

Financial Statements and Report of
Independent Certified Public
Accountants

City Harvest, Inc.

June 30, 2022 and 2021

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Trustees of
City Harvest, Inc.

Report on the financial statements**Opinion**

We have audited the financial statements of City Harvest, Inc. (“City Harvest”), which comprise the statements of financial position as of June 30, 2022 and 2021, 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 City Harvest as of June 30, 2022 and 2021, 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 of the financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under US GAAS 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 City Harvest 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 City Harvest’s ability to continue as a going concern for one year after the date 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 US 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 US 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 City Harvest'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 City Harvest'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.

Grant Thornton LLP

New York, New York
December 1, 2022

City Harvest, Inc.

STATEMENTS OF FINANCIAL POSITION

As of June 30,

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash and cash equivalents	\$ 33,334,763	\$ 59,755,673
Contributions receivable - current portion	14,294,519	12,807,604
Grants and awards receivable	2,719,589	3,180,542
Prepaid expenses and other current assets	<u>726,043</u>	<u>1,265,431</u>
Total current assets	51,074,914	77,009,250
Investments	5,001,781	5,236,296
Inventory	1,424,093	1,560,792
Security deposits	1,962,633	2,098,586
Contributions receivable, net - long-term portion	8,522,663	12,208,184
Right-of-use asset for finance lease	119,121,062	123,086,908
Right-of-use asset for operating lease	2,444,012	3,494,892
Property and equipment, net	61,876,614	22,874,095
Funds held for others	<u>133,353</u>	<u>74,709</u>
Total assets	<u>\$ 251,561,125</u>	<u>\$ 247,643,712</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 12,252,325	\$ 14,336,164
Current portion of long term debt	3,375,000	-
Deferred revenue	<u>963,436</u>	<u>444,919</u>
Total current liabilities	16,590,761	14,781,083
Long term debt	7,593,750	-
Finance lease obligation	126,261,626	127,716,974
Operating lease obligation	3,079,381	4,344,063
Funds held for others	<u>133,353</u>	<u>74,709</u>
Total long-term liabilities	<u>137,068,110</u>	<u>132,135,746</u>
Total liabilities	<u>153,658,871</u>	<u>146,916,829</u>
Net assets		
Without donor restrictions		
Undesignated	64,490,937	25,753,195
Board designated	<u>15,225,763</u>	<u>28,853,682</u>
Total net assets without donor restrictions	79,716,700	54,606,877
With donor restrictions		
Time restricted	7,383,622	2,385,463
Purpose restricted	<u>10,801,932</u>	<u>43,734,543</u>
Total net assets with donor restrictions	<u>18,185,554</u>	<u>46,120,006</u>
Total net assets	<u>97,902,254</u>	<u>100,726,883</u>
Total liabilities and net assets	<u>\$ 251,561,125</u>	<u>\$ 247,643,712</u>

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

City Harvest, Inc.

STATEMENTS OF ACTIVITIES

For the years ended June 30,

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenues						
Public support						
Contributions						
Donated food (Note 7)	\$ 156,390,574	\$ -	\$ 156,390,574	\$ 219,326,373	\$ -	\$ 219,326,373
Corporations	8,596,307	20,000	8,616,307	11,871,620	91,026	11,962,646
Foundations	9,106,627	4,728,385	13,835,012	14,851,433	1,267,205	16,118,638
Individuals	22,351,620	2,380,423	24,732,043	26,627,478	250,000	26,877,478
Organizations	862,328	-	862,328	739,458	-	739,458
Special events (net of direct benefits to donors of \$1,282,472 in 2022 and \$608,522 in 2021)	5,730,645	245,062	5,975,707	1,953,238	145,000	2,098,238
Total public support	203,038,101	7,373,870	210,411,971	275,369,600	1,753,231	277,122,831
Revenues:						
Government grants and awards	4,372,469	7,438	4,379,907	6,259,264	-	6,259,264
Investment (loss) income	(225,266)	(9,395)	(234,661)	63,423	37,857	101,280
Other income	29,831	-	29,831	2,888,891	-	2,888,891
Total revenues	4,177,034	(1,957)	4,175,077	9,211,578	37,857	9,249,435
Net assets released from restrictions	2,078,492	(2,078,492)	-	2,341,178	(2,341,178)	-
Total public support, revenues and net assets released from restrictions	209,293,627	5,293,421	214,587,048	286,922,356	(550,090)	286,372,266
Expenses						
Program services						
Emergency food operations	206,613,955	-	206,613,955	274,499,199	-	274,499,199
Other programming	4,689,940	-	4,689,940	5,103,851	-	5,103,851
Total program services	211,303,895	-	211,303,895	279,603,050	-	279,603,050
Supporting services						
Management and general	1,846,230	-	1,846,230	1,287,922	-	1,287,922
Development	12,173,538	-	12,173,538	10,920,460	-	10,920,460
Total supporting services	14,019,768	-	14,019,768	12,208,382	-	12,208,382
Total expenses	225,323,663	-	225,323,663	291,811,432	-	291,811,432
Change in net assets before effect of non-operating activity and donated services	(16,030,036)	5,293,421	(10,736,615)	(4,889,076)	(550,090)	(5,439,166)
Non-operating activity						
Capital campaign revenue (Note 3)	144,738	7,767,248	7,911,986	12,187,682	37,907,072	50,094,754
Capital campaign release from restriction	40,995,121	(40,995,121)	-	-	-	-
Total non-operating activity	41,139,859	(33,227,873)	7,911,986	12,187,682	37,907,072	50,094,754
Donated services and supplies - revenue	2,028,367	-	2,028,367	1,925,406	-	1,925,406
Donated services and supplies - expenses	(2,028,367)	-	(2,028,367)	(1,925,406)	-	(1,925,406)
CHANGE IN NET ASSETS	25,109,823	(27,934,452)	(2,824,629)	7,298,606	37,356,982	44,655,588
Net assets, beginning of year	54,606,877	46,120,006	100,726,883	47,308,271	8,763,024	56,071,295
Net assets, end of year	\$ 79,716,700	\$ 18,185,554	\$ 97,902,254	\$ 54,606,877	\$ 46,120,006	\$ 100,726,883

