

**YORKVILLE COMMON PANTRY, INC.**

**FINANCIAL STATEMENTS**

**JUNE 30, 2011 AND 2010**



**LUZ AND CARR**  
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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Yorkville Common Pantry, Inc.

We have audited the accompanying statements of financial position of Yorkville Common Pantry, Inc. (a not-for-profit corporation) as of June 30, 2011 and 2010, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Yorkville Common Pantry, Inc. as of June 30, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Lutz + Carr, LLP*

New York, New York  
December 1, 2011

**YORKVILLE COMMON PANTRY, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2011 AND 2010**

	<u>2011</u>	<u>2010</u>
<b>Assets</b>		
Cash and cash equivalents (Notes 1c and 9)	\$ 999,510	\$ 988,774
Cash and cash equivalents held for investment (Notes 1c and 9)	258	20,551
Investments (Notes 1d and 3)	697,353	581,359
Unconditional promises to give (Notes 1e and 4)		
Unrestricted	143,750	93,441
Restricted to future programs and periods	150,000	22,000
Restricted for building renovation and maintenance	12,229	59,340
Prepaid expenses and other assets	104,806	90,228
Property and equipment, at cost (net of accumulated depreciation) (Notes 1f, 5 and 6)	3,376,203	3,384,679
Security deposits	<u>6,220</u>	<u>6,220</u>
<b>Total Assets</b>	<u><u>\$5,490,329</u></u>	<u><u>\$5,246,592</u></u>
<b>Liabilities and Net Assets</b>		
Liabilities		
Accounts payable and accrued expenses	<u>\$ 122,003</u>	<u>\$ 103,545</u>
Commitments and Contingency (Notes 8, 10 and 12)		
Net Assets (Note 2)		
Unrestricted	4,634,069	4,523,057
Temporarily restricted	<u>734,257</u>	<u>619,990</u>
Total Net Assets	<u><u>5,368,326</u></u>	<u><u>5,143,047</u></u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$5,490,329</u></u>	<u><u>\$5,246,592</u></u>

See notes to financial statements.

## YORKVILLE COMMON PANTRY, INC.

## STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2011 AND 2010

	2011			2010		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>Changes From Operations</b>						
Support and Revenue						
Government grants	\$ 298,662	\$ -	\$ 298,662	\$ 333,667	\$ 12,536	\$ 346,203
Contributions	1,288,683	462,417	1,751,100	1,433,937	291,179	1,725,116
Sponsors	123,155	-	123,155	111,595	-	111,595
Fundraising - benefits (Note 11)	447,718	-	447,718	379,199	-	379,199
Direct benefit expenses (Note 11)	(46,976)	-	(46,976)	(42,449)	-	(42,449)
Donated services and materials (Notes 1g and 6)	961,178	-	961,178	1,340,104	-	1,340,104
Miscellaneous	-	-	-	1,331	-	1,331
	<u>3,072,420</u>	<u>462,417</u>	<u>3,534,837</u>	<u>3,557,384</u>	<u>303,715</u>	<u>3,861,099</u>
Net assets released from restrictions						
Satisfaction of time and program restrictions	288,715	(288,715)	-	283,386	(283,386)	-
	<u>3,361,135</u>	<u>173,702</u>	<u>3,534,837</u>	<u>3,840,770</u>	<u>20,329</u>	<u>3,861,099</u>
Total Support and Revenue						
Expenses						
Program Services Before Depreciation						
Project Dignity	157,815	-	157,815	177,537	-	177,537
Meal Programs	303,825	-	303,825	389,819	-	389,819
Pantry Programs	1,769,957	-	1,769,957	2,181,136	-	2,181,136
365 Days 24/7 @ YCP / 24/7 @ YCP	374,674	-	374,674	289,854	-	289,854
Nutrition Initiative for Children and Families	142,229	-	142,229	43,678	-	43,678
Total Program Services	<u>2,748,500</u>	<u>-</u>	<u>2,748,500</u>	<u>3,082,024</u>	<u>-</u>	<u>3,082,024</u>
Supporting Services Before Depreciation						
Management and general	312,535	-	312,535	393,881	-	393,881
Fundraising	297,185	-	297,185	184,442	-	184,442
Total Supporting Services	<u>609,720</u>	<u>-</u>	<u>609,720</u>	<u>578,323</u>	<u>-</u>	<u>578,323</u>
Total Expenses Before Depreciation	<u>3,358,220</u>	<u>-</u>	<u>3,358,220</u>	<u>3,660,347</u>	<u>-</u>	<u>3,660,347</u>
Increase in Net Assets from Operations Before Depreciation	2,915	173,702	176,617	180,423	20,329	200,752
Depreciation Expense	<u>(217,316)</u>	<u>-</u>	<u>(217,316)</u>	<u>(197,413)</u>	<u>-</u>	<u>(197,413)</u>
Increase (Decrease) in Net Assets from Operations	<u>(214,401)</u>	<u>173,702</u>	<u>(40,699)</u>	<u>(16,990)</u>	<u>20,329</u>	<u>3,339</u>
<b>Non-Operating Activities</b>						
Contributions for capital improvements	14,136	-	14,136	-	-	-
Donated computer equipment (Note 6)	150,000	-	150,000	-	-	-
Gain on sale of equipment	2,300	-	2,300	-	-	-
Net assets released from restrictions - capital improvements	59,435	(59,435)	-	-	-	-
Interest and dividends	15,227	-	15,227	20,091	-	20,091
Net realized and unrealized gains (Note 3)	84,315	-	84,315	45,992	-	45,992
Increase (Decrease) in Net Assets from Non-Operating Activities	<u>325,413</u>	<u>(59,435)</u>	<u>265,978</u>	<u>66,083</u>	<u>-</u>	<u>66,083</u>
Increase in net assets	111,012	114,267	225,279	49,093	20,329	69,422
Net assets, beginning of year	<u>4,523,057</u>	<u>619,990</u>	<u>5,143,047</u>	<u>4,473,964</u>	<u>599,661</u>	<u>5,073,625</u>
<b>Net Assets, End of Year</b>	<u>\$4,634,069</u>	<u>\$ 734,257</u>	<u>\$5,368,326</u>	<u>\$4,523,057</u>	<u>\$ 619,990</u>	<u>\$5,143,047</u>

