

**The Greater Boston Food Bank, Inc.
and Subsidiary**

**Consolidated Financial Statements
(With Supplementary Information)
and Independent Auditor's Report**

September 30, 2021 and 2020

The Greater Boston Food Bank, Inc. and Subsidiary

Index

	<u>Page</u>
Independent Auditor's Report	2
Financial Statements	
Consolidated Statements of Financial Position	4
Consolidated Statements of Activities	5
Consolidated Statements of Functional Expenses	9
Consolidated Statements of Changes in Net Assets	11
Consolidated Statements of Cash Flows	12
Notes to Consolidated Financial Statements	14
Supplementary Information	
Consolidating Statement of Financial Position	27
Consolidating Statement of Activities	28
Consolidating Statement of Changes in Net Assets	30

Independent Auditor's Report

To the Board of Directors
The Greater Boston Food Bank, Inc.

We have audited the accompanying consolidated financial statements of The Greater Boston Food Bank, Inc. and Subsidiary ("GBFB"), which comprise the consolidated statements of financial position as of September 30, 2021 and 2020, and the related consolidated statements of activities, functional expenses, changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Greater Boston Food Bank, Inc. and Subsidiary as of September 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information on pages 27 to 30 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and changes in net assets of the individual organizations and is not a required part of the 2021 consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2021 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2021 consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2021 consolidated financial statements or to the 2021 consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 2021 consolidated financial statements as a whole.

CohnReznick LLP

Boston, Massachusetts
January 31, 2022

The Greater Boston Food Bank, Inc. and Subsidiary

**Consolidated Statements of Financial Position
September 30, 2021 and 2020**

<u>Assets</u>		
	2021	2020
Cash and cash equivalents	\$ 17,411,315	\$ 15,743,938
Investments	52,527,991	28,192,958
Accounts and grants receivable, net of allowance for doubtful accounts of approximately \$4,000 at September 30, 2021 and 2020	224,759	2,051,060
Inventory	5,293,635	5,327,894
Property, plant and equipment, net	19,865,577	21,042,756
Prepaid expenses and other assets	537,244	455,069
Total assets	\$ 95,860,521	\$ 72,813,675
<u>Liabilities and Net Assets</u>		
Liabilities		
Accounts payable	\$ 1,903,487	\$ 1,646,604
Accrued expenses and other liabilities	2,639,087	2,686,311
Deferred revenue	2,972,011	525,779
Obligations under capital leases	1,034,313	1,066,426
Total liabilities	8,548,898	5,925,120
Commitments		
Net assets		
Without donor restrictions - Board designated	2,403,757	2,313,132
Without donor restrictions	81,919,122	61,191,623
Total net assets without donor restrictions	84,322,879	63,504,755
With donor restrictions	2,988,744	3,383,800
Total net assets	87,311,623	66,888,555
Total liabilities and net assets	\$ 95,860,521	\$ 72,813,675

See Notes to Consolidated Financial Statements.

The Greater Boston Food Bank, Inc. and Subsidiary

**Consolidated Statement of Activities
Year Ended September 30, 2021**

	Without donor restrictions	With donor restrictions	Total
Operating Support			
Institutional contributions	\$ 19,545,341	\$ 10,627,901	\$ 30,173,242
Food donations	-	79,974,030	79,974,030
Contributed services	579,222	-	579,222
Special events	305,140	-	305,140
Individual contributions	41,468,662	-	41,468,662
Total support	61,898,365	90,601,931	152,500,296
Revenue			
State income - MEFAP	28,925,423	-	28,925,423
Coop income	5,139,159	-	5,139,159
USDA reimbursement	1,590,450	-	1,590,450
Investment return, net	254,512	-	254,512
Rental income, net of expenses of \$172,285	69,701	-	69,701
Other	76,656	-	76,656
Total revenue	36,055,901	-	36,055,901
Net assets released from restrictions			
Food distribution	80,399,086	(80,399,086)	-
Satisfaction of donor restrictions	10,597,901	(10,597,901)	-
	90,996,987	(90,996,987)	-
Total support and revenue	188,951,253	(395,056)	188,556,197

The Greater Boston Food Bank, Inc. and Subsidiary

**Consolidated Statement of Activities
Year Ended September 30, 2021**

	Without donor restrictions	With donor restrictions	Total
Expenses			
Program services			
Food distribution and Warehouse	145,335,599	-	145,335,599
Agency relations	717,828	-	717,828
Nutrition programs	2,396,478	-	2,396,478
Food Acquisition Group	9,037,156	-	9,037,156
Business and Data Analytics	402,673	-	402,673
Collaboratory	671,473	-	671,473
Total program services	158,561,207	-	158,561,207
Support services			
General and administrative	4,152,199	-	4,152,199
Lobbying	30,000	-	30,000
Marketing	1,482,084	-	1,482,084
Development	3,907,639	-	3,907,639
Total support services	9,571,922	-	9,571,922
Total expenses	168,133,129	-	168,133,129
Increase in net assets from operating activities	20,818,124	(395,056)	20,423,068
Change in net assets	\$ 20,818,124	\$ (395,056)	\$ 20,423,068

See Notes to Consolidated Financial Statements.

The Greater Boston Food Bank, Inc. and Subsidiary

**Consolidated Statement of Activities
Year Ended September 30, 2020**

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Operating Support			
Institutional contributions	\$ 22,896,979	\$ 2,970,581	\$ 25,867,560
Food donations	-	89,378,243	89,378,243
Contributed services	2,098,541	-	2,098,541
Special events	2,637,802	-	2,637,802
Individual contributions	<u>32,847,527</u>	<u>-</u>	<u>32,847,527</u>
Total support	<u>60,480,849</u>	<u>92,348,824</u>	<u>152,829,673</u>
Revenue			
State income - MEFAP	19,371,572	-	19,371,572
Shared maintenance fees	321,358	-	321,358
Coop income	4,659,368	-	4,659,368
USDA reimbursement	1,491,130	-	1,491,130
Investment return, net	504,742	-	504,742
Rental income, net of expenses of \$114,231	149,558	-	149,558
Other	<u>157,431</u>	<u>-</u>	<u>157,431</u>
Total revenue	<u>26,655,159</u>	<u>-</u>	<u>26,655,159</u>
Net assets released from restrictions			
Food distribution	88,988,217	(88,988,217)	-
Satisfaction of donor restrictions	<u>3,018,847</u>	<u>(3,018,847)</u>	<u>-</u>
	<u>92,007,064</u>	<u>(92,007,064)</u>	<u>-</u>
Total support and revenue	<u>179,143,072</u>	<u>341,760</u>	<u>179,484,832</u>

