



PHILABUNDANCE
Consolidated Financial Statements
September 30, 2021 and 2020
With Independent Auditor's Reports

Philabundance
Table of Contents
September 30, 2021 and 2020

Independent Auditor's Report	1-3
Financial Statements	
Consolidated Statements of Financial Position	4
Consolidated Statements of Activities and Changes in Net Assets	5
Consolidated Statements of Cash Flows	6
Consolidated Statements of Functional Expenses	7
Notes to Consolidated Financial Statements	8-22
Supplementary Information	
Schedule of Expenditures of Federal Awards and City Awards	23
Notes to Schedule of Expenditures of Federal Awards and City Awards	24
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Consolidated Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	25-26
Report on Compliance for Each Major Federal and City Program, Report on Internal Control Over Compliance, and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	27-29
Schedule of Findings and Questioned Costs	30-31
City of Philadelphia Office of Homeless Services	
Reconciliation of Agency Reported Expenditures/Revenues to Audited Expenditures/Revenues	
Contract Number 20-20326-01	32-34
Contract Number 19-20178-03	35-37
Contract Number 22-20091	38-40
Contract Number 19-20220-02	41-43
Contract Number 19-20220-03	44-46
Contract Number 19-20220-04	47-49

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,
Philabundance:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Philabundance, which comprise the consolidated statement of financial position as of September 30, 2021, and the related consolidated statements of activities and changes in net assets, cash flows, and functional expenses for the year then ended, and the related notes to consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Philabundance as of September 30, 2021, 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 ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Philabundance 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.

Prior-Year Financial Statements

The financial statements of Philabundance as of and for the year ended September 30, 2020 were audited by other auditors, whose report dated June 14, 2021 expressed an unmodified opinion on those financial statements.

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Philabundance's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government 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 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 consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 the Philabundance'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Philabundance'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.

Report on Schedule of Expenditures and Federal Awards

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards and city awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the *City of Philadelphia Subrecipient Audit Guide* and is not a required part of the financial statements.

In addition, the accompanying supplemental schedules are presented for purposes of additional analysis and are required by the *City of Philadelphia Subrecipient Audit Guide* as follows: City of Philadelphia Office of Homeless Services (Section 5000) - Reconciliations of Agency Reported Expenditures/Revenues to Audited Expenditures/Revenues. The accompanying schedules are presented for the purposes of additional analysis and are not a required part of the 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal and city awards is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards* and the *City of Philadelphia Subrecipient Audit Guide*, we have also issued our report dated May 16, 2022 on our consideration of the Philabundance's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and the *City of Philadelphia Subrecipient Audit Guide* in considering the Philabundance's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads 'Withum Smith & Brown, PC'. The signature is written in a cursive, flowing style.

May 16, 2022

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

	<u>2021</u>	<u>2020</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 28,615,159	\$ 21,674,371
Operating investments	91,965	122,200
Accounts receivable, net	1,031,315	1,596,172
Contributions receivable, current	305,892	485,012
Inventory	7,112,646	3,595,145
Other current assets	215,352	114,258
Prepaid expense and deposits	446,294	208,576
Total current assets	<u>37,818,623</u>	<u>27,795,734</u>
Noncurrent assets		
PCK restricted cash	-	1,257,636
Endowment and other investments	2,295,404	1,617,378
Contributions receivables, less current portion	49,250	512,360
Property and equipment, net	17,626,024	17,747,049
Operating lease right-of-use assets	5,049,038	459,162
Beneficial interest	18,640	14,460
Total noncurrent assets	<u>25,038,356</u>	<u>21,608,045</u>
Total assets	<u>\$ 62,856,979</u>	<u>\$ 49,403,779</u>
Liabilities and Net Assets		
Current liabilities		
Current maturities of long-term debt	\$ -	\$ 125,581
Operating lease liabilities, current portion	454,334	177,650
Payment protection program loan - refundable advance	-	1,531,200
Accounts payable and accrued expenses	4,215,617	2,507,561
Security deposit	23,093	23,093
Deferred income	984,658	596,103
Total current liabilities	<u>5,677,702</u>	<u>4,961,188</u>
Long-term liabilities		
Long-term debt, less current maturities	-	1,786,125
Self-amortizing long-term debt - PCK 2.0	4,679,999	4,341,298
Operating lease liabilities, net of current portion	4,594,704	281,512
Total long-term liabilities	<u>9,274,703</u>	<u>6,408,935</u>
Total liabilities	<u>14,952,405</u>	<u>11,370,123</u>
Net assets		
Without donor restrictions	45,672,044	30,929,565
With donor restrictions	2,232,530	7,104,091
Total net assets	<u>47,904,574</u>	<u>38,033,656</u>
Total liabilities and net assets	<u>\$ 62,856,979</u>	<u>\$ 49,403,779</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

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

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue						
In-kind food (Note 1)	\$ 66,946,431	\$ -	\$ 66,946,431	\$ 67,298,424	\$ -	\$ 67,298,424
In-kind goods and services	1,799,737	-	1,799,737	459,004	-	459,004
Grants and contributions	30,975,696	5,886,636	36,862,332	20,950,877	16,867,893	37,818,770
Fees for service	6,967,351	-	6,967,351	5,355,596	-	5,355,596
Rental income	-	-	-	43,345	-	43,345
Gain (loss) on sale of property and equipment	375	-	375	(2,528,533)	-	(2,528,533)
Investment income	287,902	178,582	466,484	221,040	-	221,040
Change in beneficial interest	4,180	-	4,180	(205)	-	(205)
Other income	218,085	-	218,085	106,341	-	106,341
Gain on NMTC closing	-	-	-	1,800,750	-	1,800,750
Community Purchase Program	20,558	-	20,558	894,443	-	894,443
Less: Costs of goods sold	(174,624)	-	(174,624)	(956,408)	-	(956,408)
Gross profit (loss)	(154,066)	-	(154,066)	(61,965)	-	(61,965)
Net assets released from restrictions	10,936,779	(10,936,779)	-	14,729,229	(14,729,229)	-
Total support and revenue	117,982,470	(4,871,561)	113,110,909	108,373,903	2,138,664	110,512,567
Expenses						
Program services	92,815,646	-	92,815,646	79,690,806	-	79,690,806
Management and general	5,007,047	-	5,007,047	5,063,469	-	5,063,469
Fundraising	5,417,298	-	5,417,298	4,645,162	-	4,645,162
Total expenses	103,239,991	-	103,239,991	89,399,437	-	89,399,437
Changes in net assets	14,742,479	(4,871,561)	9,870,918	18,974,466	2,138,664	21,113,130
Net assets						
Beginning of year	30,929,565	7,104,091	38,033,656	11,955,099	4,965,427	16,920,526
End of year	\$ 45,672,044	\$ 2,232,530	\$ 47,904,574	\$ 30,929,565	\$ 7,104,091	\$ 38,033,656

The Notes to Consolidated Financial Statements are an integral part of these statements.

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

	<u>2021</u>	<u>2020</u>
Operating activities		
Changes in net assets	\$ 9,870,918	\$ 21,113,130
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Realized loss (gain) on investments	4,981	(24,186)
Unrealized gain on investments	(444,070)	(140,772)
Change in beneficial interest	(4,180)	205
Depreciation and amortization	1,099,560	563,082
Realized (gain) loss on disposal of property and equipment	(375)	2,528,533
Forgiveness of NMTC debt	-	(6,840,000)
Forgiveness of NMTC receivable	-	5,039,250
Change in operating assets and liabilities		
Accounts receivable	564,857	(1,048,053)
Contributions receivable	642,230	(71,675)
Inventory	(3,517,501)	(1,606,549)
Other current assets	(101,094)	(69,696)
Prepaid expense and deposits	(237,718)	31,425
Accounts payable and accrued expenses	1,708,056	106,969
Deferred income	388,555	219,959
Paycheck Protection Program - refundable advance	(1,531,200)	1,531,200
Net cash provided by operating activities	<u>8,443,019</u>	<u>21,332,822</u>
Investing activities		
Purchase of investments	(359,405)	(374,006)
Proceeds from sale of investments	150,705	106,690
Purchase of property and equipment	(978,537)	(8,569,272)
Proceeds from sale of property and equipment	375	409,210
Net cash used in investing activities	<u>(1,186,862)</u>	<u>(8,427,378)</u>
Financing activities		
Payments on long-term debt	(1,787,126)	(124,566)
Payments on operating leases	(124,580)	(162,753)
Proceeds on self-amortizing long-term debt - PCK 2.0	338,701	4,341,298
Net cash provided by (used in) financing activities	<u>(1,573,005)</u>	<u>4,053,979</u>
Net change in cash and cash equivalents	5,683,152	16,959,423
Cash and cash equivalents and restricted cash		
Beginning of year	<u>22,932,007</u>	<u>5,972,584</u>
End of year	<u>\$ 28,615,159</u>	<u>\$ 22,932,007</u>
Supplemental disclosure of cash flow information		
Interest paid	<u>\$ 47,235</u>	<u>\$ 77,930</u>
Reconciliation of cash and cash equivalents and restricted cash to consolidated statement of financial position		
Cash and cash equivalents	\$ 28,615,159	\$ 21,674,371
Restricted cash	<u>-</u>	<u>1,257,636</u>
Total cash and cash equivalents and restricted cash	<u>\$ 28,615,159</u>	<u>\$ 22,932,007</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

