FOOD BANK OF THE SOUTHERN TIER

EXECUTIVE COMMITTEE

Tuesday, May 11, 2021
8:00 AM – 9:30 AM
AGENDA

	TOPIC	FACILITATOR	ACTION	TIME
1.	Welcome and Call to Order	Joe Thomas		2
2.	Opening Prayer	Jack Balinsky		2
3.	Approval of March 9, 2021 Minutes	Joe Thomas	Approve	1
4.	Check-in	Joe Thomas	Discuss	10
5.	Updated Organizational Values	Natasha Thompson/ Jeanette Batiste/ John Batiste	Discuss	25
6.	Financial Update			20
	• Audit 2020	Steve Hoyt	Discuss	
	• Net Asset Designation & Use Policy	Steve Hoyt	Approve	
	• Strategic Investment Fund Update	Natasha Thompson	Update	
7.	May Board Meeting Agenda	Natasha Thompson	Approve	10
8.	Follow-up Items			
	• 2021 Hiring Plan Update	Natasha Thompson	Discuss	15
9.	Other Business	Joe Thomas	Discuss	5

Next Meeting:
Tuesday, June 8, 2021
8:00AM – 10:00AM
Opening Prayer: Mary Pat Dolan
RSVP to Lynn Dates lynn.dates@foodbankst.org

Food Bank of the Southern Tier

Executive Committee Meeting

Tuesday, April 13, 2021 8:00 – 9:30 am

Board Member	In Attendance	Unable to Attend
Joe Thomas (Chair)	X	
Steve Hoyt	X	
Mary Pat Dolan	X	
Jessica Renner	X	
Ex-Officio		
Jack Balinsky	X	
Natasha Thompson	X	
Staff/Guest		
Tim Currie	X	
Meghan Parsons	X	
Lynn Dates	X	

1. **Welcome & Call to Order**
   Joe Thomas called the meeting to order 8:01 am.

2. **Opening Prayer**
   Joe Thomas led the opening prayer.

3. **Approval of the March 9, 2021 Minutes**

   Mary Pat Dolan made a motion to approve the March minutes.
   Steve Hoyt seconded. None opposed. Minutes approved.

4. **Check-in**
   Committee members went around the room and provided updates on their personal & professional lives.

5. **Q1 Operational Update**
   Natasha, Tim and Meghan reviewed Q1 Operational Updates with the group.

   Tim reviewed Distribution dashboards, pointing out that both Inventory and TEFAP are strong, wholesale is coming in closer to normal, and noted annualized Inventory Turns.

   Meghan gave an update on Fundraising, noting a strong first quarter with $1,438,889.00 in cumulative giving. Additionally, she reviewed 2021 donor retention behaviors, that volunteers are back at 50% capacity, that Tour de Keuka has been adopted by the United Way of the Southern Tier through the help of board member Anis Fadul, that Check Out Hunger brought in just over $250K, that Q1 Circle to Feed Hope appeal totaled nearly $70K surpassing the appeal goal by $20K, and that 35% of donors in portfolio have made a gift.

   Natasha reviewed Client Demand by sharing the following: with 99% of pantries reporting, we are seeing a 26% decrease in demand compared to Q1 2020 and a 10% decrease compared to Q1 2019; in relation to MFP/CDFs we are seeing a 17% decrease in demand compared to Q1 2020 and a 16% decrease compared to Q1 2019, and; in relation to meal sites we are seeing a 39% increase in demand compared to Q1 2020 and 31% compared to Q1 2019. Natasha noted the following reasons client demand has decreased: According to Feeding America, food insecurity did not increase as much as it did during the recession because of the federal government's response; Updated food insecurity projections for the Southern Tier, indicate a 15% decrease among all individuals and a

30% decrease among children; The American Rescue Plan is expected to decrease child poverty by 50%, and; People with disabilities, communities of color and families with children under 5 were still disproportionately impacted by COVID. The group discussed their thoughts.

6. **Strategic Investment Fund RFP –** Natasha reviewed the SIF RFP, noting that this RFP was developed to encourage innovative thinking from the FBST staff to develop proposals that increase our reach and initiate new projects, pointing out the deadline and plan for presentation to the Executive Committee and BOD. Natasha invited Executive Committee members to participate in the proposal review process, and that they should let Lynn know if they are interested.

7. **Mother Cabrini Grant Audit Issue –** Natasha explained that a discrepancy was noted during the Mother Cabrini grant audit where $125K was awarded to acquire produce and we had only used $45K leading to an extension for the grant and request to update the report. She further explained that we are auditing our process to make sure that this doesn't happen again. Jack noted that agencies in bankruptcy cannot apply for the Mother Cabrini grant.

8. **Follow-up**

   COO Transition Update – Tim updated the group noting that Dave Patterson has taken on food sourcing and that Erica Loomis is working with Catholic Charities on financial analysis.

   Foodnet MOW Alliance Update – Natasha updated the group that the merger was off the table at this point and added that the initial task force had identified other ways for both organizations to work together. Natasha noted that she will share this information at the next BOD meeting.

9. **Personnel Update** – Natasha shared that the Communications Manager position will be elevated to a Director position and she and Meghan are working with Randi Quackenbush to explore a Client Communications position.

10. **Other Business**
    Boston Consulting Group Fundraising Model – The group discussed the materials.

The meeting adjourned at 9:25 am

Minutes respectfully submitted by,

Lynn Dates, *Executive Assistant to*
Natasha Thompson, President & CEO

THE FOOD BANK OF THE SOUTHERN TIER, DIVISION OF CATHOLIC CHARITIES OF THE DIOCESE OF ROCHESTER

Financial Statements as of
December 31, 2020
Together with
Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

May 21, 2021

To the Board of Directors of
The Food Bank of the Southern Tier, Division of
Catholic Charities of the Diocese of Rochester:

Report on the Financial Statements
We have audited the accompanying financial statements of The Food Bank of the Southern Tier, Division of Catholic Charities of the Diocese of Rochester (the Agency) which comprise the balance sheet as of December 31, 2020 and the related statements of activities and change in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

(Continued)

INDEPENDENT AUDITOR'S REPORT
(Continued)

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of December 31, 2020 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information
We have previously audited the Agency's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 21, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

THE FOOD BANK OF THE SOUTHERN TIER,
DIVISION OF CATHOLIC CHARITIES OF THE DIOCESE OF ROCHESTER

BALANCE SHEET
DECEMBER 31, 2020
(With Comparative Totals for 2019)

	2020	2019
ASSETS		
CURRENT ASSETS:		
Cash	$ 6,043,660	$ 1,678,451
Investments	1,881,829	1,700,477
Accounts receivable	70,339	83,005
Grants receivable	376,086	289,321
Prepaid expenses	54,723	49,050
Current portion of pledges receivable, net	10,000	39,630
Inventory - donated	1,417,169	1,508,135
Inventory - purchased	538,649	343,810
Total current assets	10,392,455	5,691,879
PLEDGES RECEIVABLE, net of current portion	8,800	16,719
INVESTMENTS - ENDOWMENT	101,182	95,412
PROPERTY AND EQUIPMENT, net	3,153,368	3,409,558
Total assets	$ 13,655,805	$ 9,213,568
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable	$ 353,527	$ 211,024
Accrued liabilities	299,607	245,453
Deferred revenue - donated inventory	1,417,169	1,508,135
Deferred revenue - other	169,664	133,183
Total liabilities	2,239,967	2,097,795
NET ASSETS:		
Without donor restrictions		
Undesignated	10,718,298	6,415,227
Board designated	470,246	470,246
Total without donor restrictions	11,188,544	6,885,473
With donor restrictions	227,294	230,300
Total net assets	11,415,838	7,115,773
Total liabilities and net assets	$ 13,655,805	$ 9,213,568

The accompanying notes are an integral part of these statements.