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

City Harvest, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2022, with comparative information for 2021

	Program Services			Supporting Services			Total Expenses	
	Emergency Food Operations	Other Programming	Total	Management and General	Development	Total	2022	2021
Salaries	\$ 10,274,985	\$ 1,828,859	\$ 12,103,844	\$ 657,954	\$ 5,093,453	\$ 5,751,407	\$ 17,855,251	\$ 17,619,524
Employee benefits and payroll taxes	3,009,248	491,862	3,501,110	151,726	1,162,949	1,314,675	4,815,785	4,494,130
Food distributed	164,341,300	-	164,341,300	-	-	-	164,341,300	238,392,710
Food transportation and distribution	18,273,101	-	18,273,101	-	-	-	18,273,101	14,944,650
Food packaging supplies	246,379	-	246,379	-	7,166	7,166	253,545	419,514
Communication, printing and postage	108,286	24,638	132,924	27,708	1,102,913	1,130,621	1,263,545	1,350,114
Rent, utilities and cleaning	878,893	43,112	922,005	85,383	113,548	198,931	1,120,936	2,408,967
Promotion	12,198	11,309	23,507	23,031	1,086,564	1,109,595	1,133,102	685,692
Computer support	358,386	54,121	412,507	112,346	302,584	414,930	827,437	812,381
Professional fees	559,357	553,747	1,113,104	97,850	2,092,662	2,190,512	3,303,616	3,111,484
Grant expense	970,000	822,272	1,792,272	-	-	-	1,792,272	772,662
Office supplies and miscellaneous	780,497	388,406	1,168,903	180,635	528,267	708,902	1,877,805	1,396,672
Interest on finance lease	1,530,506	96,067	1,626,573	88,467	119,372	207,839	1,834,412	1,526,349
Provision for bad debt	82,396	12,410	94,806	28,519	35,456	63,975	158,781	280,638
Total expenses before depreciation and amortization and donated services	201,425,532	4,326,803	205,752,335	1,453,619	11,644,934	13,098,553	218,850,888	288,215,487
Depreciation and amortization	5,188,423	363,137	5,551,560	392,611	528,604	921,215	6,472,775	3,595,945
Donated services and supplies	42,219	7,714	49,933	15,020	1,963,414	1,978,434	2,028,367	1,925,406
Total expenses	\$ 206,656,174	\$ 4,697,654	\$ 211,353,828	\$ 1,861,250	\$ 14,136,952	\$ 15,998,202	\$ 227,352,030	\$ 293,736,838

The accompanying notes are an integral part of this financial statement.

City Harvest, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2021

	Program Services			Supporting Services			Total Expenses 2021
	Emergency Food Operations	Other Programming	Total	Management and General	Development	Total	
Salaries	\$ 10,161,322	\$ 2,439,689	\$ 12,601,011	\$ 447,031	\$ 4,571,482	\$ 5,018,513	\$ 17,619,524
Employee benefits and payroll taxes	2,742,999	686,478	3,429,477	105,847	958,806	1,064,653	4,494,130
Food distributed	238,392,710	-	238,392,710	-	-	-	238,392,710
Food transportation and distribution	14,944,572	78	14,944,650	-	-	-	14,944,650
Food packaging supplies	415,746	3,768	419,514	-	-	-	419,514
Communication, printing and postage	121,387	29,039	150,426	21,052	1,178,636	1,199,688	1,350,114
Rent, utilities and cleaning	1,758,782	131,530	1,890,312	203,602	315,053	518,655	2,408,967
Promotion	3,904	1,169	5,073	952	679,667	680,619	685,692
Computer support	380,236	61,021	441,257	89,462	281,662	371,124	812,381
Professional fees	430,833	330,915	761,748	41,665	2,308,071	2,349,736	3,111,484
Grant expense	-	772,662	772,662	-	-	-	772,662
Office supplies and miscellaneous	604,517	459,185	1,063,702	104,160	228,810	332,970	1,396,672
Interest on finance lease	1,289,741	60,331	1,350,072	71,902	104,375	176,277	1,526,349
Provision for bad debt	151,875	24,212	176,087	42,646	61,905	104,551	280,638
Total expenses before depreciation and amortization and donated services	<u>271,398,624</u>	<u>5,000,077</u>	<u>276,398,701</u>	<u>1,128,319</u>	<u>10,688,467</u>	<u>11,816,786</u>	<u>288,215,487</u>
Depreciation and amortization	3,100,575	103,774	3,204,349	159,603	231,993	391,596	3,595,945
Donated services and supplies	94,877	17,569	112,446	27,233	1,785,727	1,812,960	1,925,406
Total expenses	<u>\$ 274,594,076</u>	<u>\$ 5,121,420</u>	<u>\$ 279,715,496</u>	<u>\$ 1,315,155</u>	<u>\$ 12,706,187</u>	<u>\$ 14,021,342</u>	<u>\$ 293,736,838</u>

The accompanying notes are an integral part of this financial statement.