Philabundance
Consolidated Statements of Functional Expenses
Years Ended September 30, 2021 and 2020

	2021				2020			
	Program Expenses	Management and General	Fundraising	Total	Program Expenses	Management and General	Fundraising	Total
Payroll and related costs	\$ 5,671,620	\$ 3,128,079	\$ 1,450,675	\$ 10,250,374	\$ 5,433,415	\$ 2,996,701	\$ 1,389,747	\$ 9,819,863
Agency support	4,681,184	-	-	4,681,184	98,502	-	-	98,502
Bad debt	-	211,466	-	211,466	-	-	-	-
Credit card and bank fees	-	374,102	-	374,102	-	351,642	-	351,642
Depreciation and amortization	693,319	241,809	164,432	1,099,560	355,047	123,830	84,205	563,082
Donated food and non-food	66,133,144	-	-	66,133,144	66,131,471	-	-	66,131,471
Dues and subscriptions	71,935	27,061	31,924	130,920	48,920	18,403	21,710	89,033
Facilities and occupancy	1,119,292	437,339	355,702	1,912,333	604,796	236,311	192,199	1,033,306
Food acquisition	11,101,781	-	-	11,101,781	4,411,712	-	-	4,411,712
Freight	273,136	-	-	273,136	146,455	-	-	146,455
Information technology	99,091	37,976	123,066	260,133	106,290	40,735	132,008	279,033
Interest	-	47,235	-	47,235	-	84,842	-	84,842
Insurance	103,810	57,255	26,552	187,617	-	-	-	-
Mailing services	1,758	46	2,017,651	2,019,455	888	23	1,019,311	1,020,222
Marketing and design	452	48	27,849	28,349	13,855	1,461	853,295	868,611
Meetings and training	34,061	5,882	5,685	45,628	47,024	8,120	7,849	62,993
Miscellaneous	1,968	25,845	308	28,121	70,949	931,790	11,089	1,013,828
Printing	3,802	1,075	553,234	558,111	3,412	965	496,496	500,873
Professional fees	585,148	286,766	551,487	1,423,401	370,931	181,784	349,593	902,308
Supplies	631,550	19,881	41,155	692,586	678,088	21,346	44,188	743,622
Telecommunications	107,100	43,683	31,026	181,809	95,881	39,107	27,776	162,764
Temporary help	786,925	61,499	36,552	884,976	337,920	26,409	15,696	380,025
Transportation	714,570	-	-	714,570	735,250	-	-	735,250
	92,815,646	5,007,047	5,417,298	103,239,991	79,690,806	5,063,469	4,645,162	89,399,437
Community Purchase Program	174,624	-	-	174,624	956,408	-	-	956,408
	<u>\$ 92,990,270</u>	<u>\$ 5,007,047</u>	<u>\$ 5,417,298</u>	<u>\$ 103,414,615</u>	<u>\$ 80,647,214</u>	<u>\$ 5,063,469</u>	<u>\$ 4,645,162</u>	<u>\$ 90,355,845</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

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

1. ORGANIZATION AND OPERATIONS

Philabundance is a Pennsylvania nonprofit founded in 1984 with the simple belief that no one should go hungry while healthy food goes to waste. Philabundance's mission is to drive hunger from its communities today and to end hunger for good. In addition to food distribution, Philabundance strives to reduce food waste, increase access to nutritious meals, and tackle the root causes of hunger.

Philabundance provides food to thousands of people each week through a network of over 350 agency partners – food pantries, cupboards, and emergency kitchens – over a nine-county service area in Pennsylvania (Bucks, Chester, Delaware, Montgomery, and Philadelphia counties) and New Jersey (Burlington, Camden, Gloucester, and Salem counties).

During the pandemic, Philabundance has increased its efforts by doubling the amount of food it provides to agency partners, working with key partners to make food more accessible, and making thousands of meals each week. In this year, Philabundance also opened a new home for the Philabundance Community Kitchen ("PCK"), a culinary arts and life skills program, that makes nutritious ready-to-eat meals for people who are unhoused, seniors, and restaurant workers struggling to make ends meet. Philabundance has also continued its innovative Ending Hunger For Good work.

Philabundance recognizes that food distribution alone is not enough, it's that the clients are not hungry again in the future. Philabundance is reimagining how it distributes food through the new "Food Plus" model, which provides clients with food plus other essential services such as education, financial literacy, and housing.

Seeing a 60% increase in need, Philabundance is continuing to make strategic investments in its agency partners, programs, staffing, and own equipment so it can continue to meet the increased need.

In addition to the in-kind donations of food, revenues are also primarily derived from contributions (largely from individual donors), grants, and fees for services provided, including government contracts.

The accompanying consolidated financial statements include the accounts of Philabundance and F&S Chester, RE, Inc. and are collectively referred to as the "Organization." All significant intercompany transactions and balances have been eliminated in consolidation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The consolidated financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America, which require it to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by passage of time. When restrictions are satisfied, they are reported as reclassifications from net assets with donor restrictions to net assets without donor restrictions. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

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

New Accounting Pronouncement Adopted in the Current Year

The Financial Accounting Standards Board ("FASB") issued Accounting Standards Codification ("ASC") Topic 606, *Revenue from Contracts with Customers*, as amended, which supersedes or replaces nearly all U.S. GAAP revenue recognition guidance. These standards establish a new contract and control-based revenue recognition model, change the basis for deciding when revenue is to be recognized over time, or at a point in time, and expand disclosures about revenue. Philabundance has implemented Topic 606 and has adjusted the presentation in these consolidated financial statements accordingly. The amendments have been applied retrospectively to all periods presented, with no effect on net assets or changes in net assets. The comparative information has not been restated and continues to be reported under the accounting standards in effect in those reporting periods. There was no material impact to the consolidated financial statements as a result of adoption. Accordingly, no adjustment to opening net assets was recorded.

Revenue and Support Recognition

Contributions and Grants

Contributions are reported as revenue when they are received or unconditionally pledged and are recorded as net assets with donor restrictions or net assets without donor restrictions according to donor stipulations if the related assets are limited by donor-imposed time or purpose restrictions.

Conditional promises to give and grants are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at estimated fair value. Contributions to be received after one year are reflected at the present value of estimated future cash flows using a discount rate of 2% for contributions made in the fiscal year. Amortization of discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

Government Grant and Contract Revenue

Revenue from government grant and contract agreements, which are generally considered nonexchange transactions, is recognized when qualifying expenditures are incurred and conditions under the agreements are met. Grant funds received in advance of the expenditures incurred are recorded as deferred revenue. Grant funds expended in advance of reimbursement from the funding source are classified as grants and contracts receivable in the consolidated statements of financial position. Philabundance receives funding from federal and city agencies under grants and contracts, of which, some have a commitment spanning multiple years.

Other revenues are obtained from investment income and other miscellaneous income items. These revenues are not restricted in their use and are used to offset management and general expenses and program expenses. Revenues from these sources are recognized at the time the investment income is received or miscellaneous income is earned.

Revenue from Contracts with Customers

Philabundance accounts for agency handling fees and food purchase fees and catering income as exchange transactions in the consolidated statements of activities and changes in net assets. Revenues from contracts with customers are treated as revenues without donor restrictions. Performance obligations are satisfied at the point in time, which is when the related goods are provided to the customer. Philabundance does not have any significant financing components as payment is received at shortly after revenue is recognized. Funds received in advance from customers for work that has not been performed have been recorded as contract liabilities and are shown as deferred income in the consolidated statements of financial position.

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

The following summarizes Philabundance's performance obligations:

Agency Handling Fees and Food Purchase Fees

Agency handling fees are charged for the delivery of purchased or donated food to agencies and are recorded at the time the delivery has occurred. Agency handling fees are not charged on the delivery of governmental food donations. Food purchase fees are charged to the agencies for food purchased by Philabundance and are based on the cost of the food plus a percentage markup over cost. The food purchase fees are recorded as revenue at the time the purchase is made. These fees are shown as support with no donor restrictions in the consolidated statements of activities and changes in net assets.

Rental Income

Rental income is recognized on a straight-line basis. All leases between the Organization and the tenants of the property are operating leases.

Inventory of Donated Food and Commodities and Purchased Food

The value of donated food and commodities is determined using an average wholesale cost per pound, which is based on an annual study prepared by Feeding America, the national organization of food banks nationwide. Food that has been donated but not distributed is shown as inventory in the consolidated statements of financial position. Donated food and commodities that have been distributed are shown in the consolidated statements of activities and changes in net assets as donated food distributed. Distributed food is released from inventory at fair value on the date of distribution. Due to normally short periods between receipt of food donations and their subsequent distribution, the fair value on the date of receipt generally approximates the fair value on the date of distribution. Purchased food that is distributed is valued at cost, with the resulting expense upon distribution also being recorded at cost due to the relatively short time frame between purchase and distribution.

Donated Services

Philabundance receives significant donated services from volunteers, officers and directors and affiliated organizations to support operations, fundraising, and administrative efforts. The value of these donated services is not included in these consolidated financial statements, as they do not meet the criteria for recognition under not for profit accounting standards.

Cash and Cash Equivalents

Cash and cash equivalents include funds held in money market accounts and other instruments with a maturity of three months or less at the time of acquisition.

