



St. John's Bread & Life Program, Inc.

**Financial Statements
(Together with Independent Auditors' Report)**

Years Ended June 30, 2024 and 2023

ST. JOHN'S BREAD & LIFE PROGRAM, INC.

**FINANCIAL STATEMENTS
(Together with Independent Auditors' Report)**

YEARS ENDED JUNE 30, 2024 AND 2023

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
St. John's Bread & Life Program, Inc.
Brooklyn, New York

Opinion

We have audited the financial statements of St. John's Bread and Life Program, Inc. (the "Organization") which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2024 and 2023, and the changes in its net assets and its 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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 the Organization's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 audits.
- 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 audits 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 Organization'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 the Organization'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.

CBIZ CPAs P.C.

West Conshohocken, Pennsylvania
February 26, 2025

**ST. JOHN'S BREAD & LIFE PROGRAM,
INC. STATEMENTS OF FINANCIAL
POSITION AS OF JUNE 30, 2024 AND 2023**

	2024	2023
ASSETS		
Cash and cash equivalents	\$ 4,261,437	\$ 4,534,766
Investments	811,761	-
Contributions receivable	12,500	-
Government contracts receivable	331,650	105,038
Inventory	99,334	289,755
Prepaid expenses	72,205	75,181
Property and equipment, net	4,177,908	4,022,009
Operating lease right-of-use asset	6,713	12,728
	\$ 9,773,508	\$ 9,039,477
 LIABILITIES		
Accounts payable and accrued expenses	\$ 299,559	\$ 387,119
Operating lease liability	6,713	12,728
	306,272	399,847
 COMMITMENTS AND CONTINGENCIES		
NET ASSETS		
Without donor restrictions		
Available for operations	6,111,014	7,104,957
Board-designated - Operating reserve	2,556,222	1,509,673
	8,667,236	8,614,630
With donor restrictions		
Purpose restricted	800,000	25,000
	800,000	25,000
	9,467,236	8,639,630
 TOTAL NET ASSETS	9,467,236	8,639,630
 TOTAL LIABILITIES AND NET ASSETS	\$ 9,773,508	\$ 9,039,477

The accompanying notes are an integral part of these financial statements.

ST. JOHN'S BREAD & LIFE PROGRAM, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 2024</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 2023</u>
OPERATING ACTIVITIES:						
PUBLIC SUPPORT AND OTHER REVENUE:						
Public Support:						
Individuals	\$ 536,770	\$ -	\$ 536,770	\$ 1,332,331	\$ -	\$ 1,332,331
Corporations	89,622	-	89,622	128,630	-	128,630
Foundations	1,482,165	2,558,500	4,040,665	812,212	1,535,500	2,347,712
Government	1,033,163	354,513	1,387,676	2,133,140	-	2,133,140
Religious organizations	115,000	-	115,000	50,000	-	50,000
Special events - net of direct expenses of \$54,726 and \$46,354 for 2024 and 2023, respectively	345,254	-	345,254	380,461	-	380,461
Interest income	95,262	-	95,262	41,912	-	41,912
Unrealized gain on securities	7,792	-	7,792	-	-	-
Miscellaneous	7,030	-	7,030	29,771	-	29,771
In-kind donations	1,411,216	-	1,411,216	1,099,368	-	1,099,368
Net assets released from restrictions	2,138,013	(2,138,013)	-	1,550,990	(1,550,990)	-
Total Public Support	<u>7,261,287</u>	<u>775,000</u>	<u>8,036,287</u>	<u>7,558,815</u>	<u>(15,490)</u>	<u>7,543,325</u>
EXPENSES:						
Operating Expenses:						
Program services						
Meals and nutrition	4,473,694	-	4,473,694	5,328,729	-	5,328,729
Social services	583,726	-	583,726	627,823	-	627,823
Mobile Soup Kitchen	983,534	-	983,534	-	-	-
Total Program Services	<u>6,040,954</u>	<u>-</u>	<u>6,040,954</u>	<u>5,956,552</u>	<u>-</u>	<u>5,956,552</u>
Supporting Services						
Fundraising	415,836	-	415,836	406,348	-	406,348
Management	751,891	-	751,891	652,229	-	652,229
Total Supporting Services	<u>1,167,727</u>	<u>-</u>	<u>1,167,727</u>	<u>1,058,577</u>	<u>-</u>	<u>1,058,577</u>
Total Operating Expenses	<u>7,208,681</u>	<u>-</u>	<u>7,208,681</u>	<u>7,015,129</u>	<u>-</u>	<u>7,015,129</u>
CHANGES IN NET ASSETS	52,606	775,000	827,606	543,686	(15,490)	528,196
NET ASSETS - Beginning of Year	<u>8,614,630</u>	<u>25,000</u>	<u>8,639,630</u>	<u>8,070,944</u>	<u>40,490</u>	<u>8,111,434</u>
NET ASSETS - END OF YEAR	<u>\$ 8,667,236</u>	<u>\$ 800,000</u>	<u>\$ 9,467,236</u>	<u>\$ 8,614,630</u>	<u>\$ 25,000</u>	<u>\$ 8,639,630</u>

