

**AUDITED FINANCIAL STATEMENTS**

**NORTHAMPTON SURVIVAL CENTER, INC.**

*Northampton, Massachusetts*

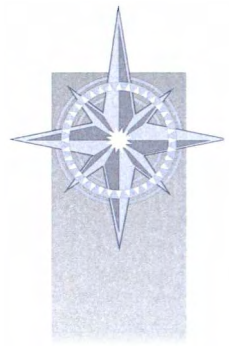
**June 30, 2024**

***Boisselle, Morton & Wolkowicz, LLP***  
*Certified Public Accountants*

# NORTHAMPTON SURVIVAL CENTER, INC.

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### **Independent Auditors' Report**

To the Board of Directors  
**Northampton Survival Center, Inc.**  
Northampton, Massachusetts

#### **Opinion**

We have audited the accompanying financial statements of Northampton Survival Center, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Northampton Survival Center, Inc. as of June 30, 2024, 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.

#### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Northampton Survival Center, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 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.

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 Northampton Survival Center, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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, including omissions, 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 generally accepted auditing standards, 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 Northampton Survival Center, Inc.'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 Northampton Survival Center, Inc.'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.

Board of Directors  
**Northampton Survival Center, Inc.**  
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### **Report on Summarized Comparative Information**

We have previously audited Northampton Survival Center, Inc.'s June 30, 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 30, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Boisselle, Morton & Wolkowicz, LLP*

Hadley, Massachusetts  
October 30, 2024

**NORTHAMPTON SURVIVAL CENTER, INC.**

## Statement of Financial Position

June 30, 2024 (with comparative totals for June 30, 2023)

	<u>2024</u>	<u>2023</u>
<u>Assets</u>		
Current assets		
Cash and cash equivalents	\$ 127,806	\$ 1,165,924
Short-term investments	1,290,203	
Pledges receivable, current portion	245,536	125,790
Food inventory	61,432	72,441
Prepaid expenses	16,366	15,422
Total current assets	<u>1,741,343</u>	<u>1,379,577</u>
Pledges receivable, net of current portion	144,195	190,385
Property and equipment, net	786,956	773,819
Right-of-use asset	43,541	45,371
Investments	<u>1,150,167</u>	<u>992,214</u>
Total assets	<u>\$ 3,866,202</u>	<u>\$ 3,381,366</u>
<u>Liabilities and Net Assets</u>		
Current liabilities		
Accounts payable	\$ 11,548	\$ 13,495
Accrued expenses	33,669	27,013
Lease liability, current portion	1,905	1,830
Total current liabilities	<u>47,122</u>	<u>42,338</u>
Lease liability, net of current portion	<u>41,636</u>	<u>43,541</u>
Total liabilities	<u>88,758</u>	<u>85,879</u>
Net Assets		
Without donor restrictions		
Available for operations	1,930,787	1,339,069
Property and equipment related	786,956	773,819
Unavailable for operations:		
Board-designated fund (Note 6)	478,112	626,186
Total net assets without donor restrictions	<u>3,195,855</u>	<u>2,739,074</u>
With donor restrictions (Note 7)	581,589	556,413
Total net assets	<u>3,777,444</u>	<u>3,295,487</u>
Total liabilities and net assets	<u>\$ 3,866,202</u>	<u>\$ 3,381,366</u>

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

**NORTHAMPTON SURVIVAL CENTER, INC.**

Statement of Activities

Year Ended June 30, 2024 (with comparative totals for the year ended June 30, 2023)

	2024		2023	
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenue and support				
Donated food	\$ 1,481,024		\$ 1,481,024	\$ 1,364,665
Donations	1,012,790	\$ 4,816	1,017,606	1,104,339
Grants - other	602,049	14,063	616,112	140,766
Investment income	101,803	52,487	154,290	71,034
Community Development Block Grant	39,053		39,053	61,588
United Way	38,233		38,233	64,995
Donated supplies and services	7,672		7,672	41,654
Miscellaneous	2,437		2,437	
Net assets released from restrictions	46,190	(46,190)		
Total revenue and support	3,331,251	25,176	3,356,427	2,849,041
Expenses				
Program	2,460,098		2,460,098	2,199,469
Administration	153,514		153,514	125,399
Development	260,858		260,858	234,875
Total expenses	2,874,470		2,874,470	2,559,743
Change in net assets	456,781	25,176	481,957	289,298
Net assets - beginning of year	2,739,074	556,413	3,295,487	3,006,189
Net assets - end of year	\$ 3,195,855	\$ 581,589	\$ 3,777,444	\$ 3,295,487