City Harvest, Inc.

STATEMENTS OF CASH FLOWS

For the years ended June 30,

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Change in net assets	\$ (2,824,629)	\$ 44,655,588
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Depreciation and amortization relating to property and equipment	1,278,754	342,448
Amortization of right-of-use assets	4,113,402	3,253,497
Loss on disposal of property and equipment	-	30,488
Donated securities	(4,241,371)	(5,064,357)
Proceeds from the sale of donated securities	4,231,212	5,059,242
Changes in assets and liabilities		
Contributions receivable	2,198,606	(16,689,263)
Grants receivable	460,953	(2,105,502)
Prepaid and other current assets	539,388	(607,615)
Inventory	136,699	(26,950)
Security deposits	135,953	(190,830)
Right-of-use asset for operating lease	1,050,880	(4,344,064)
Accounts payable and accrued expenses	505,634	2,518,624
Deferred revenue	518,517	(6,144,831)
Deferred rent	-	(1,094,457)
Finance lease obligation	(1,602,904)	1,376,568
Operating lease obligation	(1,264,682)	5,193,235
	<u>5,236,412</u>	<u>26,161,821</u>
Net cash provided by operating activities		
Cash flows from investing activities		
Purchases of property and equipment	(42,870,746)	(13,392,016)
Purchase of securities	(1,175,705)	(1,848,546)
Proceeds from sales of securities	1,031,130	1,628,254
Net realized and unrealized loss on investments	389,249	60,357
	<u>(42,626,072)</u>	<u>(13,551,951)</u>
Net cash used in investing activities		
Cash flows from financing activities		
Proceeds from long term debt	13,500,000	-
Repayment of principal on long term debt	(2,531,250)	-
	<u>10,968,750</u>	<u>-</u>
Net cash provided by financing activities		
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	<u>(26,420,910)</u>	<u>12,609,870</u>
Cash and cash equivalents, beginning of year	<u>59,755,673</u>	<u>47,145,803</u>
Cash and cash equivalents, end of year	<u>\$ 33,334,763</u>	<u>\$ 59,755,673</u>
Supplemental disclosures for cash flow information		
Property and equipment purchases included in accounts payable and accrued expenses	\$ (2,589,473)	\$ 6,791,025
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	\$ 1,314,879	\$ 1,249,280
Operating cash flows from finance leases	\$ 66,364	\$ 1,773
Financing cash flows from finance leases	\$ 3,405,137	\$ 148,010
Right-of-use asset obtained in exchange for new finance lease obligation	\$ 127,321,321	\$ 126,340,405
Right-of-use asset for operating lease upon ASC 842 implementation	\$ -	\$ 5,511,798

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

City Harvest, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

NOTE 1 - THE ORGANIZATION

Organization

City Harvest, Inc. ("City Harvest") was incorporated in the State of New York pursuant to the Not-for-Profit Corporation Law in 1983. City Harvest was determined to be a publicly supported organization by the Internal Revenue Service and is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (the "Code") and a similar provision under New York State tax laws.

City Harvest is a member of Feeding America, the nationwide network of food banks.

Nature of Activities

City Harvest is New York City's largest food rescue organization, helping to feed the nearly 1.5 million New Yorkers who are struggling to put meals on their tables. This year, City Harvest rescued 91.5 million pounds of food and delivered it, free of charge, to hundreds of food pantries, soup kitchens and other community partners across the five boroughs. City Harvest's programs empower individuals through nutrition education, increase its partners' capacity, and strengthen the local food system, helping New Yorkers who are experiencing food insecurity to access, afford, and consume nutritious food.

The Company's principal programs are:

Emergency Food

City Harvest was founded on the visionary concept that excess food should feed someone who is hungry rather than be thrown away. With a fleet of 27 trucks, City Harvest rescues food that would otherwise go to waste and delivers it free of charge to community programs that provide nutritious food to New Yorkers in need. City Harvest rescues food from approximately 1,500 donors across the city and country, including farms, grocers, restaurants, and manufacturers. City Harvest focuses on sourcing fresh, local food, and approximately 75% of the food they deliver is produce. Since it was founded in 1982, City Harvest has collected more than 1 billion pounds of food and distributed it to New Yorkers in need across the five boroughs.

Other Programming

City Harvest partners with residents, local businesses and non-profit organizations, and other community partners in high-need neighborhoods across New York City to make it easier for New Yorkers experiencing food insecurity to acquire and prepare food that is desired, usable, and nutritious, ensure that there are policies and systems that protect and strengthen local food systems for all New Yorkers, and increase the capacity among individuals and local organizations. City Harvest's community-tailored programming reaches some 400,000 New Yorkers annually across the five boroughs through its Mobile Markets, nutrition education classes and interventions, and retail partnerships.

City Harvest works with partners in communities across the city to ensure that residents stay informed about anti-hunger policies and programs, and City Harvest advocates for equity and inclusion in the decision-making process that shapes the local food system. In addition, City Harvest engages elected officials at the city, state and federal levels to help shape policies that address hunger and food insecurity.

This year, City Harvest continued to scale up its operations to respond as growing unemployment due to the COVID-19 pandemic caused the need for food assistance in New York City to surge. Over that time, City Harvest's fleet of trucks delivered this food, free of charge, to the food pantries and soup kitchens it serves (94.2 million pounds of food), City Harvest's Mobile Markets (3.3 million pounds of food), and 19 Community Partner Distributions (3.7 million pounds of food).