The accompanying notes are an integral part of these financial statements.

ST. JOHN'S BREAD & LIFE PROGRAM, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024
(With Comparative Totals for the Year Ended June 30, 2023)

	Program Services				Supporting Services			Total	
	Meals and Nutrition	Social Services	Mobile Soup Kitchen	Total Program Services	Fundraising	Management	Total Supporting Services	2024	2023
Salaries	\$ 706,539	\$ 271,169	\$ 318,287	\$ 1,295,995	\$ 244,662	\$ 234,708	\$ 479,370	\$ 1,775,365	\$ 1,579,987
Payroll taxes and employee benefits	237,307	95,503	81,225	\$ 414,035	48,927	61,969	110,896	524,931	495,659
Total Salaries and Related Costs	943,846	366,672	399,512	1,710,030	293,589	296,677	590,266	2,300,296	2,075,646
Religious stipends	80,485	52,138	11,897	144,520	34,530	75,442	109,972	254,492	244,094
Volunteer expenses	6,517	3,622	-	10,139	71	1,369	1,440	11,579	5,125
Food purchases	1,502,085	-	562,714	2,064,799	-	-	-	2,064,799	2,354,425
Food purchases - In-kind	1,411,201	-	-	1,411,201	-	-	-	1,411,201	1,099,368
Products and supplies	86,633	12,310	3,575	102,518	10,235	11,464	21,699	124,217	136,212
Holiday toys and gifts	56,750	-	-	56,750	-	-	-	56,750	40,000
Consultants and outside services	11,881	5,485	-	17,366	4,574	37,635	42,209	59,575	98,149
Professional fees	5,002	2,496	-	7,498	1,635	99,084	100,719	108,217	92,840
Rent and utilities	28,938	12,810	-	41,748	3,203	35,040	38,243	79,991	91,700
Repairs and maintenance	43,416	19,042	12	62,470	16,202	30,097	46,299	108,769	45,660
Insurance	71,152	24,670	-	95,822	6,905	55,442	62,347	158,169	147,907
Vehicle insurance	4,948	1,716	-	6,664	480	3,856	4,336	11,000	-
Equipment rental	1,638	2,621	-	4,259	983	1,906	2,889	7,148	92,875
Stationery and printing	202	149	-	351	113	1,956	2,069	2,420	-
Telephone	8,204	3,625	-	11,829	867	5,863	6,730	18,559	22,254
Postage	128	29	-	157	190	3,614	3,804	3,961	2,874
Special events meals and facility expenses	4,128	98	-	4,226	54,726	196	54,922	59,148	62,034
Vehicle expense	4,992	-	4,849	9,841	-	-	-	9,841	17,750
Training and development	2,405	1,362	975	4,742	1,032	1,666	2,698	7,440	12,423
Dues, fees and subscriptions	16,559	2,206	-	18,765	2,991	6,587	9,578	28,343	25,992
Bank charges	-	-	-	-	-	9,712	9,712	9,712	13,246
Website development	88	-	-	88	1,899	217	2,116	2,204	-
Depreciation	182,496	72,675	-	255,171	36,337	72,675	109,012	364,183	380,909
Miscellaneous	-	-	-	-	-	1,393	1,393	1,393	-
Total Other Expenses	3,529,848	217,054	584,022	4,330,924	176,973	455,214	632,187	4,963,111	4,985,837
Less: direct benefits to donors recorded on the statements of activities	-	-	-	-	(54,726)	-	(54,726)	(54,726)	(46,354)
Total Operating Expenses	\$ 4,473,694	\$ 583,726	\$ 983,534	\$ 6,040,954	\$ 415,836	\$ 751,891	\$ 1,167,727	\$ 7,208,681	\$ 7,015,129