Investments

Investments in securities with readily determinable values and all investments in debt securities are measured at fair value in the consolidated statements of financial position. Donated investments are recorded at the fair value at the date of receipt. Gains and losses, both realized and unrealized, resulting from increases or decreases in the fair value of investments, are reflected in the consolidated statements of activities and changes in net assets as increases or decreases in net assets without donor restrictions unless the use was restricted by explicit donor stipulations or by law.

Accounts Receivables

The Organization uses the allowance method to provide for losses on accounts receivable which is based on management's judgment considering historical information. Services are provided on an unsecured basis. Past-due accounts are reviewed for collectability and written off as necessary. In addition, an allowance is provided for other accounts when a significant pattern of collectability has occurred. When all collection efforts have been exhausted, the accounts are written off against the related allowance.

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

Contributions Receivable

Contributions that are expected to be collected within one year are recorded at their net realizable value. Contributions that are expected to be collected beyond one year are recorded at their net present value of estimated future cash funds. Philabundance provides for uncollectible contributions using the allowance method, which is based on management's judgment concerning analysis of individual contributions. Past-due contributions receivable are individually analyzed for collectability and written off when all efforts have been exhausted.

Property and Equipment

Property and equipment purchases are recorded at cost, except for donated items, which are recorded at their fair value on the date of donation. Amortization of software is included within depreciation expense. Depreciation is provided over the estimated useful lives of the assets using the straight-line method. Philabundance capitalizes all fixed assets over \$2,500 with an estimated life greater than one year. When an asset is sold or retired, the cost and accumulated depreciation are removed from the respective accounts. Maintenance, repairs and minor renewals are charged to operations as incurred.

The principal rates for computing depreciation by major asset category are as follows:

Description	Estimated Life (Years)
Buildings and improvements	40
Vehicles	5-7
Computer hardware and software	3-5
Equipment	5
Furniture and fixtures	5

Valuation of Long-Lived Assets

In accordance with the accounting pronouncements on impairment or disposal of long-lived assets, Philabundance reviews long-lived assets, including property and equipment, for impairment whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. Management has determined that no impairment charge was required for the periods presented in these consolidated financial statements.

Fair Value of Financial Instruments

FASB Accounting Standards Codification ("ASC") 820, *Fair Value Measurements and Disclosures*, defines fair value, establishes a framework for measuring fair value under U.S. GAAP, and enhances disclosures about fair value measurements. Fair value is defined under ASC 820 as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

Valuation techniques used to measure fair value under ASC 820 must maximize the use of observable inputs and minimize the use of unobservable inputs. The pronouncement describes a fair value hierarchy based on three levels of input, of which the first two are considered observable and the last unobservable.

These levels are as follows:

Level 1 - Valuation is based upon quoted prices for identical instruments traded in active markets.

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

Level 2 - Valuation is based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market.

Level 3 - Valuation is generated from model-based techniques that use significant assumptions not observable in the market. These unobservable assumptions reflect one's estimates of assumptions that a market participant would use in pricing the asset or liability. Valuation techniques include use of option pricing models, discounted cash flow models, and similar techniques.

The following is a description of the valuation methodologies used for Philabundance's investments measured at fair value. There have been no changes in the methodologies used for periods presented in these consolidated financial statements.

Preferred Stock and Mutual Funds: Shares of preferred stock and mutual funds are valued at quoted market prices at Philabundance's fiscal year-end.

Income Taxes

Philabundance is a not-for-profit organization exempt from federal income taxes pursuant to the provisions of Section 501(c)(3) of the Internal Revenue Code ("IRC") and from Pennsylvania state income taxes under applicable state law. Accordingly, no provision for federal or state income taxes has been recorded in the consolidated statements of activities and changes in net assets.

F&S Chester, RE, Inc. is a taxable Pennsylvania corporation.

Management has determined that there are no uncertain tax positions at Philabundance as of September 30, 2021 and 2020. Philabundance has no income tax related penalties or interest for the periods reported in these consolidated financial statements.

Leases

Philabundance accounts for leases in accordance with ASC 842. In accordance with ASC 842, Philabundance determines if an arrangement is or contains a lease at contract inception and recognizes an asset and a lease liability at the lease commencement date. Contract terms determine if a lease will be accounted for as an operating or finance lease. Based on the lease contracts, nonlease components are separated and recorded as other liabilities. As a result, the nonlease components are not included in the lease calculation.

For operating leases, the lease liability is measured at the present value of the unpaid lease payments. The right-of-use ("ROU") asset is subsequently measured throughout the lease term at the carrying amount of the lease liability, plus initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received. Lease expense is recognized on a straight-line basis over the lease term.

For finance leases, the lease liability is initially measured in the same manner as operating leases and is subsequently measured at amortized cost using the effective-interest method. The asset is subsequently amortized using the straight-line method from the lease commencement date to the earlier of the end of its useful life or lease term unless the lease transfers ownership to Philabundance. Amortization of the asset and interest expense of the lease liability are recognized and presented separately.

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

Philabundance has elected not to recognize ROU assets and lease liabilities for short-term leases that have a term of 12 months or less and recognizes the lease payments associated with its short-term leases as an expense on a straight-line basis over the lease term.

Several key estimates and judgments are used to determine the ROU assets and operating lease liabilities including the discount rate used to discount the unpaid lease payments to present value, lease term, and lease payments. ASC 842 requires a lessee to discount its unpaid lease payments using the interest rate implicit in the lease or, if that rate cannot be readily determined, its incremental borrowing rate. The incremental borrowing rate is the rate of interest Philabundance would have to pay to borrow an amount equal to the lease payments under similar terms and conditions.

Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. There were significant estimates recorded in these consolidated financial statements for the value of donated food and commodity inventories and revenues for donations received and the associated value of food and supplies that were distributed.

Functional Allocation of Expenses

The cost of providing the various programs, which include food distribution and other ancillary programs of Philabundance, has been shown in the consolidated statements of functional expenses. The smaller related programs have not been shown separately because none of the programs are individually significant in relation to the food distribution program. Certain costs have been allocated between program and supporting services on an equitable basis as follows:

<u>Expense</u>	<u>Method of Allocation</u>
Personnel	Time and effort
Fringe benefits	Time and effort
Occupancy	Square footage
Telephone	Square footage
Insurance	Square footage
Repairs and maintenance	Square footage
Depreciation	Square footage

Accounting Pronouncement Not Yet Adopted

In September 2020, the FASB issued Accounting Standards Update ("ASU") 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (Topic 958), which is effective for fiscal years beginning after June 15, 2021, with early adoption permitted, and is intended to improve transparency in the reporting of contributed nonfinancial assets, also known as gifts in-kind, for not-for-profit organizations. The ASU requires a not-for-profit organization to present contributed nonfinancial assets as a separate line item in the consolidated statement of activities, apart from contributions of cash or other financial assets, along with expanded disclosure requirements. Management is evaluating the impact this will have on its consolidated financial statements.

Reclassifications

Certain items at September 30, 2020 have been reclassified to conform to the presentation at September 30, 2021. There was no effect on net assets for these reclassifications.

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

3. FINANCIAL ASSETS AND LIQUIDITY RESOURCES

As of September 30, 2021 and 2020, financial assets and liquidity resources available within one year for general expenditures, such as operating expenses, scheduled principal payments on debt, and capital construction costs not financed with debt, were as follows:

	<u>2021</u>	<u>2020</u>
Financial assets		
Cash and cash equivalents	\$ 28,615,159	\$ 21,674,371
Accounts receivable, net	1,031,315	1,596,172
Current portion of contributions receivable	305,892	485,012
Investments	<u>2,295,404</u>	<u>1,617,378</u>
	32,247,770	25,372,933
Less: Financial assets unavailable for general expenditures		
Promises to give, long-term	(49,250)	(512,360)
Net assets with donor restrictions	<u>(2,232,530)</u>	<u>(7,104,091)</u>
Total financial assets available within one year	<u>\$ 29,965,990</u>	<u>\$ 17,756,482</u>

Philabundance looks to maintain financial assets to meet 90 days of operating expenses. As part of its liquidity plan, excess cash is invested in investments for long-term growth. Significant contributions and government funding are received annually to fund annual operating expenses.

4. ENDOWMENT AND INVESTMENTS

Investments consist of the following at September 30, 2021:

	<u>Cost</u>	<u>Fair Value</u>
Equity Mutual Funds	\$ 984,618	\$ 2,054,776
Fixed Income Mutual Funds	328,689	331,593
Preferred Stock	<u>1,000</u>	<u>1,000</u>
	<u>\$ 1,314,307</u>	<u>\$ 2,387,369</u>

Investments consist of the following at September 30, 2020:

	<u>Cost</u>	<u>Fair Value</u>
Equity Mutual Funds	\$ 759,801	\$ 1,454,227
Fixed Income Mutual Funds	225,009	284,351
Preferred Stock	<u>1,000</u>	<u>1,000</u>
	<u>\$ 985,810</u>	<u>\$ 1,739,578</u>

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

Investment income consists of the following for the years ended September 30:

	<u>2021</u>	<u>2020</u>
Interest and dividend income	\$ 31,575	\$ 55,877
Realized (loss) gain	(4,981)	24,186
Unrealized gain	<u>444,070</u>	<u>140,772</u>
	<u>\$ 470,664</u>	<u>\$ 220,835</u>

5. CONTRIBUTIONS RECEIVABLE

At September 30, 2021, contributions receivable are due as follows:

2022	\$ 311,500
2023	29,250
2024	<u>20,000</u>
	360,750
Less: Discount to net present value	<u>(5,608)</u>
	<u>\$ 355,142</u>

6. FAIR VALUE

Philabundance has provided fair value disclosure information for relevant assets and liabilities in these consolidated financial statements. Philabundance values such assets (liabilities) using quoted market prices in active markets (Level 1) for identical assets to the extent possible. To the extent that such market prices are not available, Philabundance attempts to value such assets (liabilities) using observable measurement criteria, including quoted market prices of similar assets (liabilities) in active and inactive markets and other corroborated factors (Level 2). In the event that quoted market prices in active markets and other observable measurement criteria are not available, Philabundance develops measurement criteria based on the best information available (Level 3).

