639</u>
	<u>\$ 17,892,934</u>	<u>\$ 19,737,751</u>

**FEEDMORE WESTERN NEW YORK, INC.  
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 5. INVESTMENTS (CONTINUED)**

Investments consist of the following at December 31, 2020:

	<u>Cost</u>	<u>Fair Value</u>
Mutual funds and ETFs	\$ 6,911,883	\$ 8,055,269
Corporate equity securities	2,672,408	3,088,358
Money market funds	1,569,051	1,569,051
Corporate bonds and notes	110,530	110,558
U.S. Treasury and agency bonds	<u>221,300</u>	<u>225,794</u>
	<u>\$ 11,485,172</u>	<u>\$ 13,049,030</u>

The following tables set forth financial assets measured at fair value in the consolidated statements of financial position and the respective levels to which the fair value measurements are classified within the fair value hierarchy as of December 31, 2021 and 2020:

	<b>Assets at Fair value As of December 31, 2021</b>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds and ETFs	\$ 14,378,782	\$ -	\$ -	\$ 14,378,782
Corporate equity securities:				
Domestic stocks	4,079,933	-	-	4,079,933
Foreign stocks	406,623	-	-	406,623
Money market funds	528,232	-	-	528,232
Corporate bonds and notes	-	221,542	-	221,542
U.S. Treasury and agency bonds	<u>122,639</u>	<u>-</u>	<u>-</u>	<u>122,639</u>
Total assets at fair value	<u>\$ 19,516,209</u>	<u>\$ 221,542</u>	<u>\$ -</u>	<u>\$ 19,737,751</u>

	<b>Assets at Fair value As of December 31, 2020</b>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds and ETFs	\$ 8,055,269	\$ -	\$ -	\$ 8,055,269
Corporate equity securities:				
Domestic stocks	2,754,007	-	-	2,754,007
Foreign stocks	334,351	-	-	334,351
Money market funds	1,569,051	-	-	1,569,051
Corporate bonds and notes	-	110,558	-	110,558
U.S. Treasury and agency bonds	<u>225,794</u>	<u>-</u>	<u>-</u>	<u>225,794</u>
Total assets at fair value	<u>\$ 12,938,472</u>	<u>\$ 110,558</u>	<u>\$ -</u>	<u>\$ 13,049,030</u>

**FEEDMORE WESTERN NEW YORK, INC.  
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 6. LAND, BUILDING AND EQUIPMENT**

Land, building and equipment are comprised of the following at December 31,:

	<u>2021</u>	<u>2020</u>
Land	\$ 3,192,985	\$ 174,748
Building	8,787,169	8,739,481
Leasehold improvements	63,845	63,845
Furniture, fixtures and equipment	4,486,419	4,106,788
Vehicles	1,778,215	1,560,259
Construction in process	<u>374,510</u>	<u>130,000</u>
	<u>18,683,143</u>	<u>14,645,121</u>
Less accumulated depreciation	<u>8,648,401</u>	<u>7,898,037</u>
	<u>\$ 10,034,742</u>	<u>\$ 6,747,084</u>

Asset categories and related estimated useful lives are as follows:

Building	39 - 40 years
Leasehold improvements	15 - 35 years
Furniture, fixtures and equipment	3 - 10 years
Vehicles	5 years

Depreciation expense amounted to \$750,364 for the year ended December 31, 2021 (\$706,523 – 2020).

**NOTE 7. INVENTORY**

**Purchased Product:** Food and grocery items that have been purchased with public and private funds, but which have not been distributed, are reported as inventory. The inventory of grant purchased food will be distributed at no charge to qualified organizations. This inventory is valued at cost. The cost of grant food and grocery items distributed during the year end December 31, 2021 amounted to \$4,805,628 and \$830,279 under State and County, and private grant programs, respectively (\$4,210,776 and \$1,388,050 – 2020). Additional Federal (FEMA) and County funds were made available to member agencies with which to purchase food and grocery items from the wholesale inventory, which is available for purchase year-round. As of December 31, 2021, the value of purchased product amounted to \$710,235 (\$1,163,837 – 2020).