The Greater Boston Food Bank, Inc. and Subsidiary

**Consolidated Statement of Activities
Year Ended September 30, 2020**

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Expenses			
Program services			
Food distribution and Warehouse	127,494,232	-	127,494,232
Agency relations	933,328	-	933,328
Nutrition programs	2,931,336	-	2,931,336
Food Acquisition Group	7,642,005	-	7,642,005
Business and Data Analytics	329,484	-	329,484
Hunger to Health Collaboratory	477,895	-	477,895
Hunger Free 2028	490,217	-	490,217
	<u>140,298,497</u>	<u>-</u>	<u>140,298,497</u>
Total program services			
Support services			
General and administrative	4,079,144	-	4,079,144
Lobbying	36,758	-	36,758
Marketing	1,852,452	-	1,852,452
Development	5,353,491	-	5,353,491
	<u>11,321,845</u>	<u>-</u>	<u>11,321,845</u>
Total support services			
Total expenses			
	<u>151,620,342</u>	<u>-</u>	<u>151,620,342</u>
Increase in net assets from operating activities			
	<u>27,522,730</u>	<u>341,760</u>	<u>27,864,490</u>
Nonoperating activities			
Gain (loss) on equity transaction	20,513	-	20,513
Gain (loss) on disposal of property, plant and equipment	(3,781)	-	(3,781)
	<u>16,732</u>	<u>-</u>	<u>16,732</u>
Increase in net assets from nonoperating activities			
Change in net assets			
	<u>\$ 27,539,462</u>	<u>\$ 341,760</u>	<u>\$ 27,881,222</u>

See Notes to Consolidated Financial Statements.

The Greater Boston Food Bank, Inc. and Subsidiary

Consolidated Statement of Functional Expenses Year Ended September 30, 2021

	Program Services						Support Services					Total	
	Food Distribution and Warehouse	Agency Relations	Nutrition Programs	Food Acquisition Group	Business and Data Analytics	Hunger to Health Collaboratory	Total Program Services	General and Administrative	Lobbying	Marketing	Development		Total Support Services
Salaries	\$ 3,182,808	\$ 741,067	\$ 865,344	\$ 1,020,178	\$ 275,486	\$ 89,250	\$ 6,174,133	\$ 2,747,944	\$ -	\$ 743,725	\$ 1,595,055	\$ 5,086,724	\$ 11,260,857
Fringe benefits	618,003	153,836	185,349	198,065	44,387	13,492	1,213,132	437,809	-	156,646	341,309	935,764	2,148,896
Total salaries and fringe benefits	3,800,811	894,903	1,050,693	1,218,243	319,873	102,742	7,387,265	3,185,753	-	900,371	1,936,364	6,022,488	13,409,753
Day labor	128,896	21,794	-	-	-	-	150,690	11,148	-	-	20,420	31,568	182,258
Consulting	5,328	3,750	16,495	800	72,406	251,268	350,047	763,122	30,000	153,134	437,616	1,383,872	1,733,919
Other personnel costs	25,675	150	443	725	-	-	26,983	311,614	-	20	841	312,475	339,468
Professional development	800	-	1,118	570	-	-	2,488	49,998	-	150	1,073	51,221	53,709
Rubbish removal	46,726	-	-	-	-	-	46,726	-	-	-	-	-	46,726
Repairs and maintenance	403,711	4,228	71	-	-	-	408,010	-	-	1,609	-	1,609	409,619
Supplies	71,482	-	-	12,255	-	-	83,737	2,004	-	-	-	2,004	85,741
Utilities/security/insurance	414,857	9,429	8,452	8,941	-	-	441,679	18,083	-	6,440	17,134	41,657	483,336
Other building costs	44,946	-	-	-	-	-	44,946	-	-	-	-	-	44,946
Freight charges	17,634	-	-	2,820,191	-	-	2,837,825	-	-	-	-	-	2,837,825
Food distribution	108,754,936	-	649,321	-	-	-	109,404,257	-	-	-	-	-	109,404,257
Food purchases	32,074,343	-	-	-	-	-	32,074,343	-	-	-	-	-	32,074,343
Fleet expense	147,367	4,646	-	-	-	-	152,013	4,876	-	-	-	4,876	156,889
Bank charges/processing fees	1	-	-	-	-	-	1	42,226	-	-	214,306	256,532	256,533
Computer maintenance and supplies	-	-	-	-	-	-	-	763,103	-	-	-	763,103	763,103
Other insurance	-	-	-	-	-	-	-	13,238	-	-	-	13,238	13,238
Legal and audit	-	-	-	-	-	-	-	258,181	-	-	-	258,181	258,181
Postage and printing	30	28	3,237	1,169	-	133	4,597	2,062	-	160,941	841,095	1,004,098	1,008,695
Advertising	-	-	-	2,388	-	1,100	3,488	8,530	-	462,180	183,597	654,307	657,795
Special events - direct costs	-	-	-	-	-	-	-	-	-	-	196,939	196,939	196,939
Office expense	225,406	26,073	33,325	29,353	10,309	11,071	335,537	77,789	-	9,874	57,015	144,678	480,215
Program expense	-	38	32,553	-	-	-	32,591	-	-	34,035	-	34,035	66,626
Staff travel	60,245	4,121	150	291	85	159	65,051	34,141	-	318	1,239	35,698	100,749
Feeding America fees	-	-	2,010	-	-	-	2,010	8,330	-	-	-	8,330	10,340
Grants to Agencies	-	883,569	-	-	-	305,000	1,188,569	-	-	-	-	-	1,188,569
Volunteer expense	-	-	1,889	-	-	-	1,889	-	-	-	-	-	1,889
Depreciation and amortization	1,983,973	-	-	-	-	-	1,983,973	-	-	-	-	-	1,983,973
Allocated expenses	(2,871,568)	(1,134,901)	596,721	4,942,230	-	-	1,532,482	(1,401,999)	-	(246,988)	-	(1,648,987)	(116,505)
Total	\$ 145,335,599	\$ 717,828	\$ 2,396,478	\$ 9,037,156	\$ 402,673	\$ 671,473	\$ 158,561,207	\$ 4,152,199	\$ 30,000	\$ 1,482,084	\$ 3,907,639	\$ 9,571,922	\$ 168,133,129