See notes to financial statements.

**YORKVILLE COMMON PANTRY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2011**

**Program Services**

**Supporting Services**

	Program Services					Supporting Services			Total Expenses	
	Project Dignity	Meal Programs	Pantry Programs	365 Days @ YCP	Nutrition Initiative for Children and Families	Total	Management and General	Fundraising		Total
Food (Note 6)	\$ 16	\$ 53,062	\$1,329,495	\$ 75,696	\$ 2,888	\$ 1,461,157	\$ -	\$ -	\$ -	\$1,461,157
Toys and gift cards (Note 6)	-	-	40,829	-	-	40,829	-	-	-	40,829
Salaries	91,486	145,351	230,339	176,481	82,921	726,578	135,477	130,027	265,504	992,082
Payroll taxes and employee benefits	21,178	33,553	53,300	40,870	19,195	168,096	31,360	30,098	61,458	229,554
Rent	8,057	12,803	20,286	15,542	7,303	63,991	11,931	11,452	23,383	87,374
Utilities	6,622	10,603	16,689	12,758	6,001	52,673	9,806	9,412	19,218	71,891
Postage and delivery	717	1,116	1,717	1,344	506	5,400	680	4,581	5,261	10,661
Telephone	2,427	3,883	6,115	4,676	2,199	19,300	3,594	3,449	7,043	26,343
Supplies	4,981	16,029	27,691	4,380	1,297	54,378	10,632	1,880	12,512	66,890
Insurance	4,253	6,719	10,700	8,212	3,855	33,739	13,448	6,045	19,493	53,232
Printing	1,627	3,099	4,094	2,456	1,087	12,363	3,369	21,226	24,595	36,958
Travel	4,913	629	1,038	806	377	7,763	1,578	589	2,167	9,930
Building/equipment rental, repairs	6,261	9,880	15,750	12,089	5,675	49,655	9,326	8,898	18,224	67,879
Miscellaneous	1,054	1,853	2,689	1,997	955	8,548	1,561	1,498	3,059	11,607
Professional services	2,311	3,609	6,307	14,490	6,905	33,622	70,320	30,909	101,229	134,851
Vehicle expenses	896	1,337	2,236	1,745	812	7,026	1,326	1,274	2,600	9,626
Bank charges	-	-	-	-	-	-	1,339	7,518	8,857	8,857
Indirect benefit expenses	-	-	-	-	-	-	-	28,086	28,086	28,086
Membership dues and subscriptions	936	299	657	503	154	2,549	5,382	243	5,625	8,174
Training	80	-	25	629	99	833	1,406	-	1,406	2,239
Total expenses before depreciation	157,815	303,825	1,769,957	374,674	142,229	2,748,500	312,535	297,185	609,720	3,358,220
Depreciation	20,428	28,251	50,592	40,247	18,515	158,033	30,250	29,033	59,283	217,316
Total Expenses	<u>\$178,243</u>	<u>\$332,076</u>	<u>\$1,820,549</u>	<u>\$ 414,921</u>	<u>\$ 160,744</u>	<u>\$ 2,906,533</u>	<u>\$ 342,785</u>	<u>\$ 326,218</u>	<u>\$669,003</u>	<u>\$3,575,536</u>