**Donated Product:** The majority of food and grocery items that are distributed have been donated. The following represents a summary of these products at December 31, 2021:

	<u>Pounds</u>	<u>Value</u>
Inventory – beginning of year	405,148	\$ 656,340
Donations received	<u>5,563,553</u>	<u>9,680,582</u>
Less:		
Distributed to WNY Programs	(5,442,226)	(9,469,474)
Distributed to other food banks	(130,301)	(226,724)
Spoiled items (mostly perishable)	<u>(34,950)</u>	<u>(60,813)</u>
Transformations	<u>(7,746)</u>	<u>(13,478)</u>
Inventory – end of year	<u>353,478</u>	<u>\$ 566,433</u>

**FEEDMORE WESTERN NEW YORK, INC.  
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 7. INVENTORY (CONTINUED)**

The following represents a summary of these products at December 31, 2020:

	<u>Pounds</u>	<u>Value</u>
Inventory – beginning of year	394,694	\$ 639,404
Donations received	<u>6,917,718</u>	<u>11,206,687</u>
Less:		
Distributed to WNY Programs	(6,762,645)	(10,955,485)
Distributed to other food banks	(8,507)	(13,781)
Spoiled items (mostly perishable)	<u>(49,192)</u>	<u>(79,691)</u>
Transformations	<u>(86,910)</u>	<u>(140,794)</u>
Inventory – end of year	<u><u>405,148</u></u>	<u><u>\$ 656,340</u></u>

The December 31, 2021 in-kind value was determined using a rate of \$1.74 (\$1.62 – 2020) per pound estimated by management using the most recently published Feeding America Independent Accountants' Report on applying Agreed-Upon Procedures in determining an approximate average wholesale value of one pound of donated product at the national level.

**USDA Products:** The in-kind value of the United States Department of Agriculture (USDA) products is supplied by the New York State Office of General Services (through the United States Department of Agriculture) for informational purposes in tracking their cost of the value of the food distributed. The following summarizes the activity of USDA food at December 31, 2021:

	<u>Pounds</u>	<u>Value</u>
Inventory – beginning of year	834,138	\$ 1,561,763
USDA received	3,059,220	5,138,696
USDA distributed	<u>(3,529,595)</u>	<u>(5,954,842)</u>
Transformations	<u>(25,972)</u>	<u>(17,619)</u>
Inventory – end of year	<u><u>337,791</u></u>	<u><u>\$ 727,998</u></u>

The following summarizes the activity of USDA food at December 31, 2020:

	<u>Pounds</u>	<u>Value</u>
Inventory – beginning of year	1,825,378	\$ 1,852,824
USDA received	5,341,931	7,653,372
USDA distributed	<u>(5,609,476)</u>	<u>(7,169,900)</u>
Transformations	<u>(723,695)</u>	<u>(774,533)</u>
Inventory – end of year	<u><u>834,138</u></u>	<u><u>\$ 1,561,763</u></u>

**NOTE 8. LINE OF CREDIT**

The Organization has a \$4,000,000 line of credit available at a bank with interest calculated at LIBOR plus 1.75% (1.86% and 1.89% at December 31, 2021 and 2020, respectively). The line of credit is secured by the Organization's cash, securities and other assets and property. The line of credit is subject to the ongoing review of the financial institution and availability may be restricted in the future. At December 31, 2021 and 2020, no borrowings were outstanding under this arrangement.

**FEEDMORE WESTERN NEW YORK, INC.  
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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**NOTE 9. NET ASSETS WITH DONOR RESTRICTIONS**

At December 31, 2021 and 2020, net assets with donor restrictions are available for the following purposes or periods:

	<u>2021</u>	<u>2020</u>
<b>Purpose restrictions, available for spending:</b>		
Inventory for distribution	\$ 442,331	\$ 860,405
Donations for future food expenditures	275,514	593,543
Donations and pledges for capital campaign	95,640	-
Other	19,999	82,393
Meal delivery	-	188,845
Commissary	-	43,042
Total purpose-restricted net assets	<u>833,485</u>	<u>1,768,228</u>
<b>Time restrictions:</b>		
Pledges made for future periods	<u>138,548</u>	<u>62,268</u>
<b>Total net assets with donor restrictions</b>	<u>\$ 972,032</u>	<u>\$ 1,830,496</u>

**NOTE 10. PAYCHECK PROTECTION PROGRAM**

On April 11, 2020, the Organization received loan proceeds in the amount of \$689,843 under the Paycheck Protection Program (PPP). Established as part of the Coronavirus Aid, Relief and Economic Security (CARES) Act, the PPP provides for loans to qualifying businesses in amounts up to 2.5 times the business's average monthly payroll expenses. PPP loans and accrued interest are forgivable after a "covered period" (eight or 24 weeks) as long as the borrower maintains its payroll levels and uses the loan proceeds for eligible purposes, including payroll, benefits, rent, and utilities. The forgiveness amount will be reduced if the borrower terminates employees or reduces salaries during the covered period. Any unforgiven portion of a PPP loan is payable over two or five years at an interest rate of 1%, with a deferral of payments for 10 months after the end of the covered period.