The Greater Boston Food Bank, Inc. and Subsidiary

Consolidated Statement of Functional Expenses Year Ended September 30, 2020

	Total Program Services							Total Support Services					Total	
	Food Distribution and Warehouse	Agency Relations	Nutrition Programs	Food Acquisition Group	Business and Data Analytics	Hunger to Health Collaboratory	Hunger Free 2028	Total Program Services	General and Administrative	Lobbying	Marketing	Development		Total Support Services
Salaries	\$ 2,641,665	\$ 616,114	\$ 933,873	\$ 878,756	\$ 152,090	\$ 123,693	\$ 223,155	\$ 5,569,346	\$ 2,522,419	\$ -	\$ 741,686	\$ 1,476,074	\$ 4,740,179	\$ 10,309,525
Fringe benefits	507,916	120,576	184,219	170,666	22,939	22,874	26,645	1,055,835	406,502	-	134,524	294,564	835,590	1,891,425
Total salaries and fringe benefits	3,149,581	736,690	1,118,092	1,049,422	175,029	146,567	249,800	6,625,181	2,928,921	-	876,210	1,770,638	5,575,769	12,200,950
Day labor	182,439	30,284	-	-	-	-	-	212,723	33,413	-	-	38,418	71,831	284,554
Consulting	1,000	675	34,412	79	133,170	280,686	54,575	504,597	543,693	36,758	124,659	415,974	1,121,084	1,625,681
Other personnel costs	22,937	835	1,396	1,413	152	26,933	157	26,933	350,230	-	869	23,138	374,237	401,170
Professional development	-	123	919	-	1,626	56	80	2,804	33,609	-	2,255	7,892	43,756	46,560
Rubbish removal	44,349	-	-	-	-	-	-	44,349	-	-	-	-	-	44,349
Repairs and maintenance	449,615	-	217	-	-	-	-	449,832	192	-	-	-	192	450,024
Supplies	53,735	31,080	6,350	4,606	-	-	27	95,798	13,316	-	-	121	13,437	109,235
Utilities/security/insurance	377,478	10,753	9,637	10,195	-	-	-	408,063	20,619	-	7,343	19,538	47,500	455,563
Other building costs	36,900	-	-	-	-	-	-	36,900	-	-	-	-	-	36,900
Freight charges	11,000	-	-	3,325,737	-	-	-	3,336,737	-	-	-	-	-	3,336,737
Food distribution	88,167,073	-	671,916	-	-	-	-	88,838,989	-	-	-	-	-	88,838,989
Food purchases	34,843,914	-	-	-	-	-	-	34,843,914	-	-	-	-	-	34,843,914
Program supplies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fleet expense	130,420	4,331	-	-	-	-	-	134,751	3,126	-	-	-	3,126	137,877
Bank charges/processing fees	298	-	-	-	-	-	-	298	35,563	-	-	797,786	833,349	833,647
Computer maintenance and supplies	-	-	-	-	-	-	-	-	680,002	-	685	-	680,687	680,687
Other insurance	-	-	-	-	-	-	-	-	11,900	-	-	-	11,900	11,900
Legal and audit	1,485	-	-	-	-	-	-	1,485	261,742	-	-	-	261,742	263,227
Postage and printing	44	20	9,099	1,043	238	579	1,669	12,692	2,500	-	127,842	787,401	917,743	930,435
Advertising	-	-	-	9,284	-	10,000	-	19,284	17,600	-	846,503	184,042	1,048,145	1,067,429
Special events - direct costs	-	-	-	-	-	-	-	-	-	-	-	1,242,854	1,242,854	1,242,854
Office expense	202,445	23,212	29,056	22,550	6,435	6,219	1,913	291,830	73,875	-	23,791	55,488	153,154	444,984
Program expense	-	-	34,943	-	11,025	-	-	45,968	-	-	29,442	-	29,442	75,410
Staff travel	58,749	9,726	5,820	3,893	1,809	1,245	176	81,418	43,076	-	2,328	10,201	55,605	137,023
Feeding America fees	-	-	-	-	-	-	-	-	16,660	-	-	-	16,660	16,660
Grants to Agencies	-	1,071,403	-	-	-	32,500	181,820	1,285,723	-	-	-	-	-	1,285,723
Volunteer expense	-	-	2,310	-	-	-	-	2,310	-	-	-	-	-	2,310
Depreciation and amortization	1,917,946	-	-	-	-	-	-	1,917,946	-	-	-	-	-	1,917,946
Allocated expenses	(2,157,176)	(985,804)	1,007,169	3,213,783	-	-	-	1,077,972	(990,893)	-	(189,475)	-	(1,180,368)	(102,396)
	\$ 127,494,232	\$ 933,328	\$ 2,931,336	\$ 7,642,005	\$ 329,484	\$ 477,895	\$ 490,217	\$ 140,298,497	\$ 4,079,144	\$ 36,758	\$ 1,852,452	\$ 5,353,491	\$ 11,321,845	\$ 151,620,342

See Notes to Consolidated Financial Statements.

The Greater Boston Food Bank, Inc. and Subsidiary

**Consolidated Statements of Changes in Net Assets
Years Ended September 30, 2021 and 2020**

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Consolidated</u>
Beginning balance, October 1, 2019	\$ 35,965,293	\$ 3,042,040	\$ 39,007,333
Change in net assets	<u>27,539,462</u>	<u>341,760</u>	<u>27,881,222</u>
Ending balance, September 30, 2020	63,504,755	3,383,800	66,888,555
Change in net assets	<u>20,818,124</u>	<u>(395,056)</u>	<u>20,423,068</u>
Ending balance, September 30, 2021	<u>\$ 84,322,879</u>	<u>\$ 2,988,744</u>	<u>\$ 87,311,623</u>

See Notes to Consolidated Financial Statements.

The Greater Boston Food Bank, Inc. and Subsidiary

**Consolidated Statements of Cash Flows
Years Ended September 30, 2021 and 2020**

	2021	2020
Cash flows from operating activities		
Change in net assets	\$ 20,423,068	\$ 27,881,222
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	1,995,808	1,929,781
Loss (gain) on disposal of property, plant and equipment	-	3,781
Unrealized (gain) loss on investments	(168,338)	(330,400)
Realized (gain) loss on investments	(1,743)	(6,508)
Increase (decrease) in operating assets and liabilities		
Accounts and grants receivable	1,826,301	2,764,716
Promises to give	-	23,215
Inventory	34,259	(1,473,845)
Prepaid expenses and other assets	(82,175)	(101,054)
Accounts payable	244,041	819,548
Accrued expenses and other liabilities	(47,224)	250,051
Deferred revenue	2,446,232	489,987
	<u>26,670,229</u>	<u>32,250,494</u>
Cash flows from investing activities		
Purchase of investments	(29,164,952)	(26,903,352)
Sale of investments	5,000,000	4,800,008
Purchases of property, plant and equipment	(520,604)	(485,889)
	<u>(24,685,556)</u>	<u>(22,589,233)</u>
Cash flows from financing activities		
Repayments of obligations under capital leases	(317,296)	(209,098)
	<u>(317,296)</u>	<u>(209,098)</u>
Net increase in cash and cash equivalents	1,667,377	9,452,163
Cash and cash equivalents - beginning of year	15,743,938	6,291,775
Cash and cash equivalents - end of year	<u>\$ 17,411,315</u>	<u>\$ 15,743,938</u>