See notes to financial statements.

## YORKVILLE COMMON PANTRY, INC.

## STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2010

	Program Services					Supporting Services			Total Expenses	
	Project Dignity	Meal Program	Pantry Programs	24/7 @ YCP	Nutrition Initiative for Children and Families	Total	Management and General	Fundraising		Total
Food (Note 6)	\$ -	\$ 48,970	\$1,776,899	\$ 58,791	\$ 9,126	\$1,893,786	\$ -	\$ -	\$ -	\$1,893,786
Toys and gift cards (Note 6)	-	-	36,298	-	-	36,298	-	-	-	36,298
Salaries	105,208	203,974	210,415	133,120	21,471	674,188	163,180	64,413	227,593	901,781
Payroll taxes and employee benefits	25,655	49,739	51,310	32,461	5,236	164,401	39,791	15,707	55,498	219,899
Rent	8,945	17,342	17,889	11,318	1,825	57,319	16,922	5,476	22,398	79,717
Utilities	9,538	18,492	19,076	12,068	1,947	61,121	14,793	5,840	20,633	81,754
Postage and delivery	961	1,838	1,896	1,200	194	6,089	1,471	3,596	5,067	11,156
Telephone	2,745	5,322	5,490	3,473	560	17,590	4,257	1,680	5,937	23,527
Supplies	4,709	17,163	32,001	6,449	549	60,871	11,890	796	12,686	73,557
Insurance	5,374	10,419	10,748	6,800	1,097	34,438	8,337	3,290	11,627	46,065
Printing	-	114	499	57	-	670	9,965	13,494	23,459	24,129
Travel	3,375	-	55	-	20	3,450	3,759	652	4,411	7,861
Building/equipment rental and repairs	4,696	9,104	9,391	5,941	958	30,090	15,537	2,875	18,412	48,502
Miscellaneous	1,204	3,067	3,874	2,474	245	10,864	3,267	1,427	4,694	15,558
Professional services	1,340	2,599	2,681	13,922	274	20,816	94,159	28,295	122,454	143,270
Vehicle expenses	864	1,676	1,729	1,094	176	5,539	1,342	529	1,871	7,410
Bank charges	-	-	-	-	-	-	1,299	6,261	7,560	7,560
Indirect benefit expenses (Note 11)	-	-	-	-	-	-	-	29,796	29,796	29,796
Membership dues and subscriptions	2,538	-	-	-	-	2,538	3,236	-	3,236	5,774
Training	385	-	885	686	-	1,956	676	315	991	2,947
Total expenses before depreciation	177,537	389,819	2,181,136	289,854	43,678	3,082,024	393,881	184,442	578,323	3,660,347
Depreciation	8,205	15,908	16,410	10,382	1,675	52,580	139,809	5,024	144,833	197,413
Total Expenses	<u>\$185,742</u>	<u>\$405,727</u>	<u>\$2,197,546</u>	<u>\$300,236</u>	<u>\$ 45,353</u>	<u>\$3,134,604</u>	<u>\$ 533,690</u>	<u>\$ 189,466</u>	<u>\$723,156</u>	<u>\$3,857,760</u>

See notes to financial statements.