THE FOOD BANK OF THE SOUTHERN TIER,
DIVISION OF CATHOLIC CHARITIES OF THE DIOCESE OF ROCHESTER

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2020
(With Comparative Totals for 2019)

	2020			
	Without Donor Restrictions	With Donor Restrictions	Total	2019
OPERATING SUPPORT AND REVENUE:				
Food-in-kind assistance	$ 11,344,514	$ -	$ 11,344,514	$ 9,481,222
Grants and contracts	5,115,680	-	5,115,680	2,100,642
Contributions	6,161,875	30,720	6,192,595	2,727,506
Program fees	2,277,490	-	2,277,490	878,817
Other income	48,454	-	48,454	74,036
Investment income appropriated for operations	4,022	-	4,022	-
Total operating support and revenue	24,952,035	30,720	24,982,755	15,262,223
OPERATING EXPENSES:				
Program	19,290,151	-	19,290,151	13,911,905
Management and general	613,554	-	613,554	665,832
Fundraising	962,085	-	962,085	804,769
Total operating expenses	20,865,790	-	20,865,790	15,382,506
DEFICIENCY OF OPERATING SUPPORT AND REVENUE OVER OPERATING EXPENSES	4,086,245	30,720	4,116,965	(120,283)
OTHER CHANGES IN NET ASSETS:				
Net appreciation of investments	177,330	9,792	187,122	294,156
Investment return appropriated for operations	-	(4,022)	(4,022)	-
Net assets released from restrictions for acquisition of property and equipment	39,496	(39,496)	-	-
CHANGE IN NET ASSETS	4,303,071	(3,006)	4,300,065	173,873
NET ASSETS - beginning of year	6,885,473	230,300	7,115,773	6,941,900
NET ASSETS - end of year	$ 11,188,544	$ 227,294	$ 11,415,838	$ 7,115,773

The accompanying notes are an integral part of these statements.

THE FOOD BANK OF THE SOUTHERN TIER,
DIVISION OF CATHOLIC CHARITIES OF THE DIOCESE OF ROCHESTER

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020
(With Comparative Totals for 2019)

	2020				
	Program Services	Management and General	Fundraising	Total	2019
Food-in-kind assistance	$ 11,344,514	$ -	$ -	$ 11,344,514	$ 9,481,222
Purchased food	4,608,048	-	-	4,608,048	1,629,585
Compensation	1,535,385	317,180	380,203	2,232,768	2,028,547
Employee benefits	359,117	72,807	112,713	544,637	507,951
Contract and professional services	245,827	214,972	65,067	525,866	410,536
Depreciation	389,295	-	-	389,295	328,451
Direct mail	-	-	280,540	280,540	243,142
Specific assistance	193,022	-	-	193,022	95,386
Advertising and public relations	99,797	423	50,461	150,681	94,758
Supplies	73,220	4,551	30,695	108,466	60,321
Maintenance and repairs	113,969	-	-	113,969	88,834
Transportation	102,887	859	486	104,232	101,480
Occupancy	88,067	822	-	88,889	83,773
Insurance	70,361	-	-	70,361	63,472
Special events	-	-	37,989	37,989	93,894
Conferences, training and meetings	10,195	1,767	3,886	15,848	39,369
Other	56,447	173	45	56,665	31,785
Total operating expenses	$ 19,290,151	$ 613,554	$ 962,085	$ 20,865,790	$ 15,382,506

The accompanying notes are an integral part of these statements.

THE FOOD BANK OF THE SOUTHERN TIER,
DIVISION OF CATHOLIC CHARITIES OF THE DIOCESE OF ROCHESTER

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020
(With Comparative Totals for 2019)

	2020	2019
CASH FLOW FROM OPERATING ACTIVITIES:		
Change in net assets	$ 4,300,065	$ 173,873
Adjustments to reconcile change in net assets to net cash flow from operating activities:		
Depreciation	389,295	328,451
Change in discount on pledges receivable	99	954
Net appreciation of investments	(187,122)	(294,156)
Changes in:		
Accounts receivable	12,666	(55,073)
Grants receivable	(86,765)	53,114
Prepaid expenses	(5,673)	14,285
Inventory	(194,839)	27,981
Accounts payable	142,503	46,684
Accrued liabilities	54,154	27,438
Deferred revenue	36,481	(93,894)
Net cash flow from operating activities	4,460,864	229,657
CASH FLOW FROM INVESTING ACTIVITIES:		
Proceeds from sale of property and equipment	175,000	-
Purchases of property and equipment	(308,105)	(270,974)
Net cash flow from investing activities	(133,105)	(270,974)
CASH FLOW FROM FINANCING ACTIVITIES:		
Capital campaign cash receipts	37,450	68,878
Net cash flow from financing activities	37,450	68,878
CHANGE IN CASH	4,365,209	27,561
CASH - beginning of year	1,678,451	1,650,890
CASH - end of year	$ 6,043,660	$ 1,678,451

The accompanying notes are an integral part of these statements.

1. THE ORGANIZATION

The Food Bank of the Southern Tier (the Agency) is a division of Catholic Charities of the Diocese of Rochester (CCDR). The Agency is a not-for-profit organization that distributes quality food through its hunger relief agencies in Broome, Chemung, Schuyler, Steuben, Tioga, and Tompkins Counties, New York and develops innovative programs to address the problem of hunger.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting
The Agency's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).

Financial Reporting
The Agency reports its net assets and changes therein in the following classifications:

- Net assets without donor restrictions are net assets that are not subject to donor-imposed stipulations. The Board of Directors, through voluntary resolutions, has set aside portions of the Agency's net assets without donor restrictions to be used exclusively for specific purposes.

- Net assets with donor restrictions are net assets whose use by the Agency is limited by donor-imposed stipulations. This includes stipulations that can be fulfilled or removed by actions of the Agency pursuant to the stipulations or by the passage of time, as well as donor-imposed stipulations that do not expire. In cases where the donor-imposed stipulation does not expire, generally the donor of these net assets permits the Agency to use all or part of the investment return on the related assets to support program activities.

Operations
The statement of activities and change in net assets presents the changes in net assets of the Agency from operating activities and from non-operating activities. Operating revenues and expenses relate primarily to the acquisition of food and related goods and the provision of that food and related goods to organizations and individuals. Operating activities also includes outreach and other programmatic activities related to addressing food insecurity.

Non-operating activities reflect transactions not related to current year operations. These include contributions from donors to be invested perpetually by the Agency to generate a return that will support operations, contributions from donors restricted for acquisition of property and equipment, income or losses on the Agency's investment portfolio, and gains or losses on disposals of property and equipment.

Cash
Cash consists of bank demand deposit accounts which, at times, may exceed federally insured limits. The Agency has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk with respect to cash.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment
Property and equipment is stated at cost, if purchased, or fair value at the date of donation. Depreciation is recorded using the straight-line method over the estimated useful lives of the related assets, which range from three to thirty years. The Agency capitalizes individual property and equipment items with a cost or fair value at the date of donation greater than $1,000 that have a useful life greater than one year.