The Greater Boston Food Bank, Inc. and Subsidiary

**Consolidated Statements of Cash Flows
Years Ended September 30, 2021 and 2020**

	2021	2020
Supplemental disclosures of noncash investing and financing activities		
Acquisition of property and equipment	\$ 739,760	\$ 976,374
Less: equipment funded through capital lease obligation	(285,183)	(285,404)
Less: construction in process in accounts payable at September 30, 2021 and 2020, respectively	(25,434)	(12,593)
Add: construction in process in accounts payable at September 30, 2020 and 2019, respectively	12,593	23,675
Increase in construction in process	611,886	324,300
Less: amounts transferred from construction in process	(533,018)	(540,463)
 Total cash paid for fixed assets	 \$ 520,604	 \$ 485,889
 Fixed assets disposed	 \$ 180,757	 \$ 284,668
Write-off of related accumulated depreciation	(180,757)	(280,887)
 Loss (gain) on disposal	 \$ -	 \$ 3,781

See Notes to Consolidated Financial Statements.

The Greater Boston Food Bank, Inc. and Subsidiary

Notes to Consolidated Financial Statements September 30, 2021 and 2020

Note 1 - Nature of operations

Organization

The Greater Boston Food Bank, Inc. was established in 1981 to end hunger in Eastern Massachusetts by distributing food through a network of other not-for-profit organizations. Its principal activity is the collection, storage, and re-distribution of food to qualified not-for-profit agencies in the nine counties of Eastern Massachusetts.

The Greater Boston Food Bank, Inc. is a member of Feeding America, the nation's leading domestic hunger-relief nonprofit. Its mission is to feed America's hungry through a nationwide network of member food banks and to engage our country in the fight to end hunger. The network of more than 200 food banks serves all 50 states, the District of Columbia and Puerto Rico, providing meals to more than 40 million people each year via 60,000 food pantries and meals programs.

GBFB Realty, Inc. was established in 2008 to hold and manage the real property located at 70 South Bay Avenue, Boston, Massachusetts for the exclusive use and benefit of The Greater Boston Food Bank, Inc. Together, Greater Boston Food Bank, Inc. and GBFB Realty, Inc. are referred to as "GBFB".

Both the fiscal years ended September 30, 2021 and 2020 have been unprecedented years for GBFB in many ways. The demand for food skyrocketed due to high levels of food insecurity created during the pandemic. During the years ended September 30, 2020, the GBFB team quickly pivoted to increase its food distribution to cater to this new level of demand. GBFB ended the year ended September 30, 2021 distributing over 117,005,882 pounds of food, compared to 98,855,125 and 68,503,527 pounds during the years ended September 30, 2020 and 2019, respectively. This became possible due to the outpouring of support of GBFB's donors and its funders. As shown in the consolidated statements of activities, the total support without donor restrictions amounted to \$61,898,365 and the total support with donor restrictions was \$90,601,931 during the year ended September 30, 2021, compared to \$60,480,849 and \$19,972,010 in total support without donor restrictions and \$92,348,824 and \$63,905,831 in total support with donor restrictions during the years ended September 30, 2020 and 2019, respectively. The excess cash will be carried forward to the fiscal year ending September 30, 2022, primarily to fund the increased food purchases, support the member agency network and the GBFB team.

Accounting pronouncements adopted

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update 2014-09, *Revenue from Contracts with Customers* (Topic 606) in May 2014, providing new revenue recognition guidance that superseded existing revenue recognition guidance. The update, as amended, requires the recognition of revenue related to the transfer of goods or services to customers reflect the consideration to which the entity expects to be entitled in exchange for those goods or services, as well as additional qualitative and quantitative disclosures about revenues. The Organization adopted the new revenue recognition guidance as of October 1, 2020 using the modified retrospective method of transition for all contracts that were not completed as of that date. The Organization's revenue for reporting periods ending after September 30, 2020 are presented under the new guidance, while financial results for prior periods will continue to be reported in accordance with the prior guidance and the Organization's historical accounting policy. The Organization has not experienced significant changes to the pattern of revenue recognition for its contracts, the identification of contracts and performance obligations or the measurement of variable consideration. There is no net cumulative adjustment related to the adoption of the new revenue recognition guidance.

The Greater Boston Food Bank, Inc. and Subsidiary

Notes to Consolidated Financial Statements September 30, 2021 and 2020

The Organization has elected to apply the deferrals provided by ASU 2020-05 and therefore expects to adopt Topic 842 for fiscal years beginning after December 15, 2021 on a modified retrospective basis.

Note 2 - Summary of significant accounting policies

Basis of presentation

The accompanying consolidated financial statements include the accounts of The Greater Boston Food Bank, Inc. and GBFB Realty, Inc. (a not-for-profit organization whose sole member is The Greater Boston Food Bank, Inc.). All significant intercompany accounts and transactions have been eliminated in consolidation.

GBFB prepares its consolidated financial statements in accordance with accounting principles generally accepted in the United States of America ("US GAAP"). The accompanying financial statements present information regarding the Organization's financial position and activities into two categories of net assets based on the existence or absence of donor-imposed restrictions. The two categories are net assets without donor restrictions and net assets with donor restrictions.

US GAAP also requires that unconditional promises to give be recorded as receivables, and requires that organizations distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions. All promises to give are recorded with donor restrictions until they become due or donor restrictions are relieved, whichever is later.

Included in net assets without donor restrictions are Board of Directors designated net assets of \$2,403,757 and \$2,313,132 as of September 30, 2021 and 2020, respectively. The Board of Directors of GBFB has established this designation in recognition of the need to develop operating reserves to pay future repairs and maintenance expenses related to GBFB's real or personal property, which might prevent or inhibit GBFB from accomplishing its mission.

Income taxes

The Internal Revenue Service has recognized GBFB as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (the "Code"). Section 501(c)(3) of the Code provides for the exemption of organizations that are organized and operated exclusively for religious, charitable, scientific, literary or educational purposes and whose net earnings do not inure to the benefit of any private shareholder or individual. GBFB is subject to income tax on unrelated business income related to rental income. GBFB does not expect any significant changes in the next 12 months. The open years for federal and state returns include 2018 through 2020.

Cash and cash equivalents

Cash and cash equivalents consist of certificates of deposit, money market accounts and repurchase agreements with original maturities of three months or less when purchased. Cash and cash equivalents are carried at cost which approximates fair value.