The accompanying notes are an integral part of these financial statements.

ST. JOHN'S BREAD & LIFE PROGRAM, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Program Services</u>			<u>Supporting Services</u>			<u>Total</u>
	<u>Meals and Nutrition</u>	<u>Social Services</u>	<u>Total Program Services</u>	<u>Fundraising</u>	<u>Management</u>	<u>Total Supporting Services</u>	
Salaries	\$ 889,540	\$ 246,124	\$ 1,135,664	\$ 192,852	\$ 251,471	\$ 444,323	\$ 1,579,987
Payroll taxes and employee benefits	348,856	70,283	419,139	36,712	39,808	76,520	495,659
Total Salaries and Related Costs	<u>1,238,396</u>	<u>316,407</u>	<u>1,554,803</u>	<u>229,564</u>	<u>291,279</u>	<u>520,843</u>	<u>2,075,646</u>
Religious stipends	80,746	52,533	133,279	34,757	76,059	110,816	244,094
Volunteer expenses	2,599	1,877	4,476	57	592	649	5,125
Food purchases	2,325,540	28,885	2,354,425	-	-	-	2,354,425
Food purchases - In-kind	1,099,368	-	1,099,368	-	-	-	1,099,368
Products and supplies	107,480	8,833	116,313	11,695	8,204	19,899	136,212
Holiday toys and gifts	-	40,000	40,000	-	-	-	40,000
Consultants and outside services	21,445	10,168	31,613	56,368	10,168	66,536	98,149
Professional fees	1,698	3,888	5,586	1,296	85,958	87,254	92,840
Rent and utilities	44,375	17,209	61,584	4,302	25,814	30,116	91,700
Repairs and maintenance	17,066	15,078	32,144	5,855	7,661	13,516	45,660
Insurance	69,432	35,149	104,581	9,122	34,204	43,326	147,907
Equipment rental	58,504	13,032	71,536	9,977	11,362	21,339	92,875
Telephone	10,294	3,933	14,227	1,548	6,479	8,027	22,254
Postage	899	367	1,266	1,006	602	1,608	2,874
Special events meals and facility expenses	12,994	854	13,848	46,354	1,832	48,186	62,034
Vehicle expense	17,478	254	17,732	9	9	18	17,750
Training and development	6,757	1,993	8,750	1,281	2,392	3,673	12,423
Dues, fees and subscriptions	19,587	1,433	21,020	1,237	3,735	4,972	25,992
Bank charges	2,988	-	2,988	309	9,949	10,258	13,246
Depreciation	191,083	75,930	267,013	37,965	75,930	113,895	380,909
Total Other Expenses	<u>4,090,333</u>	<u>311,416</u>	<u>4,401,749</u>	<u>223,138</u>	<u>360,950</u>	<u>584,088</u>	<u>4,985,837</u>
Less: direct benefits to donors recorded on the statement of activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(46,354)</u>	<u>-</u>	<u>(46,354)</u>	<u>(46,354)</u>
Total Operating Expenses	<u>\$ 5,328,729</u>	<u>\$ 627,823</u>	<u>\$ 5,956,552</u>	<u>\$ 406,348</u>	<u>\$ 652,229</u>	<u>\$ 1,058,577</u>	<u>\$ 7,015,129</u>

The accompanying notes are an integral part of these financial statements.