Investments
Investments are stated at fair value. Investment securities are exposed to various risks, such as interest rate, market, economic conditions, world affairs and credit risks. Due to the level of risk associated with certain investment securities, it is possible that changes in their values could occur in the near term and such changes could materially affect the net assets of the Agency.

Fair Value Measurement
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market for the asset or liability.

GAAP establishes a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The fair value hierarchy is as follows:

- Level 1 Inputs - Valuations are based on quoted prices in active markets for identical assets or liabilities that the Agency has the ability to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.

- Level 2 Inputs - Valuations are based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly. In addition, investment securities valued based on the net asset value of the underlying investment pool are classified as being valued based on level 2 inputs.

- Level 3 Inputs - Valuations are based on unobservable inputs for determining the fair values of assets or liabilities that reflect an entity's own assumptions about the assumptions that market participants would use in pricing the assets or liabilities.

Program Fees and Receivables
The Agency recognizes program fees revenue in the period in which the performance obligations defined by the terms of contracts with customers are satisfied. The Agency's performance obligations fall under its overall mission to develop and operate programs that address the problem of hunger and food insecurity. The Agency's performance obligations include distributing quality food through community organizations.

Program fees are recognized at the amount to which the Agency expects to be entitled. The Agency requests that participating not-for-profit agencies contribute various amounts depending on the type of product received for each pound of product they receive. This revenue is used to cover the cost of food handling as well as general operating expenses. This revenue is included in program fees on the accompanying statement of activities and change in net assets. Program service fees also include revenue related to wholesale distribution of food throughout the community. The performance obligation related to program service fees is satisfied as the food and other goods are distributed.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Program Fees and Receivables (Continued)
The Agency determines the transaction price based on the volume and/or weight of food and related goods distributed in each distribution transaction. The Agency expects to collect established net charges. The Agency performs an assessment of a customer's ability to pay for services prior to providing services. Based on this, the Agency has determined that there are no implicit price concessions provided to those the Agency serves.

Because performance obligations are met as program services are provided, there are no service fees allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. Program service revenue is charged and collected periodically. Amounts that remain uncollected at the end of a reporting period are recorded as accounts receivable. Amounts for which no payments have been received for several months are considered delinquent and when appropriate collection efforts are exhausted, the account is written-off. The Agency did not record an allowance for doubtful accounts in 2020 or 2019.

Contributions and Pledges Receivable
All contributions are considered to be available without restriction unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes or in perpetuity are reported as support that increases net assets with donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with restrictions are reclassified as net assets without restrictions and reported as net assets released from restrictions in the accompanying statement of activities and changes in net assets. Conditional promises to give are not included as support until the conditions are met.

The Agency records an allowance for doubtful pledges receivable based on experience and a review of specific accounts. An allowance of $1,000 and $2,982 was recorded for the years ended December 31, 2020 and 2019, respectively. Accounts are written-off when reasonable collection efforts have been exhausted. No amounts were written off in the years ended December 31, 2020 or 2019.

Food-In-Kind Assistance
Contributions of noncash assets, such as food in-kind services, are recorded at their fair values on the date received. The Agency's policy is to record food-in kind as revenue as it is distributed; undistributed food is recorded as both inventory and deferred revenue upon receipt.

Grants and Contracts
Revenue from grants and contracts is recognized when conditions from the grantor are met and there are no barriers to be overcome. Amounts received in advance of such conditions being met are reported as deferred revenue.

Donated Services
Volunteers have donated significant amounts of time in support of the Agency's program activities. The value of these services is not reflected in the accompanying financial statements as they do not meet the criteria for recognition.

Income Taxes
The Agency is a division of CCDR, a not-for-profit corporation that is exempt from income taxes as an organization qualified under Section 501(c)(3) of the Internal Revenue Code. CCDR has also been classified by the Internal Revenue Service as an entity that is not a private foundation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Advertising
Advertising costs are charged to expense as incurred.

Allocation of Certain Expenses
The statement of functional expenses presents expenses by both functional and natural classification. Certain categories of expenses are attributable to one or more program or supporting functions, and these expenses are allocated to the reported functional columns. Natural expenses that are allocated across functional classifications include compensation and employee benefits, which are allocated based on time and effort, and occupancy, which are allocated based on the approximate occupation and utilization of the Agency's facilities and buildings and equipment.

Due from Affiliate
Funds in excess of the Agency's current needs may be loaned to other agencies of CCDR under terms specified in a promissory note between the Agency and the borrower. Current need is defined as one month's operating expense based on the annual budget process. CCDR's Finance Director has discretion in coordination with the Agency's President/CEO and/or Business Director with oversight from the Finance Committee, to manage the lending and repayment of surplus funds.

The Agency will lend surplus funds to agencies of CCDR, only if they have an established line of credit with a financial institution and could draw upon funds from another source in order to repay the Agency. Interest will be paid at least on a quarterly basis. Interest owed shall not be added to the outstanding indebtedness. Interest will be at the prime rate less 1%. The amounts loaned to each affiliate and their outstanding balance will be tracked by the CCDR Finance Department. At December 31, 2020 and 2019, there were no amounts due under this arrangement.

Inventory
Inventory purchased by the Agency is stated at the lower of cost or net realizable value. Cost is determined using the first-in, first-out (FIFO) method. Foods donated by The Emergency Food Assistance Program are valued by the New York State Office of General Services. Foods donated through a national food bank network and by various local sources are valued using a price per pound developed by the network. This value is included in inventory - donated on the balance sheet.

Comparative Information
The financial statements include certain prior year summarized comparative information in total but not by net asset class or functional expense classification. Such information does not include sufficient detail to constitute a presentation in accordance with GAAP. Accordingly, such information should be read in conjunction with the Agency's financial statements for the year ended December 31, 2019, from which the summarized information was obtained.

Estimates
The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Reclassifications
Certain reclassifications have been made to the 2019 financial statements to conform to the current year presentation.

3. LIQUIDITY AND AVAILABILITY OF RESOURCES

The Agency is substantially supported by revenue generated by its operations and contributions without donor restrictions. In addition, some support is received in the form of restricted contributions from donors. Because a donor restriction requires resources to be used in a particular manner or in a future period, the Agency must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Agency's liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Agency invests cash not needed for short-term programmatic, administrative, or property and equipment needs. Such investments can be liquidated on short notice if necessary, with the exception of investments representing net assets restricted by donors perpetually.

The Agency's financial assets available to meet cash needs for general expenditures within one year were as follows at December 31:

	2020	2019
Financial assets at December 31	$ 8,491,896	$ 3,903,015
Less: Financial assets unavailable for general expenditures within one year, due to:		
Designations by the Board for specific purposes	(470,246)	(470,246)
Restricted by donor in perpetuity	(91,207)	(86,808)
Subject to satisfaction of donor restrictions	(136,087)	(143,492)
Financial assets available to meet cash needs for general expenditures within one year	$ 7,794,356	$ 3,202,469

Should the need for additional cash availability arise, the Agency has a line-of-credit agreement with a bank that allows for total borrowings of $400,000 (Note 7). Additionally, the Agency has arrangements with other CCDR divisions; Catholic Charities of Chemung/ Schuyler, Catholic Charities of Steuben, and Catholic Charities of Thompkins/Tioga, whereby the divisions may borrow from and lend to each other to meet short-term needs (Note 9).