Accounts receivable

Accounts receivable represent amounts due from state agencies, recipient agencies and other charitable organizations that are stated at the amount management expects to collect from outstanding balances. Management determines the allowance for doubtful accounts by regularly evaluating individual customer receivables and considering a customer's financial condition, credit history, and current economic conditions. Accounts receivable are written off against the allowance account when deemed uncollectible.

The Greater Boston Food Bank, Inc. and Subsidiary

Notes to Consolidated Financial Statements September 30, 2021 and 2020

Concentrations of credit risk

Financial instruments which potentially subject GBFB to concentrations of credit risk consist principally of cash and cash equivalents, restricted cash balances, accounts receivable, and pledges receivable. GBFB places its cash and cash equivalents and restricted cash balances in highly rated financial institutions, which are regularly reviewed by senior management for financial stability. As of September 30, 2021 and 2020, GBFB had cash deposits of \$15,500,000 and \$15,600,000, respectively, in excess of Federal Deposit Insurance Corporation ("FDIC") insured limits. GBFB has not experienced any losses in such accounts and believes that it is not exposed to any significant credit risk on cash and cash equivalents.

GBFB grants credit to its approximately 500 agencies and organizations. GBFB does not believe there are any concentrations of credit risk amongst the member agencies and organizations.

Inventory

Inventory consists of perishable and nonperishable foods and related products. Inventory acquired under the United States Department of Agriculture ("USDA"), Massachusetts Emergency Food Assistance Program ("MEFAP"), donated inventory, and "Coop" program is stated at the values shown below:

Inventory Type	September 30, 2021	September 30, 2020
Coop Program	Cost (FIFO)	Cost (FIFO)
Donated inventory	\$1.79/pound	\$1.74/pound
MEFAP	Cost (FIFO)	Cost (FIFO)
USDA	USDA Provided Value	USDA Provided Value

Donated inventory items are valued at the approximate average wholesale value of one pound of donated product at the national level as outlined in the Product Valuation Survey Methodology prepared by an international CPA firm dated December 31, 2020 and 2019 prepared for Feeding America for use by member food banks.

Revenue recognition

Foundation, corporate and individual gifts and grants

Transactions where the resource provider often receive value indirectly by providing a societal benefit, although the societal benefit is not considered to be of commensurate value, are deemed to be contributions. Contributions are classified as either conditional or unconditional. A conditional contribution is a transaction where the Organization has to overcome a barrier or hurdle to be entitled to the resource and the resource provider is released from the obligation to fund or has the right of return of any advanced funding if the Organization fails to overcome the barrier. The Organization recognizes the contribution revenue upon overcoming the barrier or hurdle. Any funding received prior to overcoming the barrier is recognized as deferred revenue.

Unconditional contributions are recognized as revenue and receivable when the commitment to contribute is received.

Conditional and unconditional contributions are recorded as either with donor restriction or without donor restriction. Contributions are recognized as contributions with donor restrictions if they are received with donor stipulations that limit the use of the donated asset. Contributions received with no donor stipulations are recorded as contributions without donor restrictions. When a donor

The Greater Boston Food Bank, Inc. and Subsidiary

Notes to Consolidated Financial Statements September 30, 2021 and 2020

restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and are reported in the statements of activities and changes in net assets as net assets released from restriction. Donor-restricted contributions whose restrictions expire during the same fiscal year are recognized as contributions without donor restrictions.

All contributions are considered to be without donor restrictions unless specifically restricted by the donor. All donor-restricted contributions are recorded as increases in donor restricted net assets.

Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. We recognize special events revenue equal to the fair value of direct benefits to donors when the special event takes place. We recognize the contribution element of special event revenue immediately, unless there is a right of return if the special event does not take place.

USDA reimbursement

GBFB has entered into contracts to distribute certain commodities administered by the Massachusetts Department of Education under the Temporary Emergency Food Assistance Program (TEFAP) of the Federal government. GBFB is reimbursed for certain distribution and handling costs by the USDA. At September 30, 2021 and 2020, accounts receivable relating to this program amounted to \$111,732 and \$552,251, respectively.

MEFAP

MEFAP is the Massachusetts Emergency Food Assistance Program, which is a line item in the state budget. GBFB has entered into contracts with the Massachusetts Department of Food and Agriculture ("MDFA") and the Massachusetts Department of Education ("MDE") to purchase certain commodities for all Massachusetts food banks affiliated with Feeding America. In turn, GBFB distributes its allocation under the MEFAP of the Commonwealth of Massachusetts. GBFB is reimbursed for the food commodities by the MDFA and for certain distribution and handling costs of the program by the MDE. Under the terms of the contract, GBFB may utilize funds received in one fiscal year in a subsequent fiscal year.

Amounts received in advance are shown as deferred revenue. At September 30, 2021 and 2020, deferred revenue from MEFAP was \$2,920,303 and \$480,786, respectively. GBFB had a receivable from the MDE in the amount of \$0 and \$1,432,060 for the years ended September 30, 2021 and 2020, respectively.

Shared maintenance

Based on Feeding America's contract, GBFB may charge up to 19 cents per pound to the recipient agency which takes donated food and redistributes it to those in need. GBFB charged 19 cents per pound on many of their items, excluding produce and most dairy items. This shared maintenance fee offsets a portion of the handling and redistribution costs incurred by GBFB. The shared maintenance fee ceased to be charged by GBFB starting in April 2020 due to the COVID-19 pandemic.

Contributed services

Contributions of services are recognized as a contribution and expense recorded at fair value if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

The Greater Boston Food Bank, Inc. and Subsidiary

Notes to Consolidated Financial Statements September 30, 2021 and 2020

Contract and agency revenue and deferred revenue

Contract and agency revenue from MEFAP is recognized when the corresponding program expenditures are made in accordance with the terms of the related contracts. Deferred revenue represents the unearned portion of installment payments received against program expenditures not yet incurred.

Coop program

GBFB operates a Coop program where GBFB purchases food from manufacturers and wholesale distributors then sells it to agencies at cost plus 6% markup for food items and for nonfood items. The Organization is obligated to provide products as ordered by the agency, and completion of the performance obligation occurs upon delivery or receipt of the product by the agency. Food and nonfood items are typically nonrefundable.

Property, plant and equipment

Disbursements for property, plant and equipment are recorded at cost or, if acquired by gift, at fair market value as of the date of gift. Depreciation and amortization are computed over the estimated useful lives of the assets on a straight-line basis as follows:

Description	Years
Buildings and improvements	15 - 30 years
Equipment, furniture and fixtures	5 - 10 years
Computer software	1 - 5 years
Trucks and automobiles	5 years

GBFB reviews its long-lived assets for impairment using an undiscounted cash flow method whenever events or circumstances indicate the carrying value of the asset may not be recoverable. There were no impairment losses related to long-lived assets in 2021 or 2020.