City Harvest, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Net Asset Classifications

The accompanying financial statements of City Harvest have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Those standards require that net assets and revenues, gains, expenses and losses be classified as net assets without restrictions or net assets with restrictions based on the existence or absence of donor-imposed restrictions as follows:

Net Assets Without Donor Restrictions

Net assets that are not subject to donor-imposed stipulations. Net assets without donor restrictions represent resources that are available in support of operations.

Net Assets With Donor Restrictions

Includes net assets subject to donor-imposed stipulations that expire with the passage of time or can be fulfilled by actions of City Harvest, pursuant to those stipulations.

Another portion of net assets with donor restrictions stipulates that the corpus of the gifts be maintained in perpetuity, but allow for the expenditure of net investment income and gains earned on the corpus for either specified or unspecified purposes.

Functional Allocation of Expenses

The cost of providing City Harvest's various programs and supporting services has been summarized on a functional basis in the accompanying statements of activities. The majority of expenses can be directly identified with the program or supporting service to which they relate and are charged accordingly. Other expenses including depreciation, occupancy, information technology, and administration services have been allocated among program and supporting service classifications using headcount.

Accordingly, certain costs have been allocated among the programs and supporting services in reasonable ratios determined by management.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities. Actual results could differ from those estimates. The most significant estimates pertain to the valuation of donated food, operating accruals and estimated useful lives of long-lived assets.

Cash Equivalents

City Harvest considers all highly liquid investments with original maturities of three months or less when purchased to be cash equivalents. City Harvest places its temporary cash investments with high-credit quality financial institutions. At times, such investments may exceed federally insured limits. However, management believes that City Harvest does not face a significant risk of loss on these accounts due to the possible failure of these financial institutions.

Investments

Investments in equity, debt and government-backed securities with readily determined fair values are reported at their fair values, with gains and losses included in the accompanying statements of activities.

City Harvest, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021

Net investment income is recorded as a component of net assets without donor restrictions or net assets with donor restrictions in accordance with donor intent.

Donated securities are recorded at their fair values on the dates of receipt. It is City Harvest's policy to sell donated securities immediately and, accordingly, for purposes of the accompanying statements of cash flows, donated securities and the proceeds generated from their sales are included as operating activities.

Inventory

Contributed food is valued on a first-in, first-out basis. Public donations are valued based on the five-year weighted-average price per pound as determined by the annual Product Valuation Survey provided by Feeding America. Purchased items are valued at cost (Note 7). Management has determined that no obsolescence reserve was required based on the nature and rapid turnover of City Harvest's inventory at June 30, 2022 and 2021.

Property and Equipment

Property and equipment are stated at their costs at the dates of acquisition or at their fair values at the dates of donation. Depreciation is provided using the straight-line method, applied over the assets' estimated useful lives, which range from four to 20 years. Expenditures for leasehold improvements are capitalized and amortized using the straight-line method over the shorter of the estimated useful life of the specific asset or the term of the applicable lease. Equipment acquired under capital lease arrangements is amortized using the straight-line method over the lesser of the lease term or the estimated useful life of the asset.

Accrued Vacation

Based on their tenure, City Harvest's employees are entitled to be paid for unused vacation time if they leave City Harvest. Accordingly, at each fiscal year end, City Harvest must recognize a liability for the amount that would be incurred if the employees with such vacation were to leave. At June 30, 2022 and 2021, this accrued vacation obligation was \$485,489 and \$439,273, respectively, and was reported in the accompanying statements of financial position as a component of accrued expenses.

Revenue Recognition

City Harvest recognizes revenue from contributions in accordance with Accounting Standards Codification ("ASC") 958-605. In accordance with ASC 958-605, City Harvest evaluates whether a transfer of assets is (1) an exchange transaction in which a resource provider is receiving commensurate value in return for the resources transferred or (2) a contribution. If the transfer of assets is determined to be an exchange transaction, City Harvest records the transactions as allowable costs are incurred in accordance with ASC 606. If the transfer of assets is determined to be a contribution, City Harvest evaluates whether the contribution is conditional based upon whether the agreement includes both (1) one or more barriers that must be overcome before City Harvest is entitled to the assets transferred and promised and (2) a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets.

Contributions and Pledges

Contributions to City Harvest are recognized as revenue upon the receipt of cash or of unconditional pledges. Contributions of marketable securities are recorded at their fair values at the dates of donation. Contributions are reported as net assets with donor restrictions if they are received with purpose restrictions or time considerations as to their use. Conditional contributions are recognized when the donor's conditions have been met by requisite actions of City Harvest's management or necessary events have taken place. Contributions to be received over periods longer than a single year are discounted at an interest rate commensurate with the risk involved.

City Harvest, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021

Donor-restricted contributions that are received and whose restrictions are met in the same fiscal year are recorded as net assets without donor restrictions. Otherwise, once stipulated time restrictions end or purpose restrictions are accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions as net assets released from restrictions in the accompanying statements of activities.

Grants and Awards

Grants and awards receivable are amounts reimbursable to City Harvest under the terms of client service and other agreements with various governmental agencies. Grants are reported as net assets with donor restrictions if they are received with purpose restrictions or time considerations (barriers) as to their use. Revenues from grants and awards are recognized when costs are incurred or services have been performed and entitlement to revenue is earned. Grants received in advance are recorded as deferred revenue, and revenue is deferred until the related expenses are incurred.

Special Events

A portion of the gross proceeds paid by attendees at special events held as fundraising activities represents contribution revenue whereas the other portion serves as the payment of the direct cost of the benefit received by the attendee at the event. Special event income is reported net of the direct benefit to donors. Special event revenues applicable to a current year are recognized as revenue in the year a special event takes place.