On April 14, 2021, the Organization received confirmation that the full amount of the PPP funds received had been forgiven by the Small Business Administration. In accordance with ASC 958-605, the \$689,843 of proceeds from the PPP have been recorded as other income in the accompanying consolidated statement of activities and changes in net assets for the year ended December 31, 2020.

**NOTE 11. RETIREMENT PLAN**

The Organization participates in a 403(b) Thrift Plan. Eligible employees are automatically enrolled in the plan with a 3% salary deferral rate. Employees who are age 18 or older and work at least 1,000 hours per year are eligible to receive employer contributions after one year of employment. The plan provides a base employer contribution equal to 3% of employee's annual compensation. The plan also provides an employer matching contribution of 100% of an employees' contribution up to 3% of the employee's annual compensation. During the year ended December 31, 2021, the Organization contributed approximately \$162,000 to the 403(b) Plan (\$160,000 – 2020).

**NOTE 12. DONATED GOODS, SERVICES AND EQUIPMENT**

In accordance with U.S. GAAP, contributed services are those services that would otherwise be required to be purchased had they not been contributed. There is approximately \$96,000 of such specialized services (\$54,000 – 2020), approximately \$81,000 of donated goods (\$245,000 – 2020), approximately \$25,000 of donated equipment, (\$149,000 – 2020) and \$232,000 (\$0 – 2020) of donated land reflected in the consolidated financial statements at December 31, 2021.

**FEEDMORE WESTERN NEW YORK, INC.  
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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**NOTE 13. RELATED PARTY TRANSACTIONS**

The Organization has entered into a lease agreement (the Lease) with the Foundation to rent office space at the facility. The Lease included a base rent of \$1,453 per month for the year ended December 31, 2021 (\$1,478 – 2020). Base rent expense to the Foundation amounted to \$17,441 for the year ended December 31, 2021 (\$17,737 – 2020). In addition to the base rent, the Organization must pay for property expenses not to exceed \$44,210 for the year ended December 31, 2021 (\$44,961 – 2020). Any property expense in excess of the \$44,210 will be reimbursed by the Foundation to the Organization, up to the amount of base rent paid by the Organization for the preceding lease year. These expenses include but are not limited to property taxes, insurance, and all costs and expenses in connection with management, operation and maintenance of the facility. On an annual basis, the base rent and property expenses will be reviewed and adjusted, if necessary, according to changes in the Consumer Price Index.

The expenses were reviewed for the years ended December 31, 2021 and 2020, resulting in no receivable from the Foundation. The Lease expires October 31, 2049. The aforementioned transactions above have been eliminated in the consolidated financial statements.

**NOTE 14. OPERATING LEASES**

The Organization leases office equipment and vehicles under various noncancelable operating leases through July 2026. Rental expense for these leases totaled approximately \$110,000 for the year ended December 31, 2021 (\$105,000 – 2020). Future minimum lease payments subsequent to December 31, 2021 are approximately as follows:

2022	\$ 114,000
2023	113,000
2024	113,000
2025	98,000
2026	<u>74,000</u>
	<u>\$ 512,000</u>

**NOTE 15. COMMISSARY LEASE COMMITMENT**

The Organization has a lease agreement for the commissary building and meal production equipment with Trio Community Living, LLC (Trio). The lease provided for annual base rent of \$100,000 and an additional base rent of \$250,000 per year after the year of commencement. The additional base rent increases 2.5% per year through the end of the lease term. The Organization recognizes total rental income under the lease on a straight-line basis over the term of the lease. Trio is responsible for its pro-rata share of utilities based upon square footage of the commissary to the total building. Base rental income under this agreement amounted to \$375,953 during the year ended December 31, 2021 (\$389,923 – 2020). The lease was renewed effective January 1, 2022 for a term of 24 months. At December 31, 2021, future minimum lease payments receivable under operating leases are as follows:

2022	\$ 375,953
2023	<u>378,000</u>
	<u>\$ 753,953</u>

**FEEDMORE WESTERN NEW YORK, INC.  
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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**NOTE 15. COMMISSARY LEASE COMMITMENT (CONTINUED)**

Property held for lease to others under operating leases consists of the following at December 31:

	<u>2021</u>	<u>2020</u>
Building	\$ 4,330,783	\$ 4,330,783
Equipment	<u>2,410,635</u>	<u>2,339,968</u>
	6,741,418	6,670,751
Less accumulated depreciation	<u>2,756,516</u>	<u>2,511,453</u>
	<u>\$ 3,984,902</u>	<u>\$ 4,159,298</u>

**NOTE 16. SUBSEQUENT EVENTS**

Subsequent to the year ended December 31, 2021 the Organization received three major gifts from local business and individuals relating to the capital campaign. The value of the gifts totaled approximately \$2,750,000.