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. For years ended September 30, 2021 and 2020, there were no significant transfers in or out of Level 3.

The following tables summarize the assets which have been accounted for at fair value on a recurring basis as of September 30, 2021 and 2020, along with the basis for the determination of fair value as follows:

	<u>2021</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Marketable securities				
Equity Mutual Funds	\$ 2,054,776	\$ -	\$ -	\$ 2,054,776
Fixed Income Mutual Funds	331,593	-	-	331,593
Preferred Stock	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>1,000</u>
	2,387,369	-	-	2,387,369
Beneficial interest	<u>-</u>	<u>-</u>	<u>18,640</u>	<u>18,640</u>
	<u>\$ 2,387,369</u>	<u>\$ -</u>	<u>\$ 18,640</u>	<u>\$ 2,406,009</u>

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

	2020			
	Level 1	Level 2	Level 3	Total
Marketable securities				
Equity Mutual Funds	\$ 1,454,227	\$ -	\$ -	\$ 1,454,227
Fixed Income Mutual Funds	284,351	-	-	284,351
Preferred Stock	1,000	-	-	1,000
	<u>1,739,578</u>	<u>-</u>	<u>-</u>	<u>1,739,578</u>
Beneficial interest	-	-	14,460	14,460
	<u>\$ 1,739,578</u>	<u>\$ -</u>	<u>\$ 14,460</u>	<u>\$ 1,754,038</u>

7. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	2021	2020
Land	\$ 1,222,831	\$ 1,222,831
Building and improvements	16,183,524	16,135,697
Furniture and fixtures	1,812,859	1,687,562
Equipment	1,167,591	1,047,855
Computer hardware and software	840,431	696,738
Vehicles	1,233,510	742,212
Construction in progress	-	19,883
	<u>22,460,746</u>	<u>21,552,778</u>
Less: Accumulated depreciation	<u>4,834,722</u>	<u>3,805,729</u>
	<u>\$ 17,626,024</u>	<u>\$ 17,747,049</u>

Depreciation expense amounted to \$1,099,560 and \$563,082 for the years ended September 30, 2021 and 2020, respectively.

8. BENEFICIAL INTEREST

During the year ended September 30, 2003, Philabundance transferred \$10,000 of unrestricted funds to The Philadelphia Foundation (a community foundation). Under the terms of the organizational endowment fund agreement, the community foundation will provide an annual distribution to Philabundance as long as Philabundance maintains its present 501(c)(3) status. Accordingly, the projected income is classified as part of net assets without donor restrictions at September 30, 2021 and 2020. Given the nature of the promises, as well as the inability to compute the present value of the income stream, the beneficial interest has been recorded on the consolidated statements of financial position at the market value of Philabundance's proportionate share. The value of the beneficial interest was \$18,640 and \$14,460 as of September 30, 2021 and 2020, respectively. The activity in the beneficial interest is recorded in the consolidated statements of activities as a change in net assets without donor restrictions for the years ended September 30, 2021 and 2020.

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

9. ENDOWMENT

Philabundance's endowment consists of a fund restricted in perpetuity to continue the purpose of the organization. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Philabundance considers the following factors when making a determination to appropriate or accumulate donor-restricted endowment funds: the duration and preservation of the fund, the purposes of Philabundance and the donor-restricted endowment fund, general economic conditions, the possible effect of inflation and deflation, the expected total return from income, and the appreciation of investments and the investment policies of Philabundance.

In addition, Philabundance is guided in its total return policy by Commonwealth of Pennsylvania Act 141, which dictates the amount of allowable distributions to be made from a restricted endowment. The act states that the annual distribution cannot exceed 7% of the principal (value of the principal is the fair market value of the endowment assets averaged over a period of three or more preceding years).

Philabundance's endowment funds at September 30, 2021 consist of a general endowment of \$1,254,478, Giant endowment of \$825,948, and PCK endowment of \$241,262. Income from the Giant and PCK endowments are restricted for specific purposes and are therefore not available for general expenditure.

Endowment activity for the years ended is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
October 1, 2019	\$ 528,180	\$ 966,359	\$ 1,494,539
Investment income	3,691	25,412	29,103
Net realized and unrealized gains	105,508	57,630	163,138
Distributions	<u>(48,877)</u>	<u>(21,525)</u>	<u>(70,402)</u>
September 30, 2020	588,502	1,027,876	1,616,378
Contributions	-	250,000	250,000
Investment income	15,866	11,820	27,686
Net realized and unrealized gains	245,163	166,762	411,925
Distributions	<u>(53,696)</u>	<u>(42,632)</u>	<u>(96,328)</u>
September 30, 2021	<u>\$ 795,835</u>	<u>\$ 1,413,826</u>	<u>\$ 2,209,661</u>

10. LINE OF CREDIT

As of April 22, 2020, the Organization's line of credit was increased from \$500,000 to \$2,500,000. The line of credit is unsecured but is supported by a negative pledge on the property located at 302 West Berks Street, Philadelphia, Pennsylvania. Any advances are payable on demand and accrue interest at a rate of 1.89% at September 30, 2020. As of September 30, 2020, no amount was outstanding on the line of credit. The line of credit expired on April 30, 2021 and was not renewed.

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

11. LONG-TERM DEBT

Construction/Permanent Mortgage

On October 16, 2009, Philabundance entered into a \$4,000,000 construction/permanent mortgage loan with Citizens Bank to refinance existing term debt and fund building renovations. The loan included a 24-month interest-only drawdown period during construction, of which \$1,948,401 was borrowed (maximum available was \$2,000,000). The \$1,948,401 borrowed was repaid in full during fiscal 2011. The remaining portion of the construction loan was converted to a \$2,000,000 permanent mortgage to be amortized over a 20-year period beginning October 16, 2011, with a call option beginning at the end of years 5, 10, and 15. The call option was not exercised at the end of year 5. The note includes various restrictive covenants and requires interest-only payments during the initial 24-month drawdown period for building renovations during which the loan served as a nonrevolving construction line of credit.

The loan requires monthly installments of principal in equal amounts to cause the permanent mortgage loan to be fully amortized between the conversion date and the loan maturity date and interest at a rate of 2.90% at September 30, 2020. The loan is collateralized by real property owned by Philabundance at 3600-3614, 3616-3640, and 3642-3644 South Galloway Street, Philadelphia, Pennsylvania. The loan was repaid on February 26, 2021.

Subordinate Financing

A second loan, in the amount of \$1,000,000, was also negotiated on October 16, 2009 with The Reinvestment Fund. The loan is a 22-year note that requires interest-only payments for the first 24 months and thereafter carries a fixed rate of 4% for the remaining 20 years. After the initial interest-only period, monthly installments of principal and interest in the amount of \$4,774 will be due on the outstanding principal balance during the preceding month and based upon a hypothetical term of 240 months. A balloon payment of \$468,605 is due on September 30, 2031, which is the maturity date. The lender has call options at the end of years 10 and 15. The call option was not exercised at the end of year 10. The loan is collateralized by a second priority mortgage, security agreement, and fixture filing covering real property owned by Philabundance at 3600-3614, 3616-3640 and 3642-3644 South Galloway Street, Philadelphia, Pennsylvania. The loan was repaid on April 30, 2021.

Interest expense for the above loans amounted to \$47,235 and \$77,930 for the years ended September 30, 2021 and 2020, respectively.

Self-Amortizing Long-Term Debt - PCK 2.0

On April 23, 2019, Philabundance entered into an agreement with Philadelphia Redevelopment Authority to borrow a sum not to exceed \$4,000,000 for the new construction of a building as well as \$679,999 for the acquisition of land located at 2224-38 N. 10th Street, Philadelphia, Pennsylvania. The construction loan consists of \$2,500,000 funded through Community Development Block Grant ("CDBG") funds from the U.S. government and \$1,500,000 funded under the Choice Neighborhoods Initiative Implementation grants.

The land and building are to be used to provide culinary arts job training programs to students at least 51% of whom are low- to moderate-income persons. The amount disbursed to Philabundance was \$338,701 and \$3,661,299 under this loan agreement as of September 30, 2021 and 2020, respectively. The term of the construction loan will be for a 25-year period commencing as of the date of the agreement. The loan bears no interest. Beginning on the 21st anniversary of the agreement until the end of the term of the loan, the principal balance of the loan shall be reduced without payment by an amount equal to 20% of the original principal amount of the loan, provided Philabundance complies with the terms and conditions of the agreement.

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

The term of the land acquisition loan will be for a 10-year period commencing on the date of completion of the construction of the project. Beginning on the 5th anniversary of the construction completion and for each successive annual anniversary until the end of the term of the loan, the principal balance of the loan shall be reduced without payment by an amount equal to \$113,333, provided Philabundance complies with the terms and conditions of the agreement.