Capital Campaign

Contributions related to the capital campaign are recognized as both with and without donor restrictions based on whether the funds are internally designated (without donor restrictions) or raised from donors (with donor restrictions).

In-Kind Contributions

City Harvest records donated food, marketable securities, and other noncash donations as contributions at the time of receipt, at their estimated fair values. The fair value of gifts of donated food over which City Harvest has control (i.e., variance power) is reported as public support without donor restrictions and, shortly thereafter, as expense when granted to agencies or other food banks. The estimated fair value of donated food is based upon the five-year average wholesale value of donated product at the national level, as determined by an independent study for applicable food categories for perishable and packaged food received by City Harvest (Note 7). All donated food is used in City Harvest's programs.

Volunteers

A number of unpaid volunteers have made significant contributions of their time supporting City Harvest. The value of this contributed time is not recorded in the financial statements because it does not meet the criteria for revenue recognition required by U.S. GAAP.

Income Taxes

City Harvest follows guidance that clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This guidance provides that the tax effects from an uncertain tax position can only be recognized in the financial statements if the position is more likely than not to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged.

City Harvest, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021

City Harvest is exempt from federal income tax under Section 501(c)(3) of the Code, though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. City Harvest has processes presently in place to ensure the maintenance of its tax-exempt status, to identify and report unrelated business income, to determine its filing and tax obligations in jurisdictions for which it has nexus, and to identify and evaluate other matters that may be considered tax positions. City Harvest has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. In addition, City Harvest has not recorded a provision for income taxes as it has no material tax liability from unrelated business income activities.

Fair Value Measurements

City Harvest defines fair value in a way that focuses on an exit price between market participants in an orderly transaction. City Harvest also prioritizes, within the measurement of fair value, the use of market-based information over entity specific information and establishes a three-level hierarchy for fair value measurements based on the transparency of information used in the valuation of the respective financial instrument.

Concentrations of Credit Risk

Cash, cash equivalents, and investments are exposed to various risks, such as interest rate, market and credit risk. City Harvest maintains its cash and cash equivalents in various bank deposit accounts which, at times, may exceed federally insured limits. City Harvest's cash accounts are placed with high credit quality financial institutions and, accordingly, City Harvest does not expect nonperformance.

New Accounting Standards

During February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Codification ("ASC") No. 2016-02, *Leases (Topic 842)* ("ASC 842"). Under the new standard, lessees are required to recognize the following for all leases with a term of twelve months or greater at the commencement date: (a) a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and (b) a right-of-use ("ROU") asset, representing the lessee's right to use, or control the use of, a specified asset for the lease term. Leases are classified as either operating or finance leases (formerly referred to as capital leases). Recognition, measurement, and presentation of expenses and cash flows arising from a lease are determined by a lease's classification. City Harvest adopted the new standard on July 1, 2020 using the modified retrospective transition approach and elected a package of practical expedients which, among other provisions, allowed City Harvest to carry forward the historical lease classification relating to its existing lease.

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This ASU improves transparency in the reporting of contributed nonfinancial assets for not-for-profit organizations. ASU 2020-07 will be effective for annual periods beginning on or after June 15, 2021. Early adoption is permitted. City Harvest is currently evaluating the new guidance and has not determined the impact this standard may have on its financial statements.

City Harvest, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021

NOTE 3 - CONTRIBUTIONS RECEIVABLE, CAPITAL CAMPAIGN, AND RESILIENCY FUND

Contributions Receivable

At each fiscal year end, City Harvest's pledges receivable consisted of the following:

	2022	2021
Gross amounts due in:		
One year	\$ 14,294,519	\$ 12,807,604
One to five years	9,206,897	12,747,409
	23,501,416	25,555,013
Allowance for uncollectible amounts	(523,326)	(405,374)
Discount to present value (rate of 0.24% - 3.00%)	(160,908)	(133,851)
	\$ 22,817,182	\$ 25,015,788

Contributions receivable are nonrecurring fair value measurements. Any multi-year pledges received were recorded at the present value of the expected future cash flows using a credited adjusted discount rate. At June 30, 2022, pledge receivables included approximately \$15.0 million related to a capital campaign.

Capital Campaign

In the year ended June 30, 2020, City Harvest launched a capital campaign with a goal of raising \$75 million to fund the renovation of City Harvest's new headquarters in Sunset Park, Brooklyn. This new location will allow City Harvest to unite its food rescue and delivery operations, programming and administrative staff in one space. It will position City Harvest to work more efficiently, and scale the organization's capacity to rescue and deliver a greater volume of food, free of charge, to help meet the need for food assistance in New York City for decades to come.

Capital campaign revenue recognized and costs incurred relating to the renovation of and move to City Harvest's new headquarters in the years ended June 30, 2022 and 2021 follow:

	2022	2021
Capital campaign revenue	\$ 7,911,986	\$ 50,094,754
Less: costs relating to renovation of and move to new headquarters		
Capitalized renovation costs	(38,803,573)	(19,957,518)
Expendable costs	(2,359,312)	(865,227)
Total costs relating to renovation and move to new headquarters	(41,162,885)	(20,822,745)
Net capital campaign activity	\$ (33,250,899)	\$ 29,272,009

City Harvest, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021

Resiliency Fund

During the year ended June 30, 2021, City Harvest launched a Resiliency Fund with a goal of raising \$50 million. This fund will be used to sustain food rescue and delivery operations above pre-pandemic levels, maximize the capacity of the new Sunset Park facility, and position City Harvest to respond to future crises the city may face. Resiliency Fund-related contribution revenues totaled \$5,324,000 and \$395,000 during the years ended June 30, 2022 and 2021, respectively.