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

**NORTHAMPTON SURVIVAL CENTER, INC.**

Statement of Functional Expenses

Year Ended June 30, 2024 (with comparative totals for the year ended June 30, 2023)

	2024			2023	
	<u>Program</u>	<u>Administration</u>	<u>Development</u>	<u>Total</u>	<u>Total</u>
Employee compensation and related:					
Salaries	\$ 422,939	\$ 71,798	\$ 147,532	\$ 642,269	\$ 549,723
Payroll taxes	32,890	5,707	11,629	50,226	45,169
Fringe benefits	33,741	2,445	7,984	44,170	46,685
Employee compensation and related:	<u>489,570</u>	<u>79,950</u>	<u>167,145</u>	<u>736,665</u>	<u>641,577</u>
Donated food	1,492,033			1,492,033	1,335,133
Purchased food	262,179	191		262,370	259,228
Depreciation	67,562	1,453	3,632	72,647	61,201
Professional fees	375	34,528	22,732	57,635	42,340
Repairs and maintenance	41,752	898	2,245	44,895	36,737
Supplies	38,972	565		39,537	45,253
Printing		6,512	20,686	27,198	20,650
Furnishings and small equipment	5,843	4,768	13,973	24,584	18,206
Postage	9,744	5	14,057	23,806	9,366
Office	22	14,060	7,498	21,580	17,140
Utilities	18,530	398	996	19,924	23,958
Insurance	12,596	3,371	677	16,644	13,507
Telephone and internet	10,006	215	538	10,759	9,278
Donated supplies and services		6,130	1,542	7,672	2,154
Food transportation	6,764			6,764	3,348
Advertising and promotion		398	3,725	4,123	14,348
Rent	3,348	72	180	3,600	3,600
Fundraising	221		1,232	1,453	2,071
Travel	581			581	648
Total expenses	<u>\$ 2,460,098</u>	<u>\$ 153,514</u>	<u>\$ 260,858</u>	<u>\$ 2,874,470</u>	<u>\$ 2,559,743</u>

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



**NORTHAMPTON SURVIVAL CENTER, INC.**

Statement of Cash Flows

Year Ended June 30, 2024 (with comparative totals for the year ended June 30, 2023)

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Change in net assets	\$ 481,957	\$ 289,298
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	72,647	61,201
Amortization of right-of-use asset	1,830	1,759
Realized (gain) loss on investments	(8,909)	10,526
Unrealized gain on investments	(58,090)	(56,792)
Donated property and equipment		(39,500)
Change in assets and liabilities:		
(Increase) decrease in:		
Pledges receivable	(73,556)	(245,770)
Food inventory	11,009	(29,532)
Prepaid expenses	(944)	(473)
(Decrease) increase in:		
Accounts payable	(1,947)	3,639
Accrued expenses	6,656	(2,211)
Lease liability	(1,830)	(1,759)
Net cash provided (used) by operating activities	<u>428,823</u>	<u>(9,614)</u>
Cash flows from investing activities		
Purchases of property and equipment	(85,784)	(9,000)
Purchases of short-term investments	(1,290,203)	
Purchases of investments	(389,742)	(395,289)
Sale of investments	298,788	324,076
Net cash used by investing activities	<u>(1,466,941)</u>	<u>(80,213)</u>
Net decrease in cash and cash equivalents	(1,038,118)	(89,827)
Cash and cash equivalents - beginning of year	<u>1,165,924</u>	<u>1,255,751</u>
Cash and cash equivalents - end of year	<u>\$ 127,806</u>	<u>\$ 1,165,924</u>
 <u>Supplemental disclosures of cash flow information:</u>		
Donated food support	\$ (1,481,024)	\$ (1,364,665)
Donated food expense	\$ 1,492,033	\$ 1,335,133
Right-of-use asset obtained in exchange for lease liability		\$ 47,130

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

## NORTHAMPTON SURVIVAL CENTER, INC.

Notes to the Financial Statements

June 30, 2024

### 1. Summary of Significant Accounting Policies

*Mission:* Northampton Survival Center, Inc. is dedicated to improving the quality of life for low-income individuals and families throughout Hampshire County by providing nutritious food and other resources in an atmosphere of dignity and respect.