**FEEDMORE WESTERN NEW YORK, INC.  
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**CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
December 31, 2021**

<b>ASSETS</b>	<b>FeedMore Western New York, Inc.</b>	<b>FeedMore WNY Foundation, Inc.</b>	<b>Eliminations</b>	<b>Total</b>
<b>Current assets:</b>				
Cash and cash equivalents	\$ 4,835,467	\$ 5,708,880	\$ -	\$ 10,544,347
Grants and other accounts receivable, net	4,623,263	141,091	(53,248)	4,711,106
Pledges receivable	-	83,642	-	83,642
Prepaid expenses	24,929	147,937	-	172,866
Food inventory	2,004,666	-	-	2,004,666
Investments	-	167,341	-	167,341
Total current assets	<u>11,488,325</u>	<u>6,248,891</u>	<u>(53,248)</u>	<u>17,683,968</u>
<b>Investments</b>	-	19,570,410	-	19,570,410
<b>Land, building and equipment, net</b>	1,476,430	8,558,312	-	10,034,742
<b>Pledges receivable</b>	-	138,548	-	138,548
Total assets	<u>\$ 12,964,755</u>	<u>\$ 34,516,161</u>	<u>\$ (53,248)</u>	<u>\$ 47,427,668</u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>Current liabilities:</b>				
Accounts payable	\$ 1,924,642	\$ 396,609	\$ (53,248)	\$ 2,268,003
Accrued expenses	314,586	71,569	-	386,155
Refundable advances	275,523	-	-	275,523
Total current liabilities	<u>2,514,751</u>	<u>468,178</u>	<u>(53,248)</u>	<u>2,929,681</u>
<b>Net assets:</b>				
Without donor restrictions	9,732,159	33,793,796	-	43,525,955
With donor restrictions	717,845	254,187	-	972,032
Total net assets	<u>10,450,004</u>	<u>34,047,983</u>	<u>-</u>	<u>44,497,987</u>
Total liabilities and net assets	<u>\$ 12,964,755</u>	<u>\$ 34,516,161</u>	<u>\$ (53,248)</u>	<u>\$ 47,427,668</u>



**FEEDMORE WESTERN NEW YORK, INC.  
AND RELATED ENTITY**

**CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
For the Year Ended December 31, 2021**

	<b>FeedMore Western New York, Inc.</b>	<b>FeedMore WNY Foundation, Inc.</b>	<b>Eliminations</b>	<b>Total</b>
<b>Revenue, grants and other support:</b>				
Contributions:				
Government funding	\$ 15,087,260	\$ -	\$ -	\$ 15,087,260
Client contributions	861,133	-	-	861,133
General contributions	155,172	5,632,673	-	5,787,845
Special events	-	1,901,578	-	1,901,578
Private grants	2,459,530	-	-	2,459,530
Revenues:				
Contract Medicaid funding	1,113,300	-	-	1,113,300
Program fees	1,476,109	75,006	-	1,551,115
Rental income	-	387,787	-	387,787
In-Kind Contributions:				
Donated food	9,680,582	-	-	9,680,582
USDA food	5,138,696	-	-	5,138,696
General	134,691	300,077	-	434,768
Total revenue, grants and other support	<u>36,106,473</u>	<u>8,297,121</u>	<u>-</u>	<u>44,403,594</u>
<b>Expenditures:</b>				
Program services	37,265,104	978,160	(5,930)	38,237,334
Management and general	569,214	453,707	(11,511)	1,011,410
Fundraising	-	979,382	-	979,382
Total expenditures	<u>37,834,318</u>	<u>2,411,249</u>	<u>(17,441)</u>	<u>40,228,126</u>
Income (loss) from operations	(1,727,845)	5,885,872	17,441	4,175,468
<b>Other income:</b>				
Interest income	3,607	328,644	-	332,251
Rental income - related party	-	17,441	(17,441)	-
Net realized and unrealized gain on investments	-	1,345,742	-	1,345,742
Total other income	<u>3,607</u>	<u>1,691,827</u>	<u>(17,441)</u>	<u>1,677,993</u>
<b>Change in net assets</b>	(1,724,238)	7,577,699	-	5,853,461
Net assets - beginning of year	<u>12,174,242</u>	<u>26,470,284</u>	<u>-</u>	<u>38,644,526</u>
Net assets - end of year	<u>\$ 10,450,004</u>	<u>\$ 34,047,983</u>	<u>\$ -</u>	<u>\$ 44,497,987</u>