Principal amounts due for the mortgages and loans for the next five years and thereafter are as follows:

2022	\$	-
2023		-
2024		-
2025		-
2026		-
Thereafter		<u>4,679,999</u>
	\$	<u>4,679,999</u>

12. LEASES

Philabundance leases a warehouse space, vehicles, and office equipment under operating leases, which have a noncancelable term exceeding one year. Operating lease expense was \$177,650 and \$178,001 for the years ended September 30, 2021 and 2020, respectively.

The consolidated balance sheets include operating lease right-of-use assets and liabilities at September 30, 2021 and 2020 as follows:

	<u>2021</u>	<u>2020</u>
Operating lease right-of-use assets, gross	\$ 5,722,178	\$ 804,555
Less: Accumulated amortization of right-of-use assets	<u>(673,140)</u>	<u>(345,393)</u>
Total operating lease right-of-use assets, net	<u>\$ 5,049,038</u>	<u>\$ 459,162</u>
Current portion of operating lease obligations	\$ 454,334	\$ 177,650
Long-term operating lease obligations	<u>4,594,704</u>	<u>281,512</u>
Total operating lease obligations	<u>\$ 5,049,038</u>	<u>\$ 459,162</u>

Future maturities of operating lease liabilities are as follows:

2022	\$	745,666
2023		1,096,985
2024		1,017,618
2025		1,019,531
2026		1,029,600
Thereafter		<u>526,500</u>
		5,435,900
Less: Imputed interest		<u>(386,862)</u>
	\$	<u>5,049,038</u>

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

13. PAYCHECK PROTECTION PROGRAM LOAN

On April 29, 2020, Philabundance was issued an unsecured promissory note (the "PPP Loan") for \$1,531,200 through the Paycheck Protection Program ("PPP") established under the Coronavirus Aid Relief and Security Act, and administered by the U.S. Small Business Administration ("SBA"). The PPP Loan is guaranteed by the SBA. The PPP Loan may be forgiven, in whole or in part, if the Organization was eligible for the PPP Loan at the time of application, used the loan proceeds for eligible expenses within the defined 8- or 24-week period after the PPP Loan was disbursed ("Covered Period"), and otherwise satisfied PPP requirements. The PPP Loan was made through Citizens Bank, has a two-year term, bears interest at 1.00% per annum, and matures on April 28, 2022. If the PPP Loan is not forgiven, monthly principal and interest payments are deferred until ten months after the end of the Covered Period.

When it applied for the loan, Philabundance believed it would qualify to have the loan forgiven under the terms of PPP, and therefore considered the loan to be a conditional government grant. The Organization has performed initial calculations for PPP loan forgiveness, and it expects that the PPP Loan will be forgiven in full because 1) the Organization has, prior to September 30, 2021, utilized all of the proceeds for payroll and other qualified expenses, and 2) the Organization believes it will continue to comply with other terms and conditions necessary for forgiveness.

Philabundance concluded that the PPP Loan should be accounted for as a government grant. As U.S. GAAP does not contain guidance on the accounting for government grants to commercial entities, Philabundance is following the guidance in ASC 958-605, *Not for Profit Entities - Revenue Recognition*, by analogy. Under the provisions of ASC 958-605, the PPP Loan represents, in substance, a grant that is expected to be forgiven (a conditional contribution). The conditional contribution is recognized as grant income at a point in time once the conditions of release have been substantially met or explicitly waived or over a period of time as it incurs qualifying PPP expenses. Philabundance recognized PPP grant income for the full amount of the PPP Loan in the accompanying consolidated statement of activities and changes in net assets, and no liability for the PPP Loan is reflected in the accompanying consolidated statement of financial position. The PPP Loan was forgiven on September 1, 2021 and is included in grants and contributions for the year ended September 30, 2021.

14. RETIREMENT PLANS

Philabundance has a qualified retirement plan under IRC Section 403(b) covering eligible employees. Philabundance provides a 50% employer match on voluntary employee contributions for up to 4% of the employee's salary. In addition, Philabundance contributes 1% of each employee's salary amount. These contributions are made after each payroll. Contributions by Philabundance for the years ended September 30, 2021 and 2020 were \$170,786 and \$127,731, respectively.

15. CONCENTRATION OF CREDIT RISK

Philabundance's financial instruments that are exposed to concentrations of credit risk consist primarily of its cash, cash equivalents, investments, accounts receivable, and contributions receivable. At times during the year, cash of Philabundance deposited in financial institutions exceeds the Federal Deposit Insurance Corporation limit. The management of Philabundance deposits cash funds in high-quality institutions to lessen the amount of uninsured exposure.

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

16. NET ASSETS

Components of consolidated net assets with donor restrictions at September 30, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Subject to expenditure for specific purpose		
Building	\$ 176,407	\$ 327,677
Children and seniors	136,753	-
COVID-19 response	-	3,916,129
Food purchases	-	977,734
Fuel	4,071	130,561
Other programs	<u>317,405</u>	<u>711,834</u>
	634,636	6,063,935
Subject to passage of time		
For periods after September 30	360,750	55,512
Investments in perpetuity		
Children	600,000	600,000
Philabundance Community Kitchen	252,500	-
General operations	<u>384,644</u>	<u>384,644</u>
	<u>\$ 2,232,530</u>	<u>\$ 7,104,091</u>
Net assets released from restrictions:		
Building	\$ 336,566	\$ 2,777,339
Capital Needs & other programs	35,891	-
Children & Seniors	723,627	-
Emergency COVID-19 Relief	4,935,846	9,294,541
Food purchases	3,559,585	658,947
Fuel	126,490	174,680
Other programs	<u>1,218,774</u>	<u>1,823,722</u>
	<u>\$ 10,936,779</u>	<u>\$ 14,729,229</u>

17. IN-KIND DONATIONS

Entities receiving contributions are to recognize them at the estimated fair value of the assets received. The estimated fair value of donated food is based on the average wholesale value per pound of donated product type as determined by an independent annual survey commissioned by Feeding America, a national hunger relief, public policy, and advocacy organization.

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

Estimated food value donations are shown in the following table for the years ended September 30:

	2021			2020		
	Value Per Pound	Total Pounds	Total Value	Value Per Pound	Total Pounds	Total Value
Nonfood	\$ 4.18	739,290	\$ 8,899,599	\$ 12.59	396,714	\$ 4,994,629
Baby food	7.39	31,567	282,815	9.05	28,602	258,848
Beverage	1.42	387,901	357,776	1.04	415,714	432,343
Bread/bakery	2.24	2,421,456	6,345,743	2.62	2,482,065	6,503,010
Cereal	3.62	267,836	1,255,163	3.22	163,690	527,081
Meals, soups, entrees	2.60	1,110,436	2,309,899	2.19	837,553	1,834,241
Dairy	2.26	3,115,548	6,722,712	2.25	6,496,308	14,616,693
Dessert	2.02	3,460	7,959	2.30	13,259	30,496
Fruit - canned and frozen	1.34	1,022,102	1,594,500	1.59	603,716	959,908
Grain	1.52	157,842	89,337	1.33	123,219	163,881
Health/beauty	14.42	23,347	504,062	21.59	-	-
Household cleaning products	2.45	34,560	203,670	-	-	-
Juice	1.61	606,913	366,078	1.31	528,463	692,287
Meat	3.02	4,059,427	8,058,492	1.71	4,051,265	6,927,663
Mixed foods	1.79	11,244,656	19,533,615	1.74	5,737,150	9,982,641
Nondairy	1.45	-	-	1.71	18,279	31,257
Nutritional aid	4.05	9,651	35,321	3.66	64,729	236,908
Paper - household	2.13	-	-	7.48	2,145	16,045
Pasta	1.50	234,210	148,067	1.09	203,117	221,398
Pet food/pet care	0.74	-	-	1.08	6,754	7,294
Protein	1.96	1,419,227	1,866,699	2.09	712,195	1,488,487
Rice	1.58	15,170	147,917	2.66	120,840	321,434
Snack food	3.75	86,667	282,540	3.47	201,192	698,136
Condiments	1.56	190,153	246,367	1.90	465,699	884,828
Vegetables - canned and frozen	1.31	266,265	406,768	1.89	525,382	992,971
Fresh fruits/vegetables	0.77	8,380,939	5,483,909	0.70	18,675,329	13,072,730
Prepared and perishable food	1.79	1,206,324	1,797,423	1.49	941,755	1,403,215
		<u>37,034,947</u>	<u>\$ 66,946,431</u>		<u>43,815,134</u>	<u>\$ 67,298,424</u>

18. SUBSEQUENT EVENTS

Subsequent to year end, the Organization received all assets and intangibles for Good Pizza to begin operations as a program of Philabundance.

Philabundance has evaluated subsequent events occurring after the consolidated statement of financial position date through the date of May 16, 2022, which is the date the consolidated financial statements were available to be issued. Based upon this evaluation, Philabundance has determined that no additional subsequent events have occurred, which require disclosure in or adjustment to the consolidated financial statements.