*Tax Status:* Northampton Survival Center, Inc. is a not-for-profit corporation organized under Massachusetts General Laws Chapter 180. Northampton Survival Center, Inc. is exempt from federal and state corporate income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, Northampton Survival Center, Inc. qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2). Northampton Survival Center, Inc. is required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, Northampton Survival Center, Inc. is subject to income tax on net income that is derived from business activities that are unrelated to our exempt purposes. Management has determined that Northampton Survival Center, Inc. is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

*Accounting Method:* The financial statements of Northampton Survival Center, Inc. are prepared on the accrual basis.

*Basis of Presentation:* The net assets of Northampton Survival Center, Inc. are reported in each of the following two classes when applicable: net assets without donor restrictions and net assets with donor restrictions. Net assets of the restricted class are created only by donor-imposed restrictions on their use. All other net assets are without donor restrictions and are reported as part of that class.

*Comparative Information:* The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Northampton Survival Center, Inc.'s financial statements for the year ended June 30, 2023, from which the summarized information was derived.

*Cash and Cash Equivalents:* Northampton Survival Center, Inc. considers checking, savings, cash on hand, certificates of deposit, and an investment account used to receive stock donations as cash and cash equivalents.

*Short-term Investments:* Northampton Survival Center, Inc. considers certificates of deposit with a term of greater than three months and less than twelve months to be short-term investments.

**NORTHAMPTON SURVIVAL CENTER, INC.**

Notes to the Financial Statements (Continued)

June 30, 2024

1. Summary of Significant Accounting Policies (Continued)

*Pledges Receivable:* Pledges receivable are recorded when unconditional promises to give are made.

*Food Inventory:* Food inventory is recorded based on the pounds of food on hand at the approximate average wholesale value of one pound of donated product as calculated in the Product Valuation Survey Methodology prepared by Feeding America.

*Property and Equipment:* The cost, if purchased, and fair value, if donated, of property and equipment is capitalized. Northampton Survival Center, Inc. capitalizes property and equipment with a cost of \$2,500 or more. Costs of maintenance and repairs are expensed as incurred.

Depreciation is computed by the straight-line method over the following useful lives:

Leasehold improvements	15-30 years
Furniture and equipment	3-10 years
Vehicle	5-10 years

*Investments:* Investments are comprised of money market funds, fixed income, and equities and are reported at fair market value. Investments received as gifts are recorded at fair market value at the date of the gift. Due to the level of uncertainty related to changes in the value of the investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect the amounts reported in the statement of financial position and the statement of activities and changes in net assets.

*Endowments:* Northampton Survival Center, Inc. follows guidance from accounting standards generally accepted in the United States of America on the net asset classification of donor-restricted endowment funds for a nonprofit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA).

The Board of Directors of Northampton Survival Center, Inc. established the Feeding the Future Fund campaign during the year ended June 30, 2016, to ensure that Northampton Survival Center, Inc. will be a place of stability and dignity and have a lasting commitment to bold action in response to the needs of the people served. The Feeding the Future campaign consists of a board-designated portion, the "Fund" and a permanently restricted portion, the "Endowment". Both the Fund and the Endowment consist of donations that are invested in investment accounts that are managed by an outside investment brokerage firm, as well as pledges receivable for the Endowment (See Note 6).

The Board of Directors oversee the overall investment activity and monitor investment performance. Northampton Survival Center, Inc.'s intent is to have the endowment's corpus be preserved and that withdrawals from the endowment during any fiscal year will not exceed the amount by which the endowment appreciated during the preceding fiscal year.