The Agency's general cash expenditures within one year do not include the amounts reported as food-in-kind assistance income or expense. Food-in-kind assistance represents the estimated value of food received and distributed without cash outlay. Therefore, the $11,344,514 and $9,481,222, reported as food-in-kind assistance for the years ended December 31, 2020 and 2019, respectively, representing approximately 54% and 62% of total operating expenses for 2020 and 2019, respectively, does not represent a cash expenditure (Note 8).

4. PLEDGES RECEIVABLE

Outstanding pledges are due as follows for the years ending December 31:

2021	$ 10,000
2022	10,000
	20,000
Less: Allowance for uncollectible pledges receivable	(1,000)
Less: Discount on pledges receivable	(200)
	18,800
Less: Current portion	(10,000)
	$ 8,800

5. INVESTMENTS

Investments were measured at fair value utilizing Level 2 inputs on a recurring basis and consisted of the following at December 31:

	2020	2019
The Communis Fund of the Diocese of Rochester (Communis)	$ 1,983,011	$ 1,795,889

The following table summarizes investments measured at fair value on a recurring basis as of December 31, 2020 and 2019, segregated by the level of the valuation inputs within the fair value hierarchy utilized to measure fair value:

	2020			
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total Fair Value
Communis	$ -	$ 1,983,011	$ -	$ 1,983,011

	2019			
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total Fair Value
Communis	$ -	$ 1,795,889	$ -	$ 1,795,889

Communis was organized by the Roman Catholic Diocese of Rochester (the Diocese) for the purpose of offering Diocesan organizations the opportunity to invest collectively to maximize investment opportunities and returns consistent with the duties of stewardship following the mandates of The Code of Canon Law of the Roman Catholic Church. The investments are managed by professional investment management firms and are overseen by Communis' Board of Directors. Income is allocated to investors based on the percentage of the net asset value of their individual funds to the total investment balance.

5. INVESTMENTS (Continued)

The Agency utilizes information received from Communis regarding the composition of the pooled investment fund and the value of securities held in the fund. Communis values the securities in the fund based on quoted market prices, when available. Communis also holds fixed income securities for which no quoted market prices are available. Such fixed income securities are valued by Communis based on information on comparative securities, prevailing interest rates, and other factors. The Agency believes the valuation information received from Communis is reliable.

Under the terms of its arrangement with Communis, the Agency may make additional investments in Communis, but is under no obligation to do so. Withdrawals can be made at will, and are executed monthly with 15 days advance notice.

In some cases, withdrawals may be limited by specific donor stipulations and governed by the Agency's endowment spending policy. See Note 12 regarding the Agency's endowment funds.

There have been no changes to valuation techniques during 2020 or 2019.

6. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	2020	2019
Land	$ 117,106	$ 139,700
Buildings and improvements	3,056,732	3,344,370
Furnishings and fixtures	300,897	300,897
Equipment	1,412,799	1,369,708
Vehicles	1,286,030	1,071,330
	6,173,564	6,226,005
Less: Accumulated depreciation	(3,020,196)	(2,816,447)
Total	$ 3,153,368	$ 3,409,558

Depreciation on property and equipment was $389,295 and $328,451 for the years ended December 31, 2020 and 2019, respectively.

7. FINANCING ARRANGEMENTS

Line of Credit

The Agency has a line of credit agreement with Chemung Canal Trust Company. The Agency may borrow up to $400,000 under the terms of the line of credit agreement. Amounts borrowed bear interest at 5.00%. There were no amounts outstanding under the terms of this agreement at December 31, 2020 or 2019.

8. FOOD-IN-KIND ASSISTANCE

The Agency receives donated food commodities through The Emergency Food Assistance Grant Program of the U.S. Department of Agriculture (USDA) as administered by the New York State Office of General Services. During the years ended December 31, 2020 and 2019, the Agency received food valued by the USDA at $6,202,018 and $4,454,731 with ending inventory of $987,387 and $1,033,154, respectively.

The Agency also receives donated food commodities from food producers through the efforts of a national food bank network (Feeding America) and by various local sources. That donated food is valued on a per pound basis based upon an amount assigned by Feeding America. During the years ended December 31, 2020 and 2019, the Agency received food valued at $5,142,496 and $5,026,491 with an ending inventory of $429,782 and $474,981 respectively. The food received by the Agency is then distributed to eligible food pantries, soup kitchens and other qualified nonprofit agencies.

9. RELATED PARTY TRANSACTIONS

Insurance

Prior to July 1, 2009, the Agency participated in the Diocesan pooled self-insurance program for property and liability coverage, in conjunction with all agencies of CCDR. As a participant in this program, the Agency paid insurance premiums to the Diocese and received insurance coverage to certain deductible limits for property and general liability, professional misconduct, officers' and directors', employee disability, and workers' compensation insurances.

Effective July 1, 2009, CCDR withdrew from the Diocesan pooled self-insurance program. At that date, all CCDR divisions, including the Agency, purchased commercial insurance from a third-party carrier. In addition, CCDR Diocesan Services Division assumed the estimated liability from the Diocese for known outstanding claims as of June 30, 2009, as well as assets from the Diocese related to accumulated premium deposits as of that date. The Agency has recorded no liability related to this insurance program.

Effective July 1, 2015, CCDR determined that CCDR Diocesan Services Division would purchase a bulk commercial insurance plan covering all CCDR divisions, including the Agency, and each division would reimburse CCDR Diocesan Services Division through monthly invoices for their portion of the coverage.

Payments made to CCDR Diocesan Services Division totaled $54,430 and $84,540 for the years ended December 31, 2020 and 2019, respectively. The Agency recorded prepaid insurance related to this arrangement of $3,382 and $3,545 as of December 31, 2020 and 2019, respectively. Expense associated with these payments is included in benefits and insurance expenses on the accompanying statement of functional expenses.

Services from CCDR

Under its bylaws, the Agency is required to contract certain services from CCDR. For the years ended December 31, 2020 and 2019, contract and professional services expense included approximately $247,000 and $250,000, respectively, paid to CCDR for administrative, accounting, compliance and human resource services.

9. RELATED PARTY TRANSACTIONS (Continued)

Services from the Diocese
The Agency purchases information technology management and support services from the Diocese. For both of the years ended December 31, 2020 and 2019 information technology management and support services expense was approximately $28,000 and $26,000, respectively. These expenses are included in contract and professional services expense in the accompanying statement of functional expenses.

Interdivisional Borrowing/Lending Arrangement
The Agency has arrangements with other CCDR divisions: Catholic Charities of Chemung/Schuyler, Catholic Charities of Steuben, and Catholic Charities of Tompkins/Tioga. The divisions borrow from and lend to each other for short-term needs. Interest at prime minus one percent (2.25% at December 31, 2020), is charged on those borrowings. There were no amounts due under these borrowing arrangements at December 31, 2020 and 2019.