Investments

Investments consist of mutual funds. They are carried at fair value which is determined by quoted market prices. Investments are exposed to various risks such as interest rate, credit, and overall market volatility.

Functional allocation of expenses

GBFB's programs involve providing food to those in need and hunger related research. Certain expenses are allocated across multiple programmatic and administrative cost centers. Allocated expenses include administrative expenses, corresponding salaries and benefits, and utilities. Depending on the expense, allocation is either by the square foot, headcount, or cost of meals distributed depending on which is a more relevant allocation measure for the expense category.

Operating measure

GBFB has defined the increase (decrease) in net assets from operating activities to include all support, revenue, expenses, and gains and losses, releases of net asset restrictions for payments of debt, and any gains or losses resulting from normal business transactions.

Advertising

Advertising costs are expensed as incurred and amounted to \$657,795 and \$1,067,429 for the years ended September 30, 2021 and 2020, respectively. Included in advertising expense is \$121,637 and \$508,886 of contributed advertising (contributed services) for the years ended September 30, 2021 and 2020, respectively, (see Note 11).

The Greater Boston Food Bank, Inc. and Subsidiary

**Notes to Consolidated Financial Statements
September 30, 2021 and 2020**

Use of estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities, if any. Accordingly, actual results could differ from those estimates.

Reclassification

Certain prior year information has been reclassified to conform to the current year consolidated financial statement presentation.

Subsequent events

Subsequent events have been evaluated through January 31, 2022, which is the date the consolidated financial statements were available to be issued.

Note 3 - Liquidity

Financial assets available within one year of September 30, 2021 and 2020 consisted of the following:

	2021	2020
Cash and cash equivalents	\$ 17,411,315	\$ 15,743,938
Investments	52,527,991	28,192,958
Accounts receivable, net	224,759	2,051,060
 Total financial assets	 70,164,065	 45,987,956
 Less amounts not available within one year:		
Board designated assets - Board reserve	(2,403,757)	(2,313,132)
Purposes restricted gifts	(30,000)	-
Food distribution restriction	(2,958,744)	(3,383,800)
Investment asset deferred compensation plan	(803,260)	(659,613)
 Financial assets available with in one year	 \$ 63,968,304	 \$ 39,631,411

As part of liquidity management, GBFB invests cash in excess of its requirements in cash equivalents that consist of certificates of deposit, money market accounts, short-term repurchase agreements and investments in mutual funds.

Note 4 - Restrictions on net assets

Assets with donor restrictions consist of contributions and other assets presently available for use, but expendable or distributable only for purposes specified by the donor. At September 30, 2021 and 2020, net assets with donor restrictions are restricted for the following purposes:

	2021	2020
Food distribution	\$ 2,958,744	\$ 3,383,800
Purpose restricted gifts	30,000	-
 Total	 \$ 2,988,744	 \$ 3,383,800

The Greater Boston Food Bank, Inc. and Subsidiary

**Notes to Consolidated Financial Statements
September 30, 2021 and 2020**

Note 5 - Food distribution

For the years ended September 30, 2021 and 2020, GBFB distributed 96,633,800 and 81,788,500 meals (excluding SNAP) which equates to 117,005,882 and 98,855,125 pounds of food, respectively. The value of these distributions is reflected in the accompanying consolidated statements of activities at cost if purchased, stated value if donated by USDA, and at \$1.79 and \$1.74 per pound if donated in 2021 and 2020, respectively.

In addition to the pounds of food reported in the consolidated financial statements, GBFB is responsible for the distribution of enabled product. Enabled product represents product received from donors which are retrieved directly by member agencies eliminating GBFB's need to handle the product.

GBFB is responsible for the distribution of referred product, which represents product offered to GBFB that GBFB elects not to accept, but refers that product to other food banks under Feeding America referral guidelines. Enabled pounds represent pounds received through the reclamation program directly by agencies that can best use those pounds. Referred pounds represent pounds offered to GBFB that GBFB elects not to accept but subsequently refers those pounds to other regional food banks under guidelines established by Feeding America.

The following is a schedule of enabled and referred pounds of food for the years ended September 30, 2021 and 2020, as well as the value of these enabled and referred pounds:

	2021	2020
Enabled pounds of food	12,564,248	11,882,140
Referred pounds of food	105,295	419,081
Dollar value of enabled and referred pounds of food	\$ 22,678,482	\$ 21,404,125

Note 6 - Property, plant and equipment, net

Property, plant and equipment at September 30, 2021 and 2020 consist of the following:

	2021	2020
Land	\$ 2,579,923	\$ 2,579,923
Buildings and improvements	28,274,944	28,189,410
Equipment, furniture and fixtures	3,069,967	2,715,521
Computer software	1,905,909	1,815,711
Trucks and automobiles	2,111,240	2,082,415
Construction in progress	139,331	60,463
	38,081,314	37,443,443
Less: Accumulated depreciation and amortization	18,215,737	16,400,687
	\$ 19,865,577	\$ 21,042,756

Depreciation and amortization expense was \$1,995,808 and \$1,929,781 for the years ended September 30, 2021 and 2020, respectively.

The Greater Boston Food Bank, Inc. and Subsidiary

Notes to Consolidated Financial Statements September 30, 2021 and 2020

Included in property, plant and equipment at both September 30, 2021 and 2020 is \$1,256,106 of land which is held by 100 Topeka Street Realty Trust (the "Trust"). GBFB is the sole beneficiary of the Trust and will be the recipient of this land at the termination of the Trust agreement in May 2024. The sole trustee of the Trust is an officer of GBFB.

Note 7 - Retirement plans

GBFB has a qualified defined contribution retirement savings plan (the "Plan") for all eligible employees. Employees have the ability to contribute pretax and after tax dollars pay and may invest in mutual funds through Principal Financial Group.

At GBFB's discretion, an employer matching contribution is approved each year. For fiscal years 2021 and 2020, the match is 25 cents for every one dollar contributed up to 8% of an employee's gross compensation. While GBFB expects to continue the Plan indefinitely, the Plan's Co-Fiduciary Committee Members reserve the right to modify, amend or terminate the Plan. GBFB's discretionary matching contributions under the Plan amounted to \$180,816 and \$161,726 for the years ended September 30, 2021 and 2020, respectively.

In December 2013, GBFB established a nonqualified supplemental retirement plan for key management employees who meet the Plan's eligibility requirements. GBFB has recorded the corresponding asset and liability. The deferred compensation obligation which is included in accrued expenses was \$803,260 and \$659,613 as of September 30, 2021 and 2020, respectively. The retirement plan is in conformity with Code Section 457(b).