ST. JOHN'S BREAD & LIFE PROGRAM, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ 827,606	\$ 528,196
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	364,183	380,909
Amortization of operating lease right-of-use asset	6,015	5,891
Unrealized gain on securities	(7,792)	-
Changes in operating assets and liabilities:		
Contributions receivable	(12,500)	70,000
Government contracts receivable	(226,612)	(57,184)
Inventory	190,421	(164,884)
Prepaid expenses	2,976	25,501
Accounts payable and accrued expenses	(87,560)	29,235
Operating lease liability	(6,015)	(5,891)
Net Cash Provided by Operating Activities	1,050,722	811,773
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to property plant and equipment	(520,082)	(151,955)
Purchase of securities	(803,969)	-
Net Cash Used in Investing Activities	(1,324,051)	(151,955)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(273,329)	659,818
Cash and cash equivalents - beginning of year	4,534,766	3,874,948
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 4,261,437	\$ 4,534,766
Supplemental disclosure of cash flow information		
Cash paid for the amounts included in the measurement of the lease liability		
Operating cash flows from operating lease	\$ 6,300	\$ 6,300

The accompanying notes are an integral part of these financial statements.

ST. JOHN'S BREAD & LIFE PROGRAM, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1 – ORGANIZATION AND PURPOSE

St. John's Bread & Life Program, Inc. ("Bread & Life" or the "Organization") was founded in 1982 as an outreach program of St. John the Baptist Roman Catholic Church (the "Parish") for the purpose of providing free nutritious meals to the residents of an impoverished Brooklyn community. Bread & Life was separately incorporated in 1993 and ceased to be an outreach program of the Parish at that time. In 2008, Bread & Life was further reorganized and is now a membership organization whose members are appointed by the president of St. John's University, New York (the "University"). Bread & Life is governed by a Board of Directors who are approved by the members. Bread & Life not only provides an estimated 13,500 meals per day, but also provides a setting where social service agencies can meet with and assist those in need. Bread & Life relies on food donations from governmental agencies, as well as monetary contributions from corporations, foundations, religious organizations and individuals.

Bread & Life has been determined by the Internal Revenue Service to be exempt from Federal income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. ***Basis of Accounting*** – The books and records of Bread & Life are maintained, and the accompanying financial statements have been prepared, on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States.
- B. ***Financial Statement Presentation*** – The Organization reports information regarding its financial position and activities in two classes of net assets: without and with donor restrictions. Net assets without donor restrictions consist of amounts that can be spent at the discretion of the Organization and have no donor restrictions associated with them. Net assets with donor restrictions consist of contributions that are restricted by the donor for a specific time period or purpose. The Organization did not have any net assets with donor restrictions to be held in perpetuity as of June 30, 2024 and 2023.

Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of restrictions on net assets (i.e., donor stipulated purpose has been fulfilled, the stipulated time period has elapsed or endowment earnings are appropriated) are reported as net assets released from restrictions.

- C. ***Cash and Cash Equivalents*** – Bread & Life considers all highly liquid debt instruments purchased with an original maturity date of three months or less when purchased to be cash equivalents.
- D. ***Investments*** – Investments with readily determinable fair values are measured at fair value in the accompanying statements of financial position. Unrealized gains and losses are recognized as changes in net assets in the period in which they occur, and investment income is recognized as revenue in the period earned. Fair value measurements are based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three levels, as described in Note 5.

Realized and unrealized gains on investments are included in the statement of activities, net of direct investment expenses as net assets without donor restrictions, unless the income or loss is restricted by donor or law.