10. RETIREMENT PLAN

The Agency participates in a defined contribution pension plan that is administered through CCDR. All employees who work a minimum of 1,000 hours per year are eligible to participate after one year of service and attaining the age of twenty-one. Employees are vested after five years of service. In addition, the Agency has discretion to contribute at least 3% and no more than 6% of an eligible employee's compensation. The Agency contributed 6% of eligible employees' compensation for 2020 and 2019. Pension expense for the years ended December 31, 2020 and 2019 was approximately $108,000 and $98,000, respectively.

11. NATURE, PURPOSE, AND AMOUNT OF RESTRICTIONS ON NET ASSETS

Net assets with donor restrictions were available for the following purposes at December 31:

	2020	2019
Net assets with donor restrictions that can be satisfied by action of the Agency or the passage of time:		
Truck campaign	$ 95,392	$ 134,888
Backpack campaign	18,280	-
Mobile food pantry	12,440	
Unappropriated endowment appreciation	9,975	8,604
	136,087	143,492
Net assets restricted by donor in perpetuity:		
Endowment funds	91,207	86,808
	$ 227,294	$ 230,300

11. NATURE, PURPOSE, AND AMOUNT OF RESTRICTIONS ON NET ASSETS (Continued)

Net assets with donor restrictions were released from restrictions as follows for the years ended December 31:

	2020	2019
Truck campaign	$ 39,496	$ 149,969
Capital campaign	-	60,893
	39,496	210,862
Investment income appropriated for operations	$ 4,022	$ -

12. ENDOWMENT FUNDS

The Agency's endowment includes contributions perpetually restricted by donors, as well as accumulated unappropriated earnings on those amounts. The Agency's endowment net asset balance consists of funds with donor-imposed restrictions stating that the funds must be held in perpetuity and accumulated unappropriated earnings on these amounts, and are included in net assets with donor restrictions in the accompanying balance sheet.

Changes in endowment net assets were as follows for the years ended December 31:

		Other		
	Partners in Faith	Donor Contributed Corpus	Accumulated Unappropriated Earnings	Total
Endowment net assets, January 1, 2019	$ 68,308	$ 5,060	$ 6,416	$ 79,784
Investment value change	13,440	-	2,188	15,628
Endowment net assets, December 31, 2019	81,748	5,060	8,604	95,412
Appropriations	(3,507)	-	(515)	(4,022)
Investment value change	7,906	-	1,886	9,792
Endowment net assets, December 31, 2020	$ 86,147	$ 5,060	$ 9,975	$ 101,182

Interpretation of Relevant Laws

The Agency's Board of Directors has interpreted the applicable provisions of the New York Prudent Management of Institutional Funds Act (NYPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Agency classifies as endowment net assets (a) the original value of the gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations of investment income of the endowment are added to the fund in accordance with the direction of the donor gift instrument.

12. ENDOWMENT FUNDS (Continued)

Return Objectives and Risk Parameters
The Agency has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets related to donor-restricted funds that the Agency must hold in perpetuity.

Endowment Earnings
The Agency's policy is to utilize its endowment earnings in accordance with the donor's intent. Any unspent endowment earnings in any given year become part of the Agency's net assets with donor restrictions based on specific donor stipulations. The portion of the Agency's endowment balances received from the Diocese of Rochester as part of the Partners in Faith initiative have been received with the stipulation that they must be invested in Communis. Due to this stipulation, all earnings or losses on the Partners in Faith endowment balance are recorded as increases or decreases in net assets the Partners in Faith net asset balance. Earnings or losses on other endowment funds are recorded as increases or decreases in net assets with donor restrictions, in the absence of other specific donor stipulations. The Agency can withdraw funds from the Partners in Faith endowment when amounts are appropriated in accordance with the Agency's endowment management and endowment spending policies.

Spending Policy and How the Investment Objectives Relate to Spending Policy
Under the terms of the Agency's endowment spending policy, annual income to be available for distribution is defined as 5.0% of the endowment fund's average market value for the previous 20 quarters. In establishing this policy, the Agency considered the long-term expected return on its endowment. This is consistent with the Agency's objective to preserve principal, while providing a sustainable source of income for the Agency's programs. In 2019, no amounts were appropriated for expenditure from endowment funds, and therefore no disbursements were made. In 2020, the amount appropriated from endowment funds was $4,402. The Agency's spending policy permits spending from underwater endowments.

Strategies Employed for Achieving Objectives
The Agency's Partners in Faith endowment assets are required by the donor to be invested in Communis. Therefore, the Agency does not have discretion to employ its own strategy related to investment objectives for Partners in Faith investments. For all other endowment balances, the Agency has elected to invest in Communis. The Agency believes this will create consistent, balanced returns that are consistent with NYPMIFA.

13. BOARD DESIGNATED FUNDS

The Agency's Board, through voluntary resolution, established and maintains the Board Restricted Property Reserve Fund (the Property Fund). The Property Fund is intended to pay for major repair/maintenance of permanent fixture-type items owned by the Agency. The Agency's Board adds funds to the Property Fund from time to time. In 2020 and 2019 no Property Funds were expended.

14. CONCENTRATIONS

The Agency received 11% and 8% of its total support and revenue from New York State contracts in both 2020 and 2019, respectively. Accounts and grants receivable related to these services were 38% and 21% of total receivables at December 31, 2020 and 2019, respectively.

15. CONTINGENCIES

Child Victims Act

In 2019, New York State signed into law the Child Victims Act (CVA). This legislation changed New York State law related to child abuse claims, permitting any victim of child abuse to take civil action against abusers, and institutions where they were abused, regardless of when the abuse occurred.

As a result of the passage of the CVA, through the date this report was available to be issued, CCDR has been notified or become aware of a number of CVA related claims for alleged inappropriate conduct. Aggregate demands for damages from these claims and lawsuits are presently not determinable. During the timeframe of the alleged abuses, CCDR had a combination of commercial insurance coverage and insurance programs administered through the Diocese.

Some of these claims and lawsuits jointly name CCDR with the Diocese and/or other organizations. On September 12, 2019, the Diocese filed a voluntary petition for reorganization under Chapter 11 of the Federal Bankruptcy Code. CCDR is not certain of the impact the Diocesan bankruptcy filing has on CCDR's potential future liability related to the claims and lawsuits that might be related to periods of time when CCDR participated in Diocesan-administered insurance programs or those claims and lawsuits jointly naming CCDR and the Diocese.

At present, CCDR is not certain as to the amount of commercial insurance coverage available to assist it in meeting its ultimate obligations related to these matters.

No amounts have been recorded for settlement of these matters as the potential financial impact on CCDR is not presently determinable. However, the ultimate resolution of these matters could have a material adverse impact on CCDR's results of operations and financial position.

Third-Party Payors

Third-party payors, especially governmental funders, have substantially increased their scrutiny of payments made to their designated service providers. Specific areas for review by the governmental payors and their investigative personnel include appropriate billing practices, reimbursement maximization strategies, technical regulation compliance, etc. The stated purpose for these reviews is to recover reimbursements that the payors believe may have been inappropriate.

The Agency has reviewed its internal records and policies with respect to such matters. However, due to the nature of these matters, it is difficult to estimate the ultimate liability, if any, which they may incur for such matters.

COVID-19

The United States is presently in the midst of a national health emergency related to a virus, commonly known as Novel Coronavirus (COVID-19). The overall consequences of COVID-19 on a national, regional, and local level are unknown, but it has the potential to result in a significant economic impact. The impact of this situation on the Agency and their future results and financial position is not presently determinable.