SUPPLEMENTARY INFORMATION

Philabundance

Schedule of Expenditures of Federal Awards and City Awards

Year Ended September 30, 2021

Federal Grantor/Pass-through Grantor Program Title	Assistance Listing Number	Pass Through Award Number	Grant Period	Passed Through to Subrecipients	Expenditures
<u>U.S. Department of Agriculture</u>					
Social Impact Market Hall: A Food Business	10.175	AM200100XXXG088	10/1/2020 - 09/30/2021	\$ -	\$ 55,050
Food Distribution Cluster					
Pass-through the Pennsylvania Department of Agriculture					
The Emergency Food Assistance Program - Bonus (Commodity Funds)	10.569	N/A	10/1/2020 - 09/30/2021	-	7,702,869
The Emergency Food Assistance Program - Mitigation (Commodity Funds)	10.569	N/A	10/1/2020 - 09/30/2021	-	1,137,521
The Emergency Food Assistance Program - COSSUP	10.568	N/A	10/1/2020 - 09/30/2021	-	455,281
The Emergency Food Assistance Program - Administration Funds	10.568	N/A	10/1/2020 - 09/30/2021	-	282,289
				-	9,577,960
Pass-through the Central Pennsylvania Food Bank					
The Emergency Food Assistance Program	10.569	N/A	10/1/2020 - 09/30/2021	-	36,509
Pass-through the New Jersey Department of Agriculture					
The Emergency Food Assistance Program	10.569	N/A	10/1/2020 - 09/30/2021	-	161,630
Pass-through Other Agencies					
The Emergency Food Assistance Program	10.569	N/A	10/1/2020 - 09/30/2021	-	297,017
Pass-through the Hunger-Free PA					
Commodity Supplemental Food Program (Food Commodities)	10.565	N/A	10/1/2020 - 09/30/2021	-	2,398,465
Commodity Supplemental Food Program (Administrative Cost)	10.565	N/A	10/1/2020 - 09/30/2021	-	293,493
				-	2,691,958
Total Food Distribution Cluster				-	12,765,074
Passed through the Pennsylvania Department of Human Services					
Supplemental Nutrition Assistance Program (SNAP)	10.561	4100082141	10/1/2020 - 09/30/2021	-	167,040
Pass-through City of Philadelphia, Office of Supportive Housing					
Child and Adult Care Food Program	10.558	19-20178-03	7/1/2020 - 6/30/2021	-	121,595
Child and Adult Care Food Program	10.558	222091	7/1/2021 - 6/30/2022	-	55,348
				-	176,943
Total U.S. Department of Agriculture				-	13,164,107
<u>U.S. Department of Housing and Urban Development</u>					
Choice Neighborhoods Initiative Implementation Grant Loan	14.892	N/A	4/23/2019 - 3/23/2044	-	1,500,000
Community Development Block Grant Loan - PCK 2.0 - beginning balance	14.218	N/A	4/23/2019 - 3/23/2044	-	2,161,299
Community Development Block Grant Loan - PCK 2.0 - additional funding	14.218	N/A	4/23/2019 - 3/23/2044	-	338,701
				-	2,500,000
Total U.S. Department of Housing and Urban Development				-	4,000,000
Total federal awards				\$ -	\$ 17,164,107
<u>City Awards</u>					
Pass-through City of Philadelphia, Office of Homeless Services					
State Food Purchase Program	N/A	2020326-01	7/1/2020 - 6/30/2021	\$ -	\$ 150,000
Emergency and Temporary Housing	N/A	19-20220-02	7/1/2020 - 6/30/2021	-	186,006
Emergency and Temporary Housing	N/A	19-20220-03	7/1/2020 - 6/30/2021	-	97,430
Emergency and Temporary Housing	N/A	19-20220-04	7/1/2021 - 6/30/2022	-	70,056
				-	503,492
Total expenditures of federal awards and city awards				\$ -	\$ 17,667,599

See Independent Auditor's Report.
See accompanying Notes to Schedule of Expenditures of Federal Awards and City Awards.

Philabundance

Notes to Schedule of Expenditures of Federal Awards and City Awards

September 30, 2021

1. GENERAL INFORMATION

The accompanying schedule of expenditures of federal awards and city awards presents the activities in all the federal and city awards programs of Philabundance. All financial assistance received directly from federal and city agencies as well as financial assistance passed through other governmental agencies or nonprofit organizations is included on the schedule.

2. BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards and city awards is presented using the accrual basis of accounting. The amounts reported in the schedule as expenditures may differ from certain financial reports submitted to federal and city funding agencies due to those reports being submitted on either a cash or modified accrual basis of accounting.

3. RELATIONSHIP TO BASIC CONSOLIDATED FINANCIAL STATEMENTS

Federal and city awards are reported on the consolidated statement of functional expenses as program services. In certain programs, the expenditures reported in the basic consolidated financial statements may differ from the expenditures reported in the schedule of expenditures of federal awards and city awards due to program expenditures exceeding grant or contract budget limitations or agency matching or in-kind contributions which are not included as federal awards and city financial assistance. Donated commodities received that have not been distributed are shown as inventory in the consolidated statement of financial position. Donated commodities that have been distributed are shown in the consolidated statement of activities and changes in net assets as donated food distributed. Distributed food is released from inventory at the fair value on the date of distribution. Due to the generally short periods between receipt of food donations and their subsequent distributions, the fair value on the date of receipt generally approximates the fair value on the date of distribution.

4. FEDERAL DONATED COMMODITIES

The value of nonmonetary assistance in the form of donated commodities is reported in the schedule of expenditures of federal awards and city awards when distributed based on the value of the commodities when received. This value is generally fair value on the date of receipt but may be an assessed value if provided by the Department of Agriculture. At September 30, 2021, Philabundance had federal food commodities totaling \$0 recorded in inventory that is available for distribution during the subsequent fiscal year.

5. LOAN PROGRAMS

The value of nonmonetary assistance in the form of donated commodities is reported in the schedule of federal awards and city awards, and the amount expended for the Community Development Block Grant Loan was \$338,701. These are new loans received during the year ended September 30, 2021.

6. INDIRECT COST RATE

The de minimis rate was used in two of the federal awards.

See Independent Auditor's Report.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,
Philabundance:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of Philabundance ("the Organization"), which comprise the consolidated statement of financial position as of September 30, 2021, and the related consolidated statements of activities and changes in net assets, cash flows, and functional expenses for the year then ended, and the related notes to consolidated financial statements and have issued our report thereon dated May 16, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Philabundance's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Philabundance's internal control. Accordingly, we do not express an opinion on the effectiveness of Philabundance's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of Philabundance's consolidated financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads 'Withum Smith + Brown, PC'.

May 16, 2022

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND CITY PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,
Philabundance:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Philabundance's (the "Organization") compliance with the types of compliance requirements identified as subject to audit in the Office of Management and Budget *Compliance Supplement* that could have a direct and material effect on each of Philabundance's major federal programs for the year ended September 30, 2021. Philabundance's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Philabundance complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

WithumSmith+Brown, PC

May 16, 2022

Philabundance
Schedule of Findings and Questioned Costs
Year Ended September 30, 2021

Section 1 – Summary of Auditor’s Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with U.S. GAAP: Unmodified

Internal control over financial reporting
 Material weaknesses identified? No
 Significant deficiencies identified that are not considered to be material weaknesses? None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs
 Material weaknesses identified? No
 Significant deficiencies identified that are not considered to be material weaknesses? None reported

Type of auditor’s report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of major federal programs:

<u>Federal Agency/Pass Through</u>	<u>Federal Program</u>
Hunger Free Pennsylvania	Commodity Supplemental Food Program
Pennsylvania Department of Agriculture	Emergency Food Assistance Program
Pennsylvania Department of Agriculture	Emergency Food Assistance Program

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000
 Federal programs

Auditee qualified as a low-risk auditee? No

Philabundance
Schedule of Findings and Questioned Costs
Year Ended September 30, 2021

Section 2 – Consolidated Financial Statement Findings

None.

Section 3 – Federal Award Findings and Questioned Costs

None.

Section 4 – Schedule of Prior Year Audit Findings and Questioned Costs

Finding 2020-001 Material Weakness in Internal Control over Financial Reporting

The internal control structure did not prevent material errors in the reported fees for service revenue, receivables, and long-term debt obligation in the financial statements as of September 30, 2020.

Follow up.

Finding was corrected in current year.