Note 8 - Obligations under capital leases

Included in property, plant and equipment in the accompanying consolidated statements of financial position is equipment under capital leases at September 30, 2021 and 2020. The imputed interest rates range from 5.3% to 11.6%. A summary of capitalized lease cost and accumulated amortization as of September 30, 2021 and 2020 is as follows:

	<u>2021</u>	<u>2020</u>
Cost	\$ 1,637,342	\$ 1,613,517
Accumulated amortization	<u>(939,969)</u>	<u>(494,860)</u>
Net book value	<u>\$ 697,373</u>	<u>\$ 1,118,657</u>

For the years ended September 30, 2021 and 2020, amortization expense amounted to \$310,839 and \$293,542, respectively.

The Greater Boston Food Bank, Inc. and Subsidiary

**Notes to Consolidated Financial Statements
September 30, 2021 and 2020**

The following is a schedule by year of future minimum lease payments remaining under the capital leases together with the present value of the future minimum lease payments as of 2021:

<u>Years ending September 30,</u>	<u>Amount</u>
2022	\$ 290,852
2023	290,852
2024	246,961
2025	233,181
2026	156,954
Thereafter	<u>21,616</u>
Total minimum lease payments	1,240,416
Less amount representing interest	<u>(206,104)</u>
Net present value of future minimum lease payments	<u><u>\$ 1,034,312</u></u>

Note 9 - Fair value measurements

GBFB has characterized its financial assets into a three-level fair value hierarchy based on the priority of the inputs used to value these assets. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities ("Level 1"), and the lowest priority to unobservable inputs ("Level 3"). If the inputs used to measure the financial assets fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the asset. Financial assets recorded in the consolidated statements of financial position are categorized based on the inputs to valuation techniques as follows:

- Level 1: These are assets where values are based on unadjusted quoted prices for identical assets in an active market to which GBFB has access.
- Level 2: These are assets where values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the investments such as interest rates and yield curves that are observable at commonly quoted intervals.
- Level 3: These are assets where values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect the assumptions of management about assumptions market participants would use in pricing the investments.

The Greater Boston Food Bank, Inc. and Subsidiary

**Notes to Consolidated Financial Statements
September 30, 2021 and 2020**

The fair value of GBFB's investments that are reported in the accompanying consolidated statement of financial position as of September 30, 2021 were as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds - Federal	\$ 17,343,975	\$ -	\$ -	\$ 17,343,975
Mutual funds - Treasury Bond Index	34,380,756	-	-	34,380,756
Mutual funds - 457(b) Plan	<u>803,260</u>	<u>-</u>	<u>-</u>	<u>803,260</u>
Total mutual funds	<u>\$ 52,527,991</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,527,991</u>

The fair value of GBFB's investments that are reported in the accompanying consolidated statement of financial position as of September 30, 2020 were as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds - Federal	\$ 22,413,125	\$ -	\$ -	\$ 22,413,125
Mutual funds - Treasury Bond Index	5,092,247	-	-	5,092,247
Stocks and Exchange Traded Funds	27,973	-	-	27,973
Mutual funds - 457(b) Plan	<u>659,613</u>	<u>-</u>	<u>-</u>	<u>659,613</u>
Total mutual funds	<u>\$ 28,192,958</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,192,958</u>

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2021 and 2020.

Investments in mutual funds are valued using market prices in active markets (Level 1). Level 1 instrument valuations are obtained from real-time quotes for transactions in active exchange markets involving identical assets. Such prices represent the net asset value of shares held by GBFB at year-end.

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

Note 10 - In-kind gifts

The value of in-kind gifts are recognized as support at estimated fair market value at the time that the gifts are received with an equal and offsetting amount included in the appropriate asset or expense category, as applicable. For the years ended September 30, 2021 and 2020, the value of in-kind gifts received was \$803 and \$853, respectively, and is included in institutional contributions on the consolidated statements of activities.

The Greater Boston Food Bank, Inc. and Subsidiary

**Notes to Consolidated Financial Statements
September 30, 2021 and 2020**

Note 11 - Contributed services

The value of donated services is recognized as support at estimated fair market value at the time that the services are provided. For the years ended September 30, 2021 and 2020, all donated services were expenses and consisted of the following:

	2021	2020
Audit	\$ 77,614	\$ 56,700
Legal	106,992	131,953
Consulting	175,000	311,200
Advertising	121,636	508,886
Fundraising	87,145	1,089,802
Transportation	10,835	-
	\$ 579,222	\$ 2,098,541
Total		

Note 12 - Rental income

In March 2012, GBFB entered into a lease agreement with an unrelated third party. The lease required monthly rental payments of \$18,000 through March 2020. Effective November 6, 2018, GBFB entered into the First Amendment to Sublease with an unrelated third party. Per the terms of this Amendment, the lessee has two remaining options to extend the lease agreement for an additional five years each (expiring March 31, 2025 and 2030, respectively), and has an option to extend the sublease for one additional 10-year renewal term to commence on April 1, 2030.

Future payments to be received under this rental agreement for the years subsequent to September 30, 2021 are as follows:

Years ending September 30,	Amount
2022	\$ 238,140
2023	238,140
2024	238,140
2025	119,070
	\$ 833,490
Total	

GBFB received payments totaling \$0 and \$20,513 during the years ended September 30, 2021 and 2020, respectively, related to proceeds from an equity transaction executed by the current sub-tenant. This payment was in accordance with the terms of the First Amendment to Sublease.

Included in the rental expense for the years ended September 30, 2021 and 2020 is depreciation expense totaling \$11,835 and \$11,835, respectively.

Note 13 - Operating lease commitments

GBFB leased office equipment under operating lease arrangements extending through July 2021. The approximate aggregate minimum lease payments for noncancellable lease arrangements related to this equipment were \$6,950 for the year ended September 30, 2021.

The Greater Boston Food Bank, Inc. and Subsidiary

Notes to Consolidated Financial Statements September 30, 2021 and 2020

Equipment rent expense amounted to \$14,025 and \$9,351 for the years ended September 30, 2021 and 2020, respectively.

Note 14 - Related party transactions

GBFB leases its warehouse and office facilities from GBFB Realty, Inc., which is part of the consolidated group, under a 30-year lease expiring June 30, 2039. The lease provided for minimum monthly lease payments. Rental income and expense were being recognized on a straight-line basis over a seven-year period from the lease inception which was the probable effective lease period.

Commencing on July 13, 2015, GBFB renegotiated the lease with GBFB Realty, Inc. to provide for annual lease payments of \$1,000 for the remaining term of the lease agreement. Total lease expense for the years ended September 30, 2021 and 2020 was \$1,000 for each year and has been eliminated during consolidation.