# NORTHAMPTON SURVIVAL CENTER, INC.

Notes to the Financial Statements (Continued)

June 30, 2024

## 1. Summary of Significant Accounting Policies (Continued)

*Use of Estimates:* The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. Actual results could differ from those estimates.

*Fair Value Measurements:* Accounting standards have established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

Inputs to the valuation methodology for the three levels of the fair value hierarchy are described below:

- |         |  |
|---------|--|
| Level 1 | Unadjusted quoted prices for identical assets or liabilities in active markets. Market price is generally obtained from exchange or dealer markets.  |
| Level 2 | Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. |
| Level 3 | Unobservable and significant to the fair value measurement.  |

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Northampton Survival Center, Inc. had only Level 1 investments during the years ended June 30, 2024 and 2023.

## NORTHAMPTON SURVIVAL CENTER, INC.

Notes to the Financial Statements (Continued)

June 30, 2024

### 1. Summary of Significant Accounting Policies (Continued)

*Revenue Recognition:* Northampton Survival Center, Inc. recognizes donations and grants when they are received or an unconditional promise to give is made. Donations and grants with a right of return and measurable performance or other barriers are not recognized until the conditions on which they depend have been met. Northampton Survival Center, Inc. reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of this support. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are classified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized.

*Donated Food, Supplies and Services:* Northampton Survival Center, Inc. receives a substantial amount of donated food each year, as well as, donated supplies and services. In addition, volunteers contribute significant amounts of time to program services; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles.

If Northampton Survival Center, Inc. was to receive a donated asset that cannot be utilized in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or specialist depending on the type of asset.

*Leases:* Northampton Survival Center, Inc. leases its office space. Under ASU 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

The operating lease is included in the right-of-use (ROU) asset and current and non-current portions of the lease liability in the statement of financial position. ROU asset represents Northampton Survival Center, Inc.'s right to use the underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. Northampton Survival Center, Inc. used a risk-free rate equal to the five-year treasury rate to determine the present value of lease payments, since the lease's implicit rate was not available at lease commencement.

# NORTHAMPTON SURVIVAL CENTER, INC.

Notes to the Financial Statements (Continued)

June 30, 2024

## 1. Summary of Significant Accounting Policies (Continued)

*Leases (Continued):* ROU assets also include any lease payments made and exclude any lease incentives. Lease expense for lease payments is recognized on a straight-line basis over the lease term. Northampton Survival Center, Inc.'s lease terms may include options to extend or terminate the lease when it is reasonably certain that they will exercise the option.

*Expense Allocation:* Expenses are charged to programs and supporting services on the basis of job duties and space allocation analyses. Administration and other supporting services include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of Northampton Survival Center, Inc.

*Reclassifications:* Certain reclassifications have been made to the year ended June 30, 2023 comparative totals to conform to the year ended June 30, 2024 presentation. These reclassifications have no effect on the previously reported change in net assets for the year ended June 30, 2023.

## 2. Available Resources and Liquidity

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following at June 30:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 127,806	\$1,165,924
Short-term investments	1,290,203	
Pledges receivable	<u>245,536</u>	<u>125,790</u>
Total financial assets available for general expenditures within one year	<u>\$1,663,545</u>	<u>\$1,291,714</u>

Northampton Survival Center, Inc.'s liquidity management policy is to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

## 3. Pledges Receivable

Unconditional promises to give are included in the financial statements as pledges receivable and revenue of the appropriate net asset category. Pledges are recorded at face value less a discount for the present value of future cash flows. The discount rate used to calculate the present value was 3.0%.

Management expects pledges receivable to be collected in full and does not have an allowance for doubtful accounts.

**NORTHAMPTON SURVIVAL CENTER, INC.**

Notes to the Financial Statements (Continued)

June 30, 2024

3. Pledges Receivable (Continued)

Pledges receivable consisted of the following at June 30:

	<u>2024</u>	<u>2023</u>
Due in less than one year	\$245,536	\$125,790
Due in one to five years	<u>150,000</u>	<u>200,000</u>
Subtotal	395,536	325,790
Less: discount for present value	<u>5,805</u>	<u>9,615</u>
Total pledges receivable	<u>\$389,731</u>	<u>\$316,175</u>

Pledges receivable at June 30, 2024 and 2023, included \$200,000 and \$250,000, respectively, from one donor. The amount due at June 30, 2024, is an unconditional promise to give in equal installments over the next 4 years.