16. SUBSEQUENT EVENTS

Subsequent events have been evaluated through XX 21, 2020, which is the date the financial statements were available to be issued.

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Net Assets Without Donor Restrictions Policy

May 04, 2021

Description: Net Assets Without Donor Restrictions fall into two categories; Board Designated and Undesignated. Board Designated Net Assets are subject to self-imposed limits by action of the governing board. Common purposes for the board-designated net assets include capital projects, operating reserves, quasi-endowments, contingency funds, specific programs and future projects. Undesignated Net Assets are what remains after the governing board has identified the specific purposes it wants to fund. Undesignated Net Assets are what is generally available to meet daily operating needs.

General Accounting: The setting aside of Unrestricted Net Assets as "Board Designated" is only a designation, not an accounting restriction. At any time, the Finance Committee may recommend to the Board that the designation be changed. By designating certain assets, the intent is to show commitment to a certain plan, program or strategy.

Current Designation Categories: Based on our commitment to serve all in need of food in our community along with the responsibility to protect the long-term financial health of the organization, the Board is establishing the following categories of designation for Net Assets Without Donor Restrictions:

- Operating Reserve Fund
- Capital Asset Replacement Fund
- Strategic Investment Fund

Available Net Assets: The designated categories will be funded by the Total Available Net Assets, as defined below:

Total Unrestricted Net Assets
Less Equity in Property, Plant and Equipment
Less Value of Purchased Inventory
Plus 1yr Release from Temp Restriction
Equals Total Available Net Assets

Appendix A shows the 2021 calculation of Total Available Net Assets and the amounts of each Board Designated Fund.

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Minimum Operating Cash: *Minimum* Cash on hand, at the beginning of each fiscal year, will be; (A) the Operating Reserve Fund balance (see below) + (B) current-year projected Strategic Investment Fund spend down (if any) + (C) current-year projected Capital Asset spend down (if any). The projected Strategic Investment Fund spend will be determined during the annual budget process and identified in the "Strategic Investment Fund Allocation" section of the Income Statement. The projected Capital Asset spend is identified in the "Current Expense" column of Property Reserve Fund List of Assets, Equipment Reserve Fund List and Fleet Reserve Fund List of Assets (*Appendix B*).

Balance Sheet: The "Net Assets Without Donor Restrictions" section of the Balance Sheet will individually list all Board Designated Funds along with the Undesignated fund balance

Review: At each fiscal year-end the COO will recommend to the Finance Committee the appropriate levels to be designated in each fund for the coming year. The Finance Committee can approve the recommendation by simple majority or specify alternative funding levels.

Operating Reserve Fund

Definition: The Operating Reserve Fund is the portion of available unrestricted net assets that the Board has designated to reserve as a cushion against unexpected negative financial events, including loss of income or large unbudgeted expenses. The minimum amount to be designated as Operating Reserves will be an amount sufficient to maintain operations for a period of time, typically measured in months.

Calculating the Designated Amount: If net assets are available, Operating Reserves will be Board Designated in an amount necessary to fund three months of operating expenses. This calculation shall occur annually at the end of each fiscal year and, unless the Fund has been drawn upon, that amount will remain on the Balance Sheet for the following fiscal year. Operating Expenses will be derived from the current-year projected budget. The Operating Reserve balance is calculated as follows:

Annual Expenses
Less Value of Donated Goods & Services
Less Value of Government Purchased Food – TEFAP
Less Pass Thru – HPNAP Operation Support
Less Pass Thru – MFP General Shared Maintenance
Less Pass Thru – BackPack General Shared Maintenance
Equal Annual Operating Expenses
Divide by Four
Equal Total Operating Reserve Fund

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Use of Fund: Authority to draw upon Reserves is delegated to the CEO in consultation with the COO and the Chair of the Finance Committee. The use of Reserves will be reported to the Finance Committee and Board of Directors at their next scheduled meeting. An analysis of the factors resulting in the need to access the Fund and remedial plans for restoring the Fund to its targeted level will also be provided. If the Operating Reserve Fund is and has been less than 75% of the targeted reserve level for two consecutive years, the Board of Directors will adopt an operational budget with a projected surplus sufficient to rebuild the Operating Reserve Fund to its targeted reserve level over the following two years.

Capital Asset Replacement Fund

Definition: The Capital Asset Replacement Fund is the portion of available unrestricted net assets that the Board has designated to reserve to provide a ready source of funds for the replacement of major physical assets. Major assets are defined as capital assets with an original cost greater than $5,000 and having a useful life of three years or more (FBST's capitalization criteria). Assets eligible to access the Fund fall into three primary categories: Building, Fleet and Equipment

Calculating the Designated Amount: If net assets are available, the Capital Asset Replacement Fund will be Board Designated in an amount equal to the present value of all listed capital assets, based on the estimated replacement cost and their useful life. This calculation shall occur annually at the end of each fiscal year and that amount will remain on the Balance Sheet for the following fiscal year. *Appendix B* lists the capital assets and their present value calculation for year-end 2020.

Use of Fund: Considering the importance of repairing critical operating equipment in a timely manner, the COO can authorize the immediate replacement of capital assets that are damaged beyond repair. These expenditures will be reported to the Finance Committee at the next scheduled meeting. Otherwise, assets that are functioning but in likely danger of failing will be reported to the Finance Committee at the next scheduled meeting and, with majority approval, the Finance Committee can authorize the replacement of the reported asset. The Board will be informed of all draws on the Fund at their next scheduled meeting.

Strategic Investment Fund

Definition: The Strategic Investment Fund's goal is to provide funding to develop and grow strategic programming. Investments will support innovation and help the organization advance our mission in alignment with the strategic goals. These are investments that fall outside of the operating budget constraints and therefore need to be supported with non-operating funds (i.e. accumulated budget surpluses). This Fund is not intended to be used as a permanent source of capital but rather to provide

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early stage funding to programs that can become self-sustaining. Investments should meet one or more of the following criteria:

- Aligns with at least one of our Strategic Priorities
- Addresses at least one of the recommendations from the Horn Needs Assessment (or any other FBST sanctioned study)
- Builds our organizational capacity

Calculating the Designated Amount: If net assets are available, the Strategic Investment Fund will be Board Designated in an amount equal to the total Available Net Assets remaining after the set-aside for the Operating Reserve Fund and the Capital Asset Replacement Fund (both listed above). This amount will be established at the end of each fiscal year and the fund balance will be updated monthly as draws occur.

Use of Fund: The CEO, with input from staff, will submit proposals for the spend-down of this Fund to the Finance Committee at their regularly scheduled meetings. Any proposals approved by the Finance Committee (simple majority) will be submitted to the Board of Directors at their next scheduled meeting. The Board may approve any or all of the proposals by simple majority. The CEO will then direct the appropriate use of the Fund according to each approved proposal. There may be instances where an appropriate use of the Fund will be in an emergency, "special need" situation. The CEO can authorize expenditures less than $25,000 at his/her own discretion, as directed in the Budget Variance Policy (*Appendix C*).

It is expected that this Fund will be drawn to a zero or near-zero balance as quality investment proposals are implemented. It is also expected that this Fund will be dynamic as annual operating results will provide for some level of deficits or surpluses *and* the higher priority Board Designated Funds undergo their annual adjustments. There should not be any prescribed time limit or Fund balance threshold that mandates spending of this Fund.