Note 15 - Concentrations of risk

For the years ended September 30, 2021 and 2020, approximately 29% and 20%, respectively, of GBFB's total support and revenues were derived from MEFAP.

For the years ended September 30, 2021 and 2020, approximately 37% and 43%, respectively, of GBFB's total food purchases were from three vendors.

For both the years ended September 30, 2021 and 2020, approximately 15% of the total food distributed was MEFAP food. For both the years ended September 30, 2021 and 2020, approximately 16% of the total food distributed was USDA food.

Note 16 - Contingency

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and economic activity around the world. GBFB is closely monitoring its investment portfolio and its liquidity and is actively working to minimize the impact of this uncertainty. The extent of the impact of COVID-19 on GBFB's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on GBFB's customers, employees, and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact GBFB's financial position and changes in net assets and cash flows is uncertain and the accompanying consolidated financial statements include no adjustments relating to the effects of this pandemic.

Note 17 - Subsequent event

On December 13, 2021, the Massachusetts House of Representatives approved an award to the GBFB for approximately \$17,000,000 in funding from the American Rescue Plan Act ("ARPA") for the purpose of increasing refrigeration and freezer capacity, to secure two permanent food hub warehouses, and to invest in the Organization's network capacity.

Supplementary Information

The Greater Boston Food Bank, Inc. and Subsidiary

Supplementary Information

**Consolidating Statement of Financial Position
September 30, 2021**

	The Greater Boston Food Bank, Inc.	GBFB Realty, Inc.	Eliminations	Consolidated
<u>Assets</u>				
Cash and cash equivalents	\$ 17,310,626	\$ 100,689	\$ -	\$ 17,411,315
Investments	52,527,991	-	-	52,527,991
Accounts and grants receivable, net of allowance for doubtful accounts of approximately \$4,000	223,796	963	-	224,759
Inventory	5,293,635	-	-	5,293,635
Property, plant and equipment, net	4,570,335	15,571,788	(276,546)	19,865,577
Prepaid expenses and other assets	537,244	-	-	537,244
Total assets	\$ 80,463,627	\$ 15,673,440	\$ (276,546)	\$ 95,860,521
<u>Liabilities and Net Assets</u>				
Liabilities				
Accounts payable	\$ 1,903,487	\$ -	\$ -	\$ 1,903,487
Accrued expenses and other liabilities	2,639,087	-	-	2,639,087
Deferred revenue	2,971,219	792	-	2,972,011
Obligations under capital leases	1,034,313	-	-	1,034,313
Total liabilities	8,548,106	792	-	8,548,898
Net assets				
Without donor restrictions - Board designated	2,403,757	-	-	2,403,757
Without donor restrictions	66,523,020	15,672,648	(276,546)	81,919,122
Total net assets without donor restrictions	68,926,777	15,672,648	(276,546)	84,322,879
With donor restrictions	2,988,744	-	-	2,988,744
Total net assets	71,915,521	15,672,648	(276,546)	87,311,623
Total liabilities and net assets	\$ 80,463,627	\$ 15,673,440	\$ (276,546)	\$ 95,860,521

See Independent Auditor's Report.

The Greater Boston Food Bank, Inc. and Subsidiary

Supplementary Information

**Consolidating Statement of Activities
Year Ended September 30, 2021**

	The Greater Boston Food Bank, Inc.	GBFB Realty, Inc.	Eliminations	Consolidated
Operating Support				
Institutional contributions	\$ 30,173,242	\$ -	\$ -	\$ 30,173,242
Food donations	79,974,030	-	-	79,974,030
Contributed services	579,222	-	-	579,222
Special events	305,140	-	-	305,140
Individual contributions	41,468,662	-	-	41,468,662
Total support	152,500,296	-	-	152,500,296
Revenue				
State income - MEFAP	28,925,423	-	-	28,925,423
Coop income	5,139,159	-	-	5,139,159
USDA reimbursement	1,590,450	-	-	1,590,450
Investment return, net	254,337	175	-	254,512
Rental income, net of expenses of \$172,285	69,701	1,000	(1,000)	69,701
Other	76,656	-	-	76,656
Total revenue	36,055,726	1,175	(1,000)	36,055,901
Total support and revenue	188,556,022	1,175	(1,000)	188,556,197

The Greater Boston Food Bank, Inc. and Subsidiary

Supplementary Information

**Consolidating Statement of Activities
Year Ended September 30, 2021**

	The Greater Boston Food Bank, Inc.	GBFB Realty, Inc.	Eliminations	Consolidated
Expenses				
Program services				
Food distribution and Warehouse	144,339,501	997,098	(1,000)	145,335,599
Agency relations	717,828	-	-	717,828
Nutrition programs	2,396,478	-	-	2,396,478
Food Acquisition Group	9,037,156	-	-	9,037,156
Business and Data Analytics	402,673	-	-	402,673
Hunger to Health Collaboratory	671,473	-	-	671,473
Total program services	<u>157,565,109</u>	<u>997,098</u>	<u>(1,000)</u>	<u>158,561,207</u>
Support services				
General and administrative	4,152,199	-	-	4,152,199
Lobbying	30,000	-	-	30,000
Marketing	1,482,084	-	-	1,482,084
Development	3,907,639	-	-	3,907,639
Total support services	<u>9,571,922</u>	<u>-</u>	<u>-</u>	<u>9,571,922</u>
Total expenses	<u>167,137,031</u>	<u>997,098</u>	<u>(1,000)</u>	<u>168,133,129</u>
Increase (decrease) in net assets from operating activities	<u>21,418,991</u>	<u>(995,923)</u>	<u>-</u>	<u>20,423,068</u>
Change in net assets	<u>\$ 21,418,991</u>	<u>\$ (995,923)</u>	<u>\$ -</u>	<u>\$ 20,423,068</u>

See Independent Auditor's Report.

The Greater Boston Food Bank, Inc. and Subsidiary

Supplementary Information

**Consolidating Statement of Changes in Net Assets
Year Ended September 30, 2021**

	<u>The Greater Boston Food Bank, Inc.</u>	<u>GBFB Realty, Inc.</u>	<u>Eliminations</u>	<u>Consolidated</u>
Beginning balance, October 1, 2020	\$ 50,496,530	\$ 16,668,571	\$ (276,546)	\$ 66,888,555
Change in net assets	<u>21,418,991</u>	<u>(995,923)</u>	<u>-</u>	<u>20,423,068</u>
Ending balance, September 30, 2021	<u>\$ 71,915,521</u>	<u>\$ 15,672,648</u>	<u>\$ (276,546)</u>	<u>\$ 87,311,623</u>

See Independent Auditor's Report.



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