ST. JOHN'S BREAD & LIFE PROGRAM, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- D. ***Investments (continued)*** – The Organization's investments include a variety of investment securities. The fair values reported in the statement of financial position are subject to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in fair value of investment securities, it is reasonably possible that the amounts reported in the accompanying statement of financial position could change materially in the near term.
- E. ***Allowance for Uncollectible Accounts*** – Bread & Life evaluates the need for an allowance for uncollectible accounts based on a combination of factors such as management's assessment of the creditworthiness of its donors, a review of individual accounts outstanding, aged basis of the receivables, current economic conditions and historical experience. No allowance for doubtful accounts was considered necessary at June 30, 2024 and 2023.
- F. ***Inventory*** – Inventory consists of food and related household items and is recorded at lower of cost or net realizable value using the first-in, first-out method. Donated items in inventory are recorded at fair market value.
- G. ***Property and Equipment*** – Property and equipment is stated at cost less accumulated depreciation. Depreciation is computed on the straight-line basis over the estimated useful lives of the related assets, which range from four to 50 years. Bread & Life capitalizes property and equipment with a cost of \$5,000 or more and a useful life of four years or greater. When property and equipment is sold or otherwise disposed of, the asset and related accumulated depreciation accounts are relieved, and any resulting gain or loss is included in operations. Repairs and maintenance are charged to expense when incurred.
- H. ***Recognition of Support*** – The Organization's major source of revenue is from contributions and government contracts and grants.

Pledges Receivable: Unconditional pledges are recognized as revenue in the period received and recorded as assets or decreases of liabilities or expenses, depending on the form of the benefits received. Conditional pledges are recognized when the conditions on which they depend are substantially met.

Contributions: All contributions are recognized as support without donor restrictions unless their use is specifically restricted by the donor. The Organization reports gifts of cash and other assets as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Revenues from Government Sources: Revenue from government agency grants and contracts is recorded as earned pursuant to the terms of the contracts. Revenue earned based on achievement of performance objectives is recognized when the objectives have been achieved. Earned revenue yet to be billed under contract terms in excess of advances is reported as earned but unbilled receivables. Advances received from government agencies in excess of expenditures incurred for a contract still in progress are reported as government contract advances. Advances in excess of expenditures for completed contracts are reported as due to government agencies.

ST. JOHN'S BREAD & LIFE PROGRAM, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Recognition of Support (continued) –Government grants and contracts are nonexchange transactions and accounted for under Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) 2018-08. Grants and contracts are recognized as revenue when barriers within the agreement are overcome, and there is no right of return. Government grants and contracts amounted to \$1,387,676 and \$2,133,140 for the years ended June 30, 2024 and 2023, respectively, and are included in the statements of activities. There are instances when the Organization receives advances from the grantor. Such advances are recorded as government contract advances in the accompanying statements of financial position. As of June 30, 2024 and 2023, there were no advances from government contracts. Government contracts receivable represent revenues the Organization has recognized but payment has not been received (See Note 7).

As of June 30, 2024 and 2023, the Organization has a conditional grant and contract from government agencies for a total of \$1,063,000 and \$644,763, respectively. Such grants would not be recognized in the accompanying financial statements as they are for future periods and will be recognized when contract barriers are overcome. Such barriers include expending these funds in accordance with their agreements. If such services are not provided, the governmental entities are not obligated to expend the funds allotted under the grants and contracts and the Organization may be required to return the funds already remitted.

I. In-Kind Donations – Bread & Life receives contributions of food products and household items. Donated goods and services are recognized in the financial statements if the services enhance or create nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased, if not provided by donation. The value of these contributions is reflected in the accompanying financial statements as in-kind donations in the accompanying statements of activities since they are subject to objective measurement or valuation.

J. Functional Allocation of Expenses – The costs of providing the various programs and activities have been summarized on a functional basis in the statements of functional expenses. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Salary and benefit expenses are allocated according to the department employees work in. Other expenses such as religious stipends, consultants and outside services, rent and utilities, repairs and maintenance, equipment rental, depreciation and insurance are tracked by account across functions. The direct costs of special events include expenses for the benefit of the donors.

K. Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires that management make estimates and assumptions that affect the reported amounts of 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.

L. Income Taxes – Bread & Life evaluates all significant tax positions in accordance with accounting principles generally accepted in the United States of America. As of June 30, 2024 and 2023, Bread & Life does not believe that it has taken any positions that would require the recording of any additional tax liability nor does it believe that there are any unrealized tax benefits that would either increase or decrease within the next year.

**ST. JOHN'S BREAD & LIFE PROGRAM, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. **Leases** – The Organization follows the provisions of FASB ASU 2016-02, *Leases*, which require the recognition of lease assets and lease liabilities on the statements of financial position for those leases classified as long-term operating leases.

The Organization elected the available practical expedients to account for operating leases under the guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of capital leases or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

The Organization also elected two other available practical expedients. The Organization elected to use a risk-free discount rate for the initial and subsequent measurement of the lease liability when the rate implicit in the lease is not readily available. The Organization also elected to exclude leases that, at inception have a lease term of 12 months or less from recognition on the statements of financial position. The related rent payments on these leases are expensed as incurred.

The Organization leases certain equipment (see Note 10). The Organization determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use asset and operating lease liability on the statements of financial position at June 30, 2024 and 2023, respectively.

NOTE 3 – LIQUIDITY AND AVAILABILITY

Bread & Life regularly monitors liquidity required to meet its operating needs, while also striving to maximize the investment of its available funds. The Organization has various sources of liquidity at its disposal, including cash and cash equivalents and receivables. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities, as well as services undertaken to support those activities to be general expenditures.

Bread & Life's financial assets available for general expenditure and available to the Organization over twelve months, that is, without donor or other restrictions that limit their use, within one year of the statements of financial position, comprised the following as of June 30:

	2024	2023
Cash and cash equivalents	\$ 4,261,437	\$ 4,534,766
Investments	811,761	-
Contributions receivable	12,500	-
Government contract receivable	331,650	105,038
	5,417,348	4,639,804
Less: amounts with limits on usage		
Board-designated operating reserve	(2,556,222)	(1,509,673)
Spendable net assets with donor restrictions	(800,000)	(25,000)
	\$ 2,061,126	\$ 3,105,131

The board-designated operating reserve may be drawn upon, if necessary, to meet unexpected liquidity needs.

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JUNE 30, 2024 AND 2023

NOTE 4 – INVESTMENTS

The following table represents the carrying value of investments as of June 30, 2024:

U.S. Treasury Bond	\$	558,024
Certificate of Deposit		253,737
	<u>\$</u>	<u>811,761</u>

Investment income is comprised of the following for the year ended June 30, 2024:

Interest income	\$	95,262
Unrealized gain on investments		7,792
	<u>\$</u>	<u>103,054</u>

NOTE 5 – FAIR VALUE MEASUREMENTS

FASB guidance provides the 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 levels of the fair value hierarchy under the Accounting Standards Codification (“ASC”) are described as follows:

Level 1 – Inputs are unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2 – Inputs are adjusted quoted prices for similar assets and liabilities in markets that are not active, inputs other than quoted prices that are observable, and inputs derived from or corroborated by observable market data.

Level 3 – Inputs are significant unobservable inputs which reflect the reporting entity’s own estimates on assumptions market participants would use in pricing the asset or liability based on the best available information.

Any 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. There have been no changes in the methodologies used to value the assets for periods presented in these financial statements.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Financial assets carried at fair value as of June 30, 2024 are classified in the table as follows:

ASSETS CARRIED AT FAIR VALUE	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
U.S. Treasury Bond	\$ 558,024	\$ -	\$ -	\$ 558,024
Certificate of Deposit	-	253,737	-	253,737
	<u>\$ 558,024</u>	<u>\$ 253,737</u>	<u>\$ -</u>	<u>\$ 811,761</u>

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NOTE 5 – FAIR VALUE MEASUREMENTS (CONTINUED)

The investment classes listed above are included in investments on the statement of financial position and reconcile to total investments at June 30, 2024. The following is a description of the valuation methodologies used for assets measured at fair value.