NOTE 4 - INVESTMENTS

City Harvest's investments are classified as follows within the fair value hierarchy of the standard. At June 30, 2022 and 2021, investments at fair value were comprised of the following:

	<u>2022</u>	<u>2021</u>
Equities	\$ 176,295	\$ 216,956
Government and corporate obligations	25,258	12,825
Debt securities	<u>4,800,228</u>	<u>5,006,515</u>
Total investments	<u>\$ 5,001,781</u>	<u>\$ 5,236,296</u>

City Harvest follows the FASB standard on fair value measurements. The standard provides a consistent definition of fair value, which focuses on an exit price between market participants in an orderly transaction. The standard also prioritizes, within the measurement of fair value, the use of market-based information over entity specific information and establishes a three-level hierarchy for fair value measurements based on the transparency of information used in the valuation of the respective financial instrument.

Assets and liabilities measured and reported at fair value are classified and disclosed in one of the following categories:

- Level 1: Quoted prices in active markets for identical assets or liabilities. Level 1 assets and liabilities include debt and equity securities that are traded in an active exchange market, as well as certain U.S. Treasury securities.
- Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 2 assets and liabilities include debt securities with quoted market prices that are traded less frequently than exchange-traded instruments. This category generally includes certain U.S. government and agency mortgage-backed securities, and corporate debt securities.
- Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the asset or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation. This category generally includes certain private debt and equity instruments and alternative investments.

City Harvest, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021

At June 30, 2022 and 2021, City Harvest's investments were classified as follows within the fair value hierarchy standard:

	2022			
	Level 1	Level 2	Level 3	Total
Equities	\$ 164,250	\$ 12,046	\$ -	\$ 176,296
Government and corporate obligations	-	25,258	-	25,258
Debt securities	11,655	4,788,572	-	4,800,227
Total investments	\$ 175,905	\$ 4,825,876	\$ -	\$ 5,001,781
	2021			
	Level 1	Level 2	Level 3	Total
Equities	\$ 195,858	\$ 21,098	\$ -	\$ 216,956
Government and corporate obligations	-	12,825	-	12,825
Debt securities	14,284	4,992,231	-	5,006,515
Total investments	\$ 210,142	\$ 5,026,154	\$ -	\$ 5,236,296

NOTE 5 - PROPERTY AND EQUIPMENT, NET

At each fiscal year end, property and equipment, net consisted of the following:

	2022	2021
Transportation vehicles and equipment	\$ 2,564,937	\$ 2,495,027
Furniture and fixtures	887,803	527,891
Computer equipment	904,295	463,836
Office equipment	1,523,959	487,436
Leasehold improvements	37,813,548	1,135,571
Construction in progress	23,776,088	22,079,598
	67,470,630	27,189,359
Less: accumulated depreciation and amortization	(5,594,016)	(4,315,264)
	\$ 61,876,614	\$ 22,874,095

Depreciation and amortization expense relating to property and equipment for the years ended June 30, 2022 and 2021 were \$1,278,754 and \$342,448, respectively.

Included in construction in progress are the costs committed to the purchase of software and equipment to be utilized in the installation of a warehouse management system as well as \$23,490,079 of costs incurred related to phases two and three of the renovation of a new warehouse space related to spaces that will be occupied in fiscal year 2023.

City Harvest, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021

NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS

At each fiscal year end, net assets with donor restrictions were restricted for the following purposes:

	2022	2021
Restricted as to purpose:		
Emergency food	\$ 811,132	\$ 1,755,657
Food access	1,373,770	133,983
Capital campaign	8,617,030	41,844,903
	10,801,932	43,734,543
 Time restricted	 7,383,622	 2,385,463
	\$ 18,185,554	\$ 46,120,006

At June 30, 2022 and 2021, net assets with donor restrictions as to purpose that were also time restricted totaled \$2,184,902 and \$779,651, respectively.

During each fiscal year, net assets with donor restrictions released from restrictions were due to the following purposes:

	2022	2021
Emergency food	\$ 1,014,955	\$ 955,178
Food access	95,000	171,000
Capital Campaign	40,995,121	-
	1,109,955	1,126,178
 Time restricted	 968,537	 1,215,000
	\$ 43,073,613	\$ 2,341,178

NOTE 7 - IN-KIND CONTRIBUTIONS

Food products are donated to City Harvest by restaurants, corporations and individuals. These food products are subsequently distributed, free of charge, to a network of approximately 400 community food programs. City Harvest also arranges for food from its donors to be distributed directly to other food pantries or directly to agencies. In addition to donations of food products, City Harvest also accepts donations of prepared food and meals. For the years ended June 30, 2022 and 2021, City Harvest reported the value of food based on a five-year average of the annual wholesale values of donated product at the national level, as determined by an independent study, which has been calculated by City Harvest at \$1.71 and \$1.69 per pound, respectively.