4. Property and Equipment

Property and equipment consisted of the following at June 30:

	<u>2024</u>	<u>2023</u>
Furniture and equipment	\$ 131,131	\$ 120,508
Leasehold improvements	1,261,201	1,255,847
Vehicle	<u>138,352</u>	<u>74,040</u>
	1,530,684	1,450,395
Less accumulated depreciation	<u>743,728</u>	<u>676,576</u>
Total property and equipment	<u>\$ 786,956</u>	<u>\$ 773,819</u>

Depreciation expense was \$72,647 and \$61,201 for the years ended June 30, 2024 and 2023, respectively.

5. Investments

Northampton Survival Center, Inc.'s investments (all Level 1), stated at fair market value, consisted of the following at June 30:

	<u>2024</u>	<u>2023</u>
Money market	\$ 69,351	\$ 63,928
Mutual funds - equities	680,742	583,837
Mutual funds - fixed income	<u>400,074</u>	<u>344,449</u>
Total investments	<u>\$1,150,167</u>	<u>\$992,214</u>

## **NORTHAMPTON SURVIVAL CENTER, INC.**

Notes to the Financial Statements (Continued)

June 30, 2024

### 5. Investments (Continued)

Dividends and interest from the investments, which are included in investment income on the statement of activities, were \$46,292 and \$22,165, respectively, for the years ended June 30, 2024 and 2023.

### 6. Endowment

The Board of Directors of Northampton Survival Center, Inc. established the Feeding the Future Fund campaign during the year ended June 30, 2016, to ensure that Northampton Survival Center, Inc. will be a place of stability and dignity and have a lasting commitment to bold action in response to the needs of the people served. The Feeding the Future Fund campaign consists of the following:

#### **Without Donor Restrictions, Board-designated Fund**

The Board of Directors of Northampton Survival Center, Inc. established the Feeding the Future Fund (the "Fund") during the year ended June 30, 2016. Northampton Survival Center, Inc. is committed to designating the Fund for this purpose for perpetuity, but can change the usage by a 2/3 vote of the Board of Directors.

Therefore, the Fund is reported as a component of net assets without donor restrictions and considered unavailable for operations. The Fund consists of reserve funds from Northampton Survival Center, Inc. and donations in an investment account. The Fund totaled \$478,112 and \$626,186 at June 30, 2024 and 2023, respectively.

#### **With Donor Restrictions, Endowment**

The donor-restricted portion of the Feeding the Future Fund campaign (the "Endowment") consisted of \$418,515 and \$366,028 at June 30, 2024 and 2023, respectively. The Endowment consists of donor-restricted funds in an investment account. Gifts to the Endowment restrict the donation to be maintained in perpetuity with only earnings from the gifts to be available for use (see Note 7). Therefore, the Endowment is considered donor-restricted.



**NORTHAMPTON SURVIVAL CENTER, INC.**

Notes to the Financial Statements (Continued)

June 30, 2024

6. Endowment (Continued)

Endowment net asset composition by type is as follows:

	<u>Board- Designated</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Beginning of year – July 1, 2022	\$540,586	\$334,149	\$874,735
FY23 investment activity	<u>85,600</u>	<u>31,879</u>	<u>117,479</u>
End of year – June 30, 2023	626,186	366,028	992,214
Contributions	8,194		8,194
Transfers	(207,038)		(207,038)
Investment net income	<u>50,770</u>	<u>52,487</u>	<u>103,257</u>
End of year – June 30, 2024	<u>\$478,112</u>	<u>\$418,515</u>	<u>\$896,627</u>

See the following note for total net assets with donor restrictions.