## YORKVILLE COMMON PANTRY, INC.

## STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
<b>Cash Flows From Operating Activities</b>		
Increase in net assets	\$ 225,279	\$ 69,422
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:		
Depreciation	217,316	197,413
Donated stock	(141,239)	(2,073)
Gain on sale of equipment	(2,300)	-
Net realized and unrealized gains	(84,315)	(45,992)
Contribution for capital improvements	(14,136)	-
Donated equipment	(150,000)	-
Increase in:		
Unconditional promises to give	(178,309)	(53,983)
Prepaid expenses and other assets	(14,578)	(14,029)
Decrease in accounts payable and accrued expenses	18,458	8,980
Net Cash Provided (Used) By Operating Activities	<u>(123,824)</u>	<u>159,738</u>
<b>Cash Flows From Investing Activities</b>		
Acquisition of property and equipment	(58,840)	(6,619)
Cash received for capital improvements	61,247	-
Purchases of investments	(400,537)	(397,743)
Proceeds from sale of investments	510,097	388,410
Proceeds from sale of equipment	2,300	-
Net Cash Provided (Used) By Investing Activities	<u>114,267</u>	<u>(15,952)</u>
Net increase (decrease) in cash and cash equivalents	(9,557)	143,786
Cash and cash equivalents, beginning of year	<u>1,009,325</u>	<u>865,539</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u><u>\$999,768</u></u>	<u><u>\$1,009,325</u></u>

See notes to financial statements.

**YORKVILLE COMMON PANTRY, INC.****NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2011 AND 2010****Note 1 - Organization and Summary of Significant Accounting Policies****a - Organization**

Yorkville Common Pantry, Inc. provides programs and services to feed low income New Yorkers, bringing dignity into their lives, and assisting them in achieving more independent living. A substantial portion of the Organization's support is derived from contributions, foundation grants, government contracts, benefit income and donated goods and services.

**b - Financial Statement Presentation**

The Organization reports 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.

**c - Cash and Cash Equivalents**

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

**d - Investments**

The Organization reflects investments at fair value in the statement of financial position. Unrealized gains and losses on investments are reflected in the statement of activities as increases and decreases in unrestricted net assets unless their use is temporarily or permanently restricted by explicit donor stipulations or by law.

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

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

**YORKVILLE COMMON PANTRY, INC.****NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2011 AND 2010****Note 1 - Organization and Summary of Significant Accounting Policies (continued)****d - Investments (continued)**

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

The Organization's investments in cash, equities, and mutual funds are classified within Level 1 of the fair value hierarchy. Fair value is determined using quoted market values.

**e - Contributions and Unconditional Promises to Give**

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

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

**f - Property and Equipment**

Property and equipment are recorded at cost and are being depreciated using the straight-line method over the estimated useful life of the asset. Leasehold improvements are depreciated over the term of the lease and options to renew.

**g - Donated Services**

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

**YORKVILLE COMMON PANTRY, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2011 AND 2010**

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

h - Use of Estimates

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

i - Tax Status

Yorkville Common Pantry, Inc. is recognized as a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been designated as an organization which is not a private foundation. The Organization has evaluated all income tax positions and concluded that no disclosures relating to uncertain tax positions are required in the financial statements.

j - Subsequent Events

The Organization has evaluated subsequent events through December 1, 2011, the date that the financial statements are considered available to be issued.

**Note 2 - Net Assets**

Net assets consist of the following:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2011 Total</u>	<u>2010 Total</u>
Board designated cash reserve for operations	\$ 540,997	\$ -	\$ 540,997	\$ 540,997
Other	672,434	-	672,434	597,381
Property and equipment	3,420,638	271,840	3,692,478	3,700,954
Future programs and periods	<u>-</u>	<u>462,417</u>	<u>462,417</u>	<u>303,715</u>
2011 Total	<u>\$4,634,069</u>	<u>\$ 734,257</u>	<u>\$ 5,368,326</u>	
2010 Total	<u>\$4,523,057</u>	<u>\$ 619,990</u>		<u>\$5,143,047</u>

The Board has designated certain funds as a cash reserve for current and future operations. There are no permanently restricted net assets.