City Harvest, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021

During fiscal years 2022 and 2021, the total pounds and value of food distributed consisted of the following:

	2022		2021	
	Pounds	Value	Pounds	Value
Donated food	91,544,298	\$ 156,390,574	132,616,389	\$ 219,326,373
Purchased food	10,041,333	7,814,027	22,311,187	19,093,287
Total food contributed	101,585,631	164,204,601	154,927,576	238,419,660
Decrease (Increase) in inventory	236,753	136,699	(154,454)	(26,950)
Total food distributed	<u>101,822,384</u>	<u>\$ 164,341,300</u>	<u>154,773,122</u>	<u>\$ 238,392,710</u>

In addition, City Harvest received donated services from specialized volunteers and donated supplies, which are recorded in the accompanying financial statements at their approximate fair values, as follows, for the years ended June 30, 2022 and 2021:

	2022	2021
Donated advertising services	\$ 1,944,741	\$ 1,746,195
Donated legal services	83,626	179,211
Total donated services and supplies	<u>\$ 2,028,367</u>	<u>\$ 1,925,406</u>

In connection with City Harvest's special event auction and gala during the fiscal years 2022 and 2021, City Harvest recorded the value of donated items and services, the fair value of which was \$3,378 and \$0, respectively.

NOTE 8 - ENDOWMENT FUND

On September 17, 2010, the State of New York enacted the New York Prudent Management of Institutional Funds Act ("NYPMIFA"). NYPMIFA applies to donor-restricted endowments and, among other things, updates requirements governing investment conduct, expenditure of funds, delegation of management and investment, and release or modification of restrictions. Accounting guidance issued by the FASB addresses the disclosure of endowment funds and addresses the net asset classification of donor-restricted endowment funds for organizations subject to the state enacted Prudent Management of Institutional Funds Act. A key component of this guidance is a requirement to classify the portion of a donor-restricted endowment fund that is not classified as net assets with donor restrictions as such until appropriated for expenditure. In addition, the FASB issued guidance requiring new disclosures about an organization's donor-restricted and board-designated endowment funds.

City Harvest, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021

Interpretation of Relevant Law

City Harvest's Board of Directors has interpreted the NYPMIFA as requiring City Harvest, absent explicit donor stipulations to the contrary, to act in good faith and with the care that an ordinarily prudent person in a like position would exercise under similar circumstances in making determinations to appropriate or accumulate endowment funds, taking into account both its obligations to preserve the value of the endowment and its obligation to use the endowment to achieve the purposes for which it was donated. City Harvest classifies as net assets with donor restrictions (held in perpetuity) (a) the original value of gifts donated to the donor-restricted endowment, (b) the original value of subsequent gifts to the donor-restricted endowment, and (c) accumulations to the donor-restricted endowment required by the applicable donor gift instrument.

The following table illustrates the composition of City Harvest's donor-restricted endowment fund, which is managed by a donor-designated asset manager, as of June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Endowment net assets, beginning of year	\$ 265,463	\$ 227,606
Investment return:		
Net realized and unrealized (depreciation) appreciation	<u>(9,395)</u>	<u>37,857</u>
Total investment return	<u>(9,395)</u>	<u>37,857</u>
Endowment net assets, end of year	<u>\$ 256,068</u>	<u>\$ 265,463</u>

Distributions of \$14,102 and \$15,099 were received by City Harvest during the years ended June 30, 2022 and 2021, respectively.

NOTE 9 - RETIREMENT PLAN

City Harvest offers a defined contribution plan, as defined in the Code Section 403(b), to all eligible employees who may make voluntary contributions to the plan, up to the maximum amount allowed by the Code. City Harvest contributes an amount equal to 3% of the salary for each employee who has completed one year of service. City Harvest also makes an additional matching contribution for those employees that contribute to the plan. The matching contribution for employees who have completed one year of service is a maximum of 3% of eligible compensation. City Harvest's contribution for fiscal years 2022 and 2021 was approximately \$696,000 and \$704,000, respectively.

NOTE 10 - LEASES

Operating Leases

In April 2012, City Harvest entered into a 12-year lease for new administrative office space located in Midtown, Manhattan. Such lease does not contain any material residual value guarantees or restrictive covenants and has a remaining lease term of 2.25 years. The ROU asset and lease obligation were recognized at the present value of the lease payments over the lease term as of July 1, 2020. City Harvest elected to use a risk-free discount rate of 1.64%, which is based on the 10-year Treasury yield curve rate as of the lease commencement date, to determine the present value of the lease payments. Operating lease cost for such lease, which is recognized on a straight-line basis over the lease term, totaled approximately \$1.1 for the years ended June 30, 2022 and 2021.

City Harvest, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021

As of June 30, 2020, prior to the adoption of ASC 842, the deferred rent liability resulting from recording operating lease expense using the straight-line method was presented as the deferred rent on the accompanying statement of financial position. As of June 30, 2021, under ASC 842, the deferred rent liability is reported as a reduction to right-of-use asset, net, for operating lease on the accompanying statement of financial position.

Future minimum rent obligations under City Harvest's operating lease as of June 30, 2022 are as follows:

<u>Years Ending June 30,</u>		
2023	\$	1,375,117
2024		1,409,495
2025		354,535
2026		<u>-</u>
Total minimum lease payments		3,139,147
Less: present value discount		<u>(59,766)</u>
Total operating lease obligation		3,079,381
Less: deferred rent liability		<u>(635,369)</u>
Total right-of-use asset for operating lease	\$	<u>2,444,012</u>

During the years ended June 30, 2022 and 2021, City Harvest also had effective leases for trucks that had lease terms that were each shorter than 12 months and did not include an option to purchase such trucks. City Harvest elected not to apply the recognition requirements in ASC 842 to such short-term leases and instead recognized the related lease payments as expenses on a straight-line basis over the respective lease term in the period in which the obligation for those payments is incurred. Operating lease cost for such short-term leases totaled approximately \$1,216,695 and \$364,000 for the fiscal years ended June 30, 2022 and 2021, respectively.

Rental expense under operating leases (which includes payments for rentals of additional trucks on an as-needed basis) for fiscal years 2022 and 2021 was approximately \$2,289,000 and \$2,584,000, respectively.