Accounting: By definition, the Fund will exist due to prior year's accumulated surpluses. In order to recognize the spend-down of this Fund, while also preserving the ability to track normal operating surpluses/deficits, FBST will include an "SIF Allocation" line in the non-operating section of the Income Statement to offset the SIF expenses recorded in the operating section of the Income Statement.

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Appendix A

12/31/2020	
Net Assets (Dec 2020)	
Total Unrestricted Net Assets	$11,244,206
Equity in Property, Plant and Equipment	($3,153,368)
Value of Purchased Inventory	($538,649)
1yr Release from Temp Restriction	$52,573
Total Available Net Assets	**$7,604,763**
Operating Expenses (2021 Projected)	
Annual Operating Expenses	$13,379,371
Value of Donated Goods & Services	($5,883,376)
Government Purchased Food - TEFAP	($1,205,698)
Pass Thru - HPNAP Operation Support	($167,015)
Pass Thru - MFP General SM	($58,051)
Pass Thru - BP General SM	($31,440)
Total Annual Operating Expenses	**$6,033,791**
Operating Reserve Fund	**$1,508,448**
Capital Asset Fund	**$1,029,201**
Strategic Investment Fund	**$5,067,114**

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Appendix B

Current Year-End	2020
Original Cost Est. Year	2013
Estimated Inflation Rate	2.00%

2011 FBST Property Reserve Fund List of Assets

	Item	Estimated Cost (2013)	Inflation Adj. Cost	2011 Age (Years)	Expected Life (Years)	Current Age (Years)	Remaining Life (Years)	Replacement Year	Condition	Warranty	Year Replaced	Current Expense	Replacement Value
1	**Roof***												
	Upper Warehouse (Gravel)	$33,110	$33,772	20	25	1	24	2044	New	15yrs	**2019**	$0	$1,351
	Upper Warehouse A & B	$80,000	$91,895	5	25	14	11	2031	Satisfactory	Expired		$0	$51,461
	Lower Warehouse	$92,100	$105,794	10	25	19	6	2026	Satisfactory	Expired		$0	$80,403
	Front Office	$19,500	$22,399	30	25	7	18	2038	Good	15yrs	**2013**	$0	$6,272
	Loading Docks	$35,500	$37,673	30	25	1	24	2044	New	20yrs	**2017**	$0	$1,507
	Cooler/Freezer	$31,200	$35,839	15	25	24	1	2021	Poor	Expired		$0	$34,405
	Garage	$0	$0	15	25	24	1	2021	Poor	Expired		$0	$0
2	**Parking Lot****												
	Front Office Parking	$32,000	$36,758	3	20	12	8	2028	Satisfactory	Expired		$0	$22,055
	Warehouse Docks***	$52,000	$59,732	3	20	12	8	2028	Satisfactory	Expired		$0	$35,839
	Back Lot	$15,750	$18,092	10	30	19	11	2031	Satisfactory	Expired		$0	$11,458
	Back Driveway	$0	$0	10	30	19	11	2031	Satisfactory	Expired		$0	$0
3	**Fuel Tank**	$60,000	$68,921	13	30	22	8	2028	Satisfactory	Expired		$0	$50,542
4	**Fuel Pump**	$10,000	$11,487	13	20	22	(2)	2018	Poor	Expired		$11,487	$0
5	**HVAC Units******												
	RTU-1 Repack (7.5 ton)	$10,000	$11,487	0	15	9	6	2026	Satisfactory	Expired		$0	$6,892
	RTU-2 Lobby (4 ton)	$9,000	$10,338	0	15	9	6	2026	Satisfactory	Expired		$0	$6,203
	RTU-3 Conference (3 ton)	$9,000	$10,338	0	15	9	6	2026	Satisfactory	Expired		$0	$6,203
	RTU-4 Office N (5 ton)	$9,000	$10,338	0	15	9	6	2026	Satisfactory	Expired		$0	$6,203
	RTU-5 Office S (4 ton)	$9,000	$10,338	0	15	9	6	2026	Satisfactory	Expired		$0	$6,203
	RTU-6 W/H Offices (3 ton)	$9,000	$10,338	0	15	9	6	2026	Satisfactory	Expired		$0	$6,203
	IT Room	$5,000	$5,743	0	15	9	6	2026	Satisfactory	Expired		$0	$3,446
	Operations Offices (5 ton)	$6,000	$6,892	7	15	16	(1)	2019	Poor	Expired		$6,892	$0
6	**Compressors******												
	C-1 Freezer1 (30hp)	$10,740	$10,955	0	15	1	14	2034	Very Good	2yrs	**2019**	$0	$730
	C-2 Freezer2 (30hp)	$8,000	$9,189	0	15	9	6	2026	Satisfactory	Expired		$0	$5,514
	C-5 Produce1 (12hp)	$3,500	$4,020	0	15	9	6	2026	Satisfactory	Expired		$0	$2,412
	C-1 Produce2 (12hp)	$4,000	$4,595	7	15	16	(1)	2019	Poor	Expired		$4,595	$0
	C-3 Cooler1 (15hp)	$6,644	$7,051	11	15	3	12	2032	Very Good	5yrs	**2017**	$0	$1,410
	C-2 Cooler2 (10hp)	$3,500	$4,020	12	15	21	(6)	2014	Poor	Expired		$4,020	$0
7	**Evaporators**												
	Freezer1 (135 BTU)	$6,000	$6,892	0	15	9	6	2026	Satisfactory	Expired		$0	$4,135
	Freezer2 (135 BTU)	$6,000	$6,892	0	15	9	6	2026	Satisfactory	Expired		$0	$4,135
	Produce1 C-1 (145k BTU)	$5,200	$5,973	0	15	9	6	2026	Satisfactory	Expired		$0	$3,584
	Produce2 C-5 (145K BTU)	$5,200	$5,973	0	15	9	6	2026	Satisfactory	Expired		$0	$3,584
	Cooler1 C-3 (140K BTU)	$4,800	$5,514	12	15	21	(6)	2014	Poor	Expired		$5,514	$0
	Cooler2 C-2 (100K BTU)	$4,100	$4,710	15	15	24	(9)	2011	Poor	Expired		$4,710	$0
8	**Exterior Paint Job**	$25,000	$26,530	0	15	3	12	2032	Very Good	N/A	**2017**	$0	$5,306
9	**Miscellaneous**	$0											
												$42,751	**$422,093**
10	**Total**	**$619,844**	**$700,489**									**$464,844**	

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Current Year-End	2020
Original Cost Est. Year	2020
Estimated Inflation Rate	2.00%