SUPPLEMENTARY INFORMATION

**City of Philadelphia
Office of Homeless Services**

Philabundance
City of Philadelphia, Office of Homeless Services
Contract Number 20-20326-01
Reconciliation of Agency Reported Expenditures/Revenues
to Audited Expenditures/Revenues
Year Ended September 30, 2021

BUDGET CATEGORIES	1 AGENCY TOTAL CONTRACT EXPENDITURES	2 ADJUSTMENTS	3 AMOUNT PER AUDIT
PERSONNEL SERVICES			
	\$ -	\$ -	\$ -
	-	-	-
	-	-	-
	-	-	-
	-	-	-
SUB-TOTAL: Personnel Services	\$ -	\$ -	\$ -
OPERATING EXPENSES			
	\$ -	\$ -	\$ -
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
SUB-TOTAL: Operating Expenses	\$ -	\$ -	\$ -
FIXED ASSETS			
	\$ -	\$ -	\$ -
	-	-	-
	-	-	-
	-	-	-
SUB-TOTAL: Fixed Assets	\$ -	\$ -	\$ -

Philabundance
City of Philadelphia, Office of Homeless Services
Contract Number 20-20326-01
Reconciliation of Agency Reported Expenditures/Revenues
to Audited Expenditures/Revenues (Continued)
Year Ended September 30, 2021

BUDGET CATEGORIES	AGENCY TOTAL CONTRACT EXPENDITURES	ADJUSTMENTS	AMOUNT PER AUDIT
ADMINISTRATIVE COSTS			
	\$ -	\$ -	\$ -
	-	-	-
	-	-	-
	-	-	-
	-	-	-
SUB-TOTAL: Administrative Costs	\$ -	\$ -	\$ -
PARTICIPANTS			
Food	\$ 150,000	\$ -	\$ 150,000
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
SUB-TOTAL: Participants	\$ 150,000	\$ -	\$ 150,000
OSH CONTRACT BUDGET/EXPENDITURES	\$ 150,000	\$ -	\$ 150,000
Client fees	\$ -	\$ -	\$ -
City of Philadelphia	150,000	-	150,000
Total funding	\$ 150,000	\$ -	\$ 150,000
Excess of expenditures over funding sources	\$ -	\$ -	\$ -

Philabundance
City of Philadelphia, Office of Homeless Services
Contract Number 20-20326-01
Reconciliation of Agency Reported Expenditures/Revenues
to Audited Expenditures/Revenues (Continued)
Year Ended September 30, 2021

<u>Contract Categories</u>	<u>Cumulative Expenses</u>					<u>Other Adjustments</u>					<u>Remaining Balance</u>				
	<u>Supportive Services</u>	<u>Admin Costs</u>	<u>Leasing</u>	<u>ASH Match</u>	<u>Total</u>	<u>Supportive Services</u>	<u>Admin Costs</u>	<u>Leasing</u>	<u>ASH Match</u>	<u>Total</u>	<u>Supportive Services</u>	<u>Admin Costs</u>	<u>Leasing</u>	<u>ASH Match</u>	<u>Total</u>
Direct personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fringe benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Occupancy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Supplies	150,000	-	-	-	150,000	-	-	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Program cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating subtotal	150,000	-	-	-	150,000	-	-	-	-	-	-	-	-	-	-
Audit costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contract total	<u>\$ 150,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 150,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Philabundance
City of Philadelphia, Office of Homeless Services
Contract Number 19-20178-03
Reconciliation of Agency Reported Expenditures/Revenues
to Audited Expenditures/Revenues
Year Ended September 30, 2021

BUDGET CATEGORIES	1 AGENCY TOTAL CONTRACT EXPENDITURES	2 ADJUSTMENTS	3 AMOUNT PER AUDIT
PERSONNEL SERVICES			
Salaries	\$ 73,311	\$ -	\$ 73,311
Fringe Benefits	7,409	-	7,409
	-	-	-
	-	-	-
	-	-	-
SUB-TOTAL: Personnel Services	\$ 80,720	\$ -	\$ 80,720
OPERATING EXPENSES			
Building Maintenance	\$ 4,201	\$ -	\$ 4,201
Supplies	121	-	121
Consumable Supplies	8,630	-	8,630
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
SUB-TOTAL: Operating Expenses	\$ 12,952	\$ -	\$ 12,952
FIXED ASSETS			
	\$ -	\$ -	\$ -
	-	-	-
	-	-	-
	-	-	-
SUB-TOTAL: Fixed Assets	\$ -	\$ -	\$ -

Philabundance
City of Philadelphia, Office of Homeless Services
Contract Number 19-20178-03
Reconciliation of Agency Reported Expenditures/Revenues
to Audited Expenditures/Revenues (Continued)
Year Ended September 30, 2021

BUDGET CATEGORIES	AGENCY TOTAL CONTRACT EXPENDITURES	ADJUSTMENTS	AMOUNT PER AUDIT
ADMINISTRATIVE COSTS			
Salaries	\$ 4,608	\$ -	\$ 4,608
Benefits	441	-	441
	-	-	-
	-	-	-
	-	-	-
SUB-TOTAL: Administrative Costs	\$ 5,049	\$ -	\$ 5,049
PARTICIPANTS			
Food	\$ 22,874	\$ -	\$ 22,874
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
SUB-TOTAL: Participants	\$ 22,874	\$ -	\$ 22,874
OSH CONTRACT BUDGET/EXPENDITURES	\$ 121,595	\$ -	\$ 121,595
Client fees	\$ -	\$ -	\$ -
City of Philadelphia	121,595	-	121,595
Total funding	\$ 121,595	\$ -	\$ 121,595
Excess of expenditures over funding sources	\$ -	\$ -	\$ -

Philabundance
City of Philadelphia, Office of Homeless Services
Contract Number 19-20178-03
Reconciliation of Agency Reported Expenditures/Revenues
to Audited Expenditures/Revenues (Continued)
Year Ended September 30, 2021

Contract Categories	Cumulative Expenses					Other Adjustments					Remaining Balance				
	Supportive Services	Admin Costs	Leasing	ASH Match	Total	Supportive Services	Admin Costs	Leasing	ASH Match	Total	Supportive Services	Admin Costs	Leasing	ASH Match	Total
Direct personnel	\$ 73,311	\$ 4,608	\$ -	\$ -	\$ 77,919	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fringe benefits	7,409	441	-	-	7,850	-	-	-	-	-	-	-	-	-	-
Professional fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Occupancy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Supplies	31,625	-	-	-	31,625	-	-	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Building maintenance	4,201	-	-	-	4,201	-	-	-	-	-	-	-	-	-	-
Program cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating subtotal	116,546	5,049	-	-	121,595	-	-	-	-	-	-	-	-	-	-
Audit costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contract total	<u>\$ 116,546</u>	<u>\$ 5,049</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 121,595</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Philabundance
City of Philadelphia, Office of Homeless Services
Contract Number 2220091
Reconciliation of Agency Reported Expenditures/Revenues
to Audited Expenditures/Revenues
Year Ended September 30, 2021

BUDGET CATEGORIES	1 AGENCY TOTAL CONTRACT EXPENDITURES	2 ADJUSTMENTS	3 AMOUNT PER AUDIT
PERSONNEL SERVICES			
Salaries	\$ 15,377	\$ -	\$ 15,377
	-	-	-
	-	-	-
	-	-	-
	-	-	-
SUB-TOTAL: Personnel Services	\$ 15,377	\$ -	\$ 15,377
OPERATING EXPENSES			
	\$ -	\$ -	\$ -
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
SUB-TOTAL: Operating Expenses	\$ -	\$ -	\$ -
FIXED ASSETS			
	\$ -	\$ -	\$ -
	-	-	-
	-	-	-
	-	-	-
SUB-TOTAL: Fixed Assets	\$ -	\$ -	\$ -

Philabundance
City of Philadelphia, Office of Homeless Services
Contract Number 2220091
Reconciliation of Agency Reported Expenditures/Revenues
to Audited Expenditures/Revenues (Continued)
Year Ended September 30, 2021

BUDGET CATEGORIES	AGENCY TOTAL CONTRACT EXPENDITURES	ADJUSTMENTS	AMOUNT PER AUDIT
ADMINISTRATIVE COSTS			
	\$ -	\$ -	\$ -
	-	-	-
	-	-	-
	-	-	-
	-	-	-
SUB-TOTAL: Administrative Costs	\$ -	\$ -	\$ -
PARTICIPANTS			
Food	\$ 39,971	\$ -	\$ 39,971
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
SUB-TOTAL: Participants	\$ 39,971	\$ -	\$ 39,971
OSH CONTRACT BUDGET/EXPENDITURES	\$ 55,348	\$ -	\$ 55,348
Client fees	\$ -	\$ -	\$ -
City of Philadelphia	55,348	-	55,348
Total funding	\$ 55,348	\$ -	\$ 55,348
Excess of expenditures over funding sources	\$ -	\$ -	\$ -

Philabundance
City of Philadelphia, Office of Homeless Services
Contract Number 2220091
Reconciliation of Agency Reported Expenditures/Revenues
to Audited Expenditures/Revenues (Continued)
Year Ended September 30, 2021

Contract Categories	Cumulative Expenses					Other Adjustments					Remaining Balance				
	Supportive Services	Admin Costs	Leasing	ASH Match	Total	Supportive Services	Admin Costs	Leasing	ASH Match	Total	Supportive Services	Admin Costs	Leasing	ASH Match	Total
Direct personnel	\$ 15,377	\$ -	\$ -	\$ -	\$ 15,377	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fringe benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Occupancy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Supplies	39,971	-	-	-	39,971	-	-	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Program cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating subtotal	55,348	-	-	-	55,348	-	-	-	-	-	-	-	-	-	-
Audit costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contract total	<u>\$ 55,348</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,348</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Philabundance
City of Philadelphia, Office of Homeless Services
Contract Number 19-20220-02
Reconciliation of Agency Reported Expenditures/Revenues
to Audited Expenditures/Revenues
Year Ended September 30, 2021

BUDGET CATEGORIES	1 AGENCY TOTAL CONTRACT EXPENDITURES	2 ADJUSTMENTS	3 AMOUNT PER AUDIT
PERSONNEL SERVICES			
Salaries	\$ 16,862	\$ -	\$ 16,862
	-	-	-
	-	-	-
	-	-	-
	-	-	-
SUB-TOTAL: Personnel Services	\$ 16,862	\$ -	\$ 16,862
OPERATING EXPENSES			
Professional Fees	\$ 122,197	\$ -	\$ 122,197
Travel	850	-	850
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
SUB-TOTAL: Operating Expenses	\$ 123,047	\$ -	\$ 123,047
FIXED ASSETS			
	\$ -	\$ -	\$ -
	-	-	-
	-	-	-
	-	-	-
SUB-TOTAL: Fixed Assets	\$ -	\$ -	\$ -