## YORKVILLE COMMON PANTRY, INC.

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011 AND 2010

**Note 3 - Investments**

Investments consist of the following:

	<u>2011</u>		<u>2010</u>	
	<u>Fair Market Value</u>	<u>Cost</u>	<u>Fair Market Value</u>	<u>Cost</u>
Certificate of deposit	\$ 34,930	\$ 35,000	\$ -	\$ -
Equities	444,533	396,548	120,994	115,874
Mutual funds	<u>217,890</u>	<u>210,422</u>	<u>460,365</u>	<u>417,357</u>
	<u>\$ 697,353</u>	<u>\$ 641,970</u>	<u>\$ 581,359</u>	<u>\$ 533,231</u>

Net realized and unrealized gains consist of the following:

	<u>2011</u>	<u>2010</u>
Net realized gains	\$77,060	\$46,285
Net unrealized gains (losses)	<u>7,255</u>	<u>(293)</u>
	<u>\$84,315</u>	<u>\$45,992</u>

**Note 4 - Unconditional Promises to Give**

Unconditional promises to give are due within one year. Uncollectible promises to give are expected to be insignificant.

**Note 5 - Property and Equipment**

Property and equipment consist of the following:

	<u>Life</u>	<u>2011</u>	<u>2010</u>
Leasehold improvements	Life of lease and options	\$3,650,942	\$3,643,043
Equipment	5 years	<u>524,898</u>	<u>323,957</u>
		4,175,840	3,967,000
Less: Accumulated depreciation		<u>(799,637)</u>	<u>(582,321)</u>
Total		<u>\$3,376,203</u>	<u>\$3,384,679</u>

**YORKVILLE COMMON PANTRY, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2011 AND 2010**

**Note 5 - Property and Equipment (continued)**

Depreciation expense for the years ended June 30, 2011 and 2010 was \$217,316 and \$197,413, respectively.

**Note 6 - Donated Services and Materials**

The Organization received donated services and materials in connection with its programs that it valued using the estimated or known market prices at the time of the donations. The total contribution per category is as follows:

	<u>2011</u>	<u>2010</u>
Food	\$918,732	\$1,303,056
Toys	40,754	36,298
Consulting	-	579
Other	<u>1,692</u>	<u>171</u>
	<u>\$961,178</u>	<u>\$1,340,104</u>

During the years ended June 30, 2011 and 2010, the Organization received donated computer equipment in the amount of \$150,000 which is included in property and equipment.

During the years ended June 30, 2011 and 2010, non-professional volunteers worked for the Organization. In accordance with generally accepted accounting principles, the value of these services is not included in the accompanying financial statements.

**Note 7 - Functional Allocation of Expenses**

The cost of providing the various program and supporting services has been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**YORKVILLE COMMON PANTRY, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2011 AND 2010**

**Note 8 - Commitments and Contingency**

a - The Organization's lease agreement provides for minimum annual rental payments as follows:

<u>Year Ending June 30,</u>	
2012	\$85,000
2013	85,000
2014	85,000
2015	85,000
Two months ending August 31, 2015	14,167

The Organization has options to renew this lease through August 31, 2035. Rent expense for the years ended June 30, 2011 and 2010 was \$87,374 and \$79,717, respectively.

b - Government grants are subject to audit by the respective granting agencies

**Note 9 - Concentration of Credit Risk**

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

**Note 10 - Line of Credit**

During 2010, the Organization obtained a line of credit in the amount of \$395,000. The interest rate is the 3-month LIBOR plus 3.0%. The line is secured by the Organization's investments. There were no borrowings during the years ended June 30, 2011 and 2010.

## YORKVILLE COMMON PANTRY, INC.

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011 AND 2010

**Note 11 - Benefit Income**

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

	<u>2011</u>	<u>2010</u>
Gross benefit income	\$447,718	\$379,199
Less: Direct expenses	<u>(46,976)</u>	<u>(42,449)</u>
Net benefit income, before indirect expenses	400,742	336,750
Indirect expenses	<u>(28,086)</u>	<u>(29,796)</u>
Net Benefit Income	<u>\$372,656</u>	<u>\$306,954</u>

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

**Note 12 - Retirement Plans**

The Organization maintains a tax deferred annuity 403(b) plan and another pension plan for its employees. The participating employees may contribute up to the statutory maximum. The amount of the employer's contribution is equal to a discretionary amount to be determined by the Organization each year. The Organization did not make a contribution to the plan for the years ended June 30, 2011 and 2010.