2020 FBST Equipment Reserve Fund List of Assets

Item	Estimated Cost (2020)	Inflation Adj. Cost	2020 Age (Years)	Expected Life (Years)	Current Age (Years)	Remaining Life (Years)	Replacement Year	Condition	Warranty	Year Replaced	Current Expense	Replacement Value
Pallet Jacks												
RAYMOND 102T-F45L(SCALE)	$12,500	$12,500	5	10	5	5	2025	Good	Expired		$0	$6,250
RAYMOND 8210-F45L	$4,100	$4,100	1	10	1	9	2029	Very Good	Expired		$0	$410
RAYMOND 8210-F45L	$4,100	$4,100	2	10	2	8	2028	Very Good	Expired		$0	$820
RAYMOND 8210-F45L	$4,100	$4,100	4	10	4	6	2026	Good	Expired		$0	$1,640
RAYMOND 8210-F45L (SCALE)	$12,500	$12,500	4	10	4	6	2026	Good	Expired		$0	$5,000
RAYMOND 8410-FRE60L	$10,000	$10,000	5	15	5	10	2030	Good	Expired		$0	$3,333
TOYOTA 40072	$4,100	$4,100	9	10	9	1	2021	Satisfactory	Expired		$0	$3,690
CROWN	$4,100	$4,100	10	10	10	0	2020	Poor	Expired		$4,100	$0
TOYOTA 8HBW23	$4,100	$4,100	0	10	0	10	2030	New	1yrs		$0	$0
Fork Trucks												
RAYMOND 425 C40TT	$30,000	$30,000	2	10	2	8	2028	Very Good	Expired		$0	$6,000
RAYMOND DR25TT	$43,000	$43,000	9	15	9	6	2026	Satisfactory	Expired		$0	$25,800
RAYMOND DR25TT	$43,000	$43,000	9	15	9	6	2026	Satisfactory	Expired		$0	$25,800
RAYMOND 730DR30TT	$43,000	$43,000	1	15	1	14	2034	Very Good	Expired		$0	$2,867
RAYMOND 730DR30TT	$43,000	$43,000	0	15	0	15	2035	New	1yrs		$0	$0
Scissor Lifts												
Ballymore DMSL-26W	$25,000	$25,000	15	15	15	0	2020	Poor	2yrs		$25,000	$0
Miscellaneous	$0											
											$33,427	**$93,744**
Total	**$286,600**	**$286,600**									**$127,171**	

Current Year-End	2020
Original Cost Est. Year	2020
Estimated Inflation Rate	2.00%

2020 FBST Fleet Reserve Fund List of Assets

Item	Estimated Cost (2020)	Inflation Adj. Cost	Expected Life (Miles)	Current Miles	Remaining Life (Miles)	Average Miles/Year	Replacement Year	Year Replaced	Current Expense	Replacement Value
Trucks										
2011 Freightliner M2 (116)	$145,000	$145,000	250,000	198,000	52,000	22,000	2022	**2011**	$0	$114,840
2013 Freightliner M2 (117)	$145,000	$145,000	250,000	154,000	96,000	22,000	2024	**2013**	$0	$89,320
2017 Freightliner M2 (200)	$145,000	$145,000	275,000	84,000	191,000	28,000	2027	**2017**	$0	$44,291
2017 Freightliner Cascadia (201)	$115,000	$115,000	275,000	82,000	193,000	27,333	2027	**2017**	$0	$34,291
2017 Great Dane (201T)	$97,000	$97,000	350,000	82,000	268,000	27,333	2030	**2017**	$0	$22,726
2018 Freightliner M2 (202)	$145,000	$145,000	275,000	68,000	207,000	34,000	2026	**2018**	$0	$35,855
2018 Freightliner M2 (203)	$145,000	$145,000	275,000	95,000	180,000	47,500	2024	**2018**	$0	$50,091
2020 Freightliner M2 (204)	$145,000	$145,000	275,000	23,000	252,000	23,000	2031	**2020**	$0	$12,127
2021 Freightliner Cascadia (205)	$115,000	$112,745	275,000	0	275,000	0	#DIV/0!	**2021**	$0	$0
2021 Great Dane (205T)	$97,000	$95,098	350,000	0	350,000	0	#DIV/0!	**2021**	$0	$0
Vehicles										
Ford F250xl Super Duty	$48,000	$48,000	150,000	97,712	52,288	6,107	2029	**2004**	$0	$31,268
Toyota Sienna	$41,000	$41,000	175,000	1,609	173,391	1,609	2128	**2020**	$0	$377
Toyota Prius	$29,000	$29,000	175,000	85,297	89,703	17,059	2025	**2015**	$0	$14,135
Miscellaneous										
									$0	**$463,541**
Total	**$1,412,000**								**$463,541**	

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Appendix C

FBST Accounting Policies & Procedures

FBST BUDGET VARIANCE POLICY Effective Date: May 18, 2017

Policy/Overview: It is the policy of The Food Bank of the Southern Tier that the President & CEO is responsible for the day-to-day financial management of the organization. The President & CEO is authorized to manage expenses within the parameters of the overall approved budget, reporting to the Finance Committee on variances and the reasons for these variances no less frequently than quarterly. These budget variances will be provided to the full Board of Directors at the next scheduled meeting following the Finance Committee review. When deviating from the spending plans captured in the budget, the Food Bank will observe the following guidelines:

- For the purposes of this policy, non-budgeted expenditures are defined as any spend that was not previously contemplated in the budgeting process. This does not include variances to budgeted spend, which is also reported and reviewed quarterly by the Finance Committee and the Board of Directors.
- Non-budgeted expenditures that exceed $25,000 will be recommended by the President & CEO to the Finance Committee for review with final approval from the Board of Directors (Board).
- The President & CEO may authorize non-budgeted expenditures less than $25,000 at his/her own discretion. The $25,000 limit is a cumulative amount and is not to be exceeded between the quarterly budget updates presented to the Board. As part of the quarterly budget update/approval process, the Board may advise the President & CEO that further non-budgeted expenditures for the current budget year should be curtailed unless explicitly approved by the Board.
- All line item budget variances exceeding $1,000 will be reported to the Finance Committee as part of the quarterly budget update process.
- Budget variance expenditures less than $1,000 do not require discussion if they are approved by the President & CEO or the Department Director.
- Within any budgeted expense category, expenditure changes that do not exceed the total budgeted amount are within the discretion of the appropriate Department Director. (For example, funds allocated to “Public Relations” may be redirected for other “General Development/PR Expense purposes as long as the total line item amount is not exceeded.)

FOOD BANK OF THE SOUTHERN TIER

Board of Directors Meeting

May 20, 2021

4:00 PM - 6:00 PM

AGENDA

TOPIC	FACILITATOR	ACTION	TIME
1. Welcome & Call to Order	Joe Thomas		2
2. Opening Prayer	Karl Krebs		2
3. Approval of Minutes - February 18, 2021	Joe Thomas	Approval	1
4. BOD Education- Organizational Values	Natasha Thompson	Discuss	25
5. Cornell BOD Fellows Presentation	Rahul Singh/ Vinit Kr Khicha	Discuss	15
6. Committee Updates			
a. Advocacy Committee	Erin Summerlee	Update	5
b. Development Committee • Q1 Fundraising Report	John Bayne/ Meghan Parsons	Update	5
c. DOR Update • All Boards Convening	Jack Balinsky	Update	5
d. Finance Committee • 2020 Audit • March Financials • Q1 Adjustments • Net Asset Designation & Use Policy	Steve Hoyt	Approve	15
e. Executive Committee • Foodnet/MOW Alliance Status Update	Joe Thomas	Discuss	5
f. N&CG Committee	Grace Park	Discuss	5

7. CEO Report	Natasha Thompson	Update	5
8. COO Report	Tim Currie	Update	5
9. Executive Session	Joe Thomas	Discussion	5

<u>Next Meeting:</u>
June 17, 2021
4:00 PM-6:00 PM
Opening Prayer: Shannon Matteson

*****Please RSVP to Lynn Dates at Lynn.dates@foodbankst.org *****