U.S. Government debt including mortgage-backed securities and marketable equity securities (“U.S. Treasury Bond”): Valued at the closing price reported on the active market on which the individual security is traded

Certificate of Deposit: Valued at market rates for similar deposits.

At June 30, 2024, the Organization did not have any assets whose fair value was measured using Level 3 inputs. There were no transfers between Level 1 and Level 2 during the year. In addition, transfers, if any, would be recognized at the end of the reporting period.

NOTE 6 – CONTRIBUTIONS RECEIVABLE

Contributions receivable is as follows at June 30:

	<u>2024</u>	<u>2023</u>
Amounts expected to be collected in:		
Less than one year	<u>\$ 12,500</u>	<u>\$ -</u>

NOTE 7 – GOVERNMENT CONTRACTS RECEIVABLE

Government contracts receivable is as follows at June 30:

	<u>2024</u>	<u>2023</u>
Dormitory Authority of the State of New York	<u>\$ 218,650</u>	<u>\$ -</u>
Office of Temporary & Disability Assistance	<u>113,000</u>	<u>105,038</u>
Total	<u><u>\$ 331,650</u></u>	<u><u>\$ 105,038</u></u>

NOTE 8 – PROPERTY AND EQUIPMENT

Property and equipment, net consist of the following at June 30:

	<u>2024</u>	<u>2023</u>
Land	<u>\$ 987,533</u>	<u>\$ 987,533</u>
Building	<u>1,764,030</u>	<u>1,764,030</u>
Building improvements	<u>5,655,415</u>	<u>5,180,263</u>
Furniture and equipment	<u>1,531,849</u>	<u>1,486,918</u>
Total property and equipment	<u>9,938,827</u>	<u>9,418,744</u>
Less: accumulated depreciation	<u>(5,760,919)</u>	<u>(5,396,735)</u>
Total property and equipment, net	<u><u>\$ 4,177,908</u></u>	<u><u>\$ 4,022,009</u></u>

Depreciation expense for fiscal years ended June 30, 2024 and 2023 was \$364,183 and \$380,909, respectively.

**ST. JOHN'S BREAD & LIFE PROGRAM, INC.
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NOTE 9 – EMPLOYEE BENEFIT PLAN

Bread & Life has established a defined contribution salary deferral 403(b) plan covering substantially all eligible employees. Employer contributions amounted to \$40,042 and \$32,648 for the years ended June 30, 2024 and 2023, respectively.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

Bread & Life leases equipment under an operating lease that expires in August 2025. The discount rate used was 2.88% and has a remaining lease term of 1.08 years as of June 30, 2024.

Maturities of operating lease liability were as follows as of June 30, 2024:

		\$ 6,300
2025		525
2026		<u>525</u>
Total minimum lease payments		6,825
Less: amount representing interest		<u>(112)</u>
Total lease liability		<u>\$ 6,713</u>

Equipment rental expense amounted to \$7,148 and \$92,875 for the years ended June 30, 2024 and 2023, respectively.

NOTE 11 – CONTRIBUTED NONFINANCIAL ASSETS

For the years ended June 30, 2024 and 2023, contributed nonfinancial assets without donor restrictions recognized within the statements of activities included food in the amount of \$1,411,216 and \$1,099,368, respectively. The Organization recognized the contributed nonfinancial assets within public support and other revenue.

Contributed food was utilized for the Organization's programs. In valuing food, the Organization estimated the fair value based on estimates of wholesale values that would be received for selling similar products in the United States.