7. Net Assets With Donor Restrictions

Net assets with donor restrictions included the following at June 30:

	<u>2024</u>	<u>2023</u>
Time restricted pledges receivable	\$144,195	\$190,385
Purpose restrictions:		
Fresh dairy program	4,189	
Kid's Summer Food Program	4,816	
Local Food Purchase Assistance Program	9,874	
Feeding the Future Endowment accumulated investment income	129,615	77,128
Restricted in perpetuity:		
Feeding the Future Endowment	<u>288,900</u>	<u>288,900</u>
Total net assets with donor restrictions	<u>\$581,589</u>	<u>\$556,413</u>

Included in Feeding the Future Endowment accumulated investment income is approximately \$48,000 and \$36,000 representing accumulated unrealized gains as of June 30, 2024 and 2023, respectively.

**NORTHAMPTON SURVIVAL CENTER, INC.**

Notes to the Financial Statements (Continued)

June 30, 2024

8. Retirement Plan

Northampton Survival Center, Inc. has a 401(k) retirement plan that allows employees to make pre-tax contributions. Northampton Survival Center, Inc. matches up to a 2% contribution for each eligible employee. Retirement plan expense in fringe benefits on the statement of functional expenses was \$12,068 and \$10,726 for the years ended June 30, 2024 and 2023, respectively.

9. Rental Agreement

Northampton Survival Center, Inc. rents its facilities in Northampton from the City of Northampton pursuant to a lease agreement for \$300 per month until October 2040.

As of June 30, 2024, the ROU asset had a balance of \$43,541, the current portion of the lease liability is included in liabilities with a balance of \$1,905, and the remaining long-term portion has a balance of \$41,636. The present value of the ROU asset and lease liability were calculated utilizing the five-year treasury rate (4% at June 30, 2024). Lease expense related to this lease was \$3,600 for each of the years ending June 30, 2024 and 2023, and is included as rent on the statement of functional expenses.

Maturities of the lease liability are approximately as follows for the years ending June 30:

2025	\$ 3,600
2026	3,600
2027	3,600
2028	3,600
2029	3,600
Thereafter	<u>40,800</u>
Total lease payments	58,800
Less: interest	<u>15,259</u>
Total	<u>\$43,541</u>

10. Concentrations

Northampton Survival Center, Inc. receives a significant portion of its revenue in the form of donated food. Donated food revenue as a percentage of total revenue was 44% and 48% for the years ended June 30, 2024 and 2023, respectively. Northampton Survival Center, Inc.'s financial statements are impacted by not only the price per pound of donated food (see Note 11) that may vary year to year, but also by the volume of food received versus distributed during the fiscal year.

**NORTHAMPTON SURVIVAL CENTER, INC.**

Notes to the Financial Statements (Continued)

June 30, 2024

11. Donated Food and Donated Supplies and Services

Northampton Survival Center, Inc. received donated food of \$1,481,024 and \$1,364,665 for the years ended June 30, 2024 and 2023, respectively. Donated food is used in program services and valued based on the approximate average wholesale value of one pound of donated product as calculated in the Product Valuation Survey Methodology prepared by Feeding America. The valuation was \$1.93 per pound for each of the years ended June 30, 2024 and 2023, respectively.

Northampton Survival Center, Inc. received the following donated supplies and services for the years ended June 30:

	<u>2024</u>	<u>2023</u>
Consumable goods		\$ 750
Repairs and maintenance	\$6,130	
Printing & design	<u>1,542</u>	<u>1,404</u>
Total donated supplies and services	<u>\$7,672</u>	<u>\$2,154</u>

Northampton Survival Center, Inc. used and/or distributed the above goods in its program services. Survival Centers, Inc. used the above services in carrying out their mission as follows:

Northampton Survival Center, Inc. was provided, at no charge, \$1,542 and \$1,404 of printing and design services during the years ended June 30, 2024 and 2023, respectively. The value of all services provided was based on current market costs.

All donated supplies and services received by Northampton Survival Center, Inc. for the years ended June 30, 2024 and 2023, were considered without donor restrictions and able to be used by Northampton Survival Center, Inc. as determined by management and the Board of Directors.

12. Subsequent Events

Management evaluated subsequent events after the statement of financial position date of June 30, 2024, through October 30, 2024, the date on which the financial statements were available to be issued, and concluded that no additional disclosures were required.