Finance Lease

In fiscal year 2020, City Harvest entered into a 31-year lease for a new warehouse space located in Sunset Park, Brooklyn. This lease commenced in September 2020 and has a remaining term of 29.25 years as of June 30, 2022. Lease terms include a nine-month rent abatement, a landlord allowance toward the cost of work required for City Harvest to receive an amended Certificate of Occupancy, and annual rent escalations. The right to use the space is capitalized as right-of-use asset for finance lease on the accompanying statement of financial position and amortized over the term of the lease. The corresponding obligation under the finance lease represents the present value of the rental payments. City Harvest elected to use a risk-free discount rate of 1.43%, which is based on the 30-year Treasury yield curve rate as of the lease commencement date, to determine the present value of the lease payments.

City Harvest, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021

Future minimum rent obligations under City Harvest's finance lease as of June 30, 2022 are as follows:

<u>Years Ending June 30,</u>		
2023	\$	3,507,291
2024		3,612,509
2025		3,720,885
2026		3,832,511
2027		3,947,487
Thereafter		<u>141,984,770</u>
Total minimum lease payments		160,605,453
Less: imputed interest		(33,284,132)
Less: landlord allowance		<u>(1,059,695)</u>
Total finance lease obligation		<u>\$ 126,261,626</u>

The components of finance lease-related expense included in the statement of activities consist of the following for the year ended June 30, 2022:

Amortization of ROU asset for finance lease	\$ 7,113,402
Interest on finance lease obligation	<u>1,833,033</u>
Total finance lease cost	<u>\$ 8,946,435</u>

NOTE 11 - LONG TERM DEBT

In October 2021, City Harvest entered into a new \$13.5 million three-year loan at an annual interest rate of 1.73% with Citibank (the "Loan"). The purpose of the Loan is to pay contracting vendors for costs associated with the renovation of City Harvest's new operating location in Sunset Park, Brooklyn in the period during which payments of pledges from donors are staggered over several years. At June 30, 2022, the outstanding balance on the Loan was \$11.0 million which is payable in full on September 30, 2025.

Future loan payments are comprised of the following:

<u>Years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 3,375,000	\$ 170,297	\$ 3,545,297
2024	3,375,000	111,382	3,486,382
2025	3,375,000	51,900	3,426,900
2026	843,750	3,730	847,480
2027	-	-	-
Thereafter	<u>-</u>	<u>-</u>	<u>-</u>
Total long term debt obligation	<u>\$ 10,968,750</u>	<u>\$ 337,309</u>	<u>\$ 11,306,059</u>

Interest expense for the long term debt totaled \$149,000 for the year ended June 30, 2022 and has been reflected in office supplies and miscellaneous expense on the accompanying state of functional expenses. As of June 30, 2022 City Harvest is in compliance with all financial covenants.

City Harvest, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021

In fiscal year 2022, City Harvest entered into an uncommitted \$3 million line of credit with Citibank. The line of credit expires in October 20, 2022 and any outstanding balances under the line of credit would accrue interest at the overnight LIBOR rate plus 35 basis points. No amounts were drawn down during fiscal year 2022.

NOTE 12 - LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

City Harvest regularly monitors liquidity required to meet its operating needs. For purposes of analyzing resources available to meet general expenditures over a 12-month period, City Harvest considers all expenditures related to its ongoing activities.

City Harvest regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, City Harvest considers all expenditures related to its ongoing activities. City Harvest strives to operate with a balanced budget and anticipates collecting sufficient revenue from contributions, including donated food, individual, foundation, corporate and individuals to cover general expenditures not covered by donor-restricted resources.

City Harvest's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

<u>Financial Assets as of June 30:</u>	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 33,334,763	\$ 59,755,673
Contributions receivable - current portion	14,294,519	12,807,604
Grants and awards receivable	2,719,589	3,180,542
Investments	<u>5,001,781</u>	<u>5,236,296</u>
Total financial assets available within one year	<u>55,350,652</u>	<u>80,980,115</u>
Less:		
Contractual, legal or donor-imposed restrictions:		
Capital campaign pledge receivables	15,014,136	20,947,664
Resiliency fund pledge receivables	1,848,153	-
Cash held for capital campaign	-	12,239,553
Cash held for resiliency	3,644,034	395,000
Amounts subject to expenditure after one year	1,229,101	1,779,651
Endowment funds maintained in perpetuity	<u>256,068</u>	<u>265,463</u>
Total amounts unavailable to management for general expenditures within one year	<u>21,991,492</u>	<u>35,627,331</u>
Total financial assets available to management for general expenditures within one year	<u>\$ 33,359,160</u>	<u>\$ 45,352,784</u>

NOTE 13 - SUBSEQUENT EVENTS

City Harvest evaluated its June 30, 2022 financial statements for subsequent events through December 1, 2022, the date the financial statements were available to be issued. Management is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

City Harvest, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021

NOTE 14 - COVID-19

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. City Harvest has been impacted by the pandemic during the fiscal year. As the number of New York City residents experiencing food insecurity remained high in FY22, City Harvest sourced over 19 million more pounds of food than pre-COVID-19 pandemic year to continue our response to this increased need. This included an increase of approximately \$4,700,000 spent on purchased food. The extent of the impact of COVID-19 on City Harvest's operational and financial performance will continue to depend on certain developments, including the duration and spread of the outbreak and its impact on the organization's donors, employees and vendors, all of which at present cannot be determined. Accordingly, the extent to which COVID-19 may impact City Harvest's financial position and changes in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.