NOTE 12 – BOARD DESIGNATED NET ASSETS

The Board of Directors voted to establish an operating reserve account to provide an internal source of funds in the event of an unanticipated loss in funding or a sudden increase in expenses. The reserve may also be used for one-time, nonrecurring expenses that will build long-term capacity, such as investment in infrastructure. It is the intention of the Board that the operating reserves be replenished within a reasonably short period of time if any of the funds are used. Additionally, in 2024 a reserve fund was created by the Charles L. Keith & Clara S. Miller Foundation for emergency food purposes, which the board may release for the purchase of emergency food. As of June 30, 2024 and 2023, the Board designated net assets were \$2,556,222 and \$1,509,673, respectively. As of June 30, 2024 and 2023, the balance consisted of \$1,546,938 and \$1,509,673 for the operating contingency fund, respectively, and \$1,009,284 and \$0- for funds for emergency food purchases, respectively.

ST. JOHN'S BREAD & LIFE PROGRAM, INC.
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NOTE 13 – NET ASSETS WITH DONOR RESTRICTIONS

Bread & Life has net assets with donor restrictions that will be used in the future for the purpose of providing free nutritious meals to seniors in the community and for certain capital projects. Changes in net assets with donor restrictions for the years ended June 30 are summarized as follows:

	July 1, 2023	Additions	Released from Restrictions	June 30, 2024
Mother Cabrini Health Foundation	\$ -	\$ 1,000,000	\$ (1,000,000)	\$ -
Charles L. Keith & Clara S. Miller Foundation	-	1,000,000	(200,000)	800,000
Robin Hood Foundation	25,000	300,000	(325,000)	-
Emergency Food and Shelter Program	-	46,000	(46,000)	-
Constans Culver Foundation	-	75,000	(75,000)	-
Benefits Access - Robin Hood Foundation	-	62,500	(62,500)	-
Mary J Hutchins	-	50,000	(50,000)	-
The Amazin' Mets Foundation	-	25,000	(25,000)	-
NYS Office of Temporary and Disability Assistance	-	135,863	(135,863)	-
Dormitory Authority of the State of New York	-	218,650	(218,650)	-
	<u>\$ 25,000</u>	<u>\$ 2,913,013</u>	<u>\$ (2,138,013)</u>	<u>\$ 800,000</u>

	July 1, 2022	Additions	Released from Restrictions	June 30, 2023
Leona M. & Harry B. Helmsley Charitable Trust	\$ 40,490	\$ -	\$ (40,490)	\$ -
Mother Cabrini Health Foundation	-	1,000,000	(1,000,000)	-
Robin Hood Foundation	-	375,000	(350,000)	25,000
Constans Culver Foundation	-	75,500	(75,500)	-
Hyde and Watson Foundation	-	10,000	(10,000)	-
Amazon - Emergency Food	-	25,000	(25,000)	-
United Way of NYC	-	50,000	(50,000)	-
	<u>\$ 40,490</u>	<u>\$ 1,535,500</u>	<u>\$ (1,550,990)</u>	<u>\$ 25,000</u>

For the years ended June 30, 2024 and 2023, net assets amounting to \$2,138,013 and \$1,550,990, respectively, were released from restrictions by either satisfying a donor restriction or the passage of time, thus satisfying the restricted purposes.

NOTE 14 – CONCENTRATIONS

Financial instruments that potentially subject Bread & Life to a concentration of credit risk include cash and cash equivalent accounts with various financial institutions that exceed the Federal Deposit Insurance Corporation ("FDIC") insurance limits. For the years ended June 30, 2024 and 2023, both interest-bearing and non-interest bearing accounts are insured up to \$250,000 per depositor. As of June 30, 2024 and 2023, Bread & Life exceeded the FDIC insurance limits by approximately \$3,944,000 and \$2,729,000, respectively. Management monitors its financial risks on a regular basis.

The Organization received approximately 36% of its total contributions from three major donors and 13% of its total contributions from one major donor for the years ended June 30, 2024 and 2023, respectively.

NOTE 15 – SUBSEQUENT EVENTS

Management has evaluated events subsequent to the date of statement of financial position through February 26, 2025, the date the financial statements were available to be issued.