Philabundance
City of Philadelphia, Office of Homeless Services
Contract Number 19-20220-02
Reconciliation of Agency Reported Expenditures/Revenues
to Audited Expenditures/Revenues (Continued)
Year Ended September 30, 2021

BUDGET CATEGORIES	AGENCY TOTAL CONTRACT EXPENDITURES	ADJUSTMENTS	AMOUNT PER AUDIT
ADMINISTRATIVE COSTS			
Salaries	\$ 9,643	\$ -	\$ 9,643
	-	-	-
	-	-	-
	-	-	-
	-	-	-
SUB-TOTAL: Administrative Costs	\$ 9,643	\$ -	\$ 9,643
PARTICIPANTS			
Food	\$ 36,454	\$ -	\$ 36,454
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
SUB-TOTAL: Participants	\$ 36,454	\$ -	\$ 36,454
OSH CONTRACT BUDGET/EXPENDITURES	\$ 186,006	\$ -	\$ 186,006
Client fees	\$ -	\$ -	\$ -
City of Philadelphia	186,006	-	186,006
Total funding	\$ 186,006	\$ -	\$ 186,006
Excess of expenditures over funding sources	\$ -	\$ -	\$ -

Philabundance
City of Philadelphia, Office of Homeless Services
Contract Number 19-20220-02
Reconciliation of Agency Reported Expenditures/Revenues
to Audited Expenditures/Revenues (Continued)
Year Ended September 30, 2021

<u>Contract Categories</u>	<u>Cumulative Expenses</u>					<u>Other Adjustments</u>					<u>Remaining Balance</u>				
	<u>Supportive Services</u>	<u>Admin Costs</u>	<u>Leasing</u>	<u>ASH Match</u>	<u>Total</u>	<u>Supportive Services</u>	<u>Admin Costs</u>	<u>Leasing</u>	<u>ASH Match</u>	<u>Total</u>	<u>Supportive Services</u>	<u>Admin Costs</u>	<u>Leasing</u>	<u>ASH Match</u>	<u>Total</u>
Direct personnel	\$ 16,862	\$ 9,643	\$ -	\$ -	\$ 26,505	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fringe benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional fees	122,197	-	-	-	122,197	-	-	-	-	-	-	-	-	-	-
Travel	850	-	-	-	850	-	-	-	-	-	-	-	-	-	-
Occupancy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Supplies	36,454	-	-	-	36,454	-	-	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Program cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating subtotal	176,363	9,643	-	-	186,006	-	-	-	-	-	-	-	-	-	-
Audit costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contract total	\$ 176,363	\$ 9,643	\$ -	\$ -	\$ 186,006	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Philabundance
City of Philadelphia, Office of Homeless Services
Contract Number 19-20220-03
Reconciliation of Agency Reported Expenditures/Revenues
to Audited Expenditures/Revenues
Year Ended September 30, 2021

BUDGET CATEGORIES	1 AGENCY TOTAL CONTRACT EXPENDITURES	2 ADJUSTMENTS	3 AMOUNT PER AUDIT
PERSONNEL SERVICES			
	\$ -	\$ -	\$ -
	-	-	-
	-	-	-
	-	-	-
	-	-	-
SUB-TOTAL: Personnel Services	\$ -	\$ -	\$ -
OPERATING EXPENSES			
	\$ -	\$ -	\$ -
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
SUB-TOTAL: Operating Expenses	\$ -	\$ -	\$ -
FIXED ASSETS			
	\$ -	\$ -	\$ -
	-	-	-
	-	-	-
	-	-	-
SUB-TOTAL: Fixed Assets	\$ -	\$ -	\$ -

Philabundance
City of Philadelphia, Office of Homeless Services
Contract Number 19-20220-03
Reconciliation of Agency Reported Expenditures/Revenues
to Audited Expenditures/Revenues (Continued)
Year Ended September 30, 2021

BUDGET CATEGORIES	AGENCY TOTAL CONTRACT EXPENDITURES	ADJUSTMENTS	AMOUNT PER AUDIT
ADMINISTRATIVE COSTS			
	\$ -	\$ -	\$ -
	-	-	-
	-	-	-
	-	-	-
	-	-	-
SUB-TOTAL: Administrative Costs	\$ -	\$ -	\$ -
PARTICIPANTS			
Supplies	\$ 97,430	\$ -	\$ 97,430
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
SUB-TOTAL: Participants	\$ 97,430	\$ -	\$ 97,430
OSH CONTRACT BUDGET/EXPENDITURES	\$ 97,430	\$ -	\$ 97,430
Client fees	\$ -	\$ -	\$ -
City of Philadelphia	97,430	-	97,430
Total funding	\$ 97,430	\$ -	\$ 97,430
Excess of expenditures over funding sources	\$ -	\$ -	\$ -

Philabundance
City of Philadelphia, Office of Homeless Services
Contract Number 19-20220-03
Reconciliation of Agency Reported Expenditures/Revenues
to Audited Expenditures/Revenues (Continued)
Year Ended September 30, 2021

<u>Contract Categories</u>	<u>Cumulative Expenses</u>					<u>Other Adjustments</u>					<u>Remaining Balance</u>				
	<u>Supportive Services</u>	<u>Admin Costs</u>	<u>Leasing</u>	<u>ASH Match</u>	<u>Total</u>	<u>Supportive Services</u>	<u>Admin Costs</u>	<u>Leasing</u>	<u>ASH Match</u>	<u>Total</u>	<u>Supportive Services</u>	<u>Admin Costs</u>	<u>Leasing</u>	<u>ASH Match</u>	<u>Total</u>
Direct personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fringe benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Occupancy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Supplies	97,430	-	-	-	97,430	-	-	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Program cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating subtotal	97,430	-	-	-	97,430	-	-	-	-	-	-	-	-	-	-
Audit costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contract total	<u>\$ 97,430</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 97,430</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Philabundance
City of Philadelphia, Office of Homeless Services
Contract Number 19-20220-04
Reconciliation of Agency Reported Expenditures/Revenues
to Audited Expenditures/Revenues
Year Ended September 30, 2021

BUDGET CATEGORIES	1 AGENCY TOTAL CONTRACT EXPENDITURES	2 ADJUSTMENTS	3 AMOUNT PER AUDIT
PERSONNEL SERVICES			
Salaries	\$ 5,662	\$ -	\$ 5,662
	-	-	-
	-	-	-
	-	-	-
	-	-	-
SUB-TOTAL: Personnel Services	\$ 5,662	\$ -	\$ 5,662
OPERATING EXPENSES			
Professional Fees	\$ 23,136	\$ -	\$ 23,136
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
SUB-TOTAL: Operating Expenses	\$ 23,136	\$ -	\$ 23,136
FIXED ASSETS			
	\$ -	\$ -	\$ -
	-	-	-
	-	-	-
	-	-	-
SUB-TOTAL: Fixed Assets	\$ -	\$ -	\$ -

Philabundance
City of Philadelphia, Office of Homeless Services
Contract Number 19-20220-04
Reconciliation of Agency Reported Expenditures/Revenues
to Audited Expenditures/Revenues (Continued)
Year Ended September 30, 2021

BUDGET CATEGORIES	AGENCY TOTAL CONTRACT EXPENDITURES	ADJUSTMENTS	AMOUNT PER AUDIT
ADMINISTRATIVE COSTS			
Salaries	\$ 5,754	\$ -	\$ 5,754
	-	-	-
	-	-	-
	-	-	-
	-	-	-
SUB-TOTAL: Administrative Costs	\$ 5,754	\$ -	\$ 5,754
PARTICIPANTS			
Food & Food supplies	\$ 35,504	\$ -	\$ 35,504
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
SUB-TOTAL: Participants	\$ 35,504	\$ -	\$ 35,504
OSH CONTRACT BUDGET/EXPENDITURES	\$ 70,056	\$ -	\$ 70,056
Client fees	\$ -	\$ -	\$ -
City of Philadelphia	70,056	-	70,056
Total funding	\$ 70,056	\$ -	\$ 70,056
Excess of expenditures over funding sources	\$ -	\$ -	\$ -

Philabundance
City of Philadelphia, Office of Homeless Services
Contract Number 19-20220-04
Reconciliation of Agency Reported Expenditures/Revenues
to Audited Expenditures/Revenues (Continued)
Year Ended September 30, 2021

<u>Contract Categories</u>	<u>Cumulative Expenses</u>					<u>Other Adjustments</u>					<u>Remaining Balance</u>				
	<u>Supportive Services</u>	<u>Admin Costs</u>	<u>Leasing</u>	<u>ASH Match</u>	<u>Total</u>	<u>Supportive Services</u>	<u>Admin Costs</u>	<u>Leasing</u>	<u>ASH Match</u>	<u>Total</u>	<u>Supportive Services</u>	<u>Admin Costs</u>	<u>Leasing</u>	<u>ASH Match</u>	<u>Total</u>
Direct personnel	\$ 5,662	\$ 5,754	\$ -	\$ -	\$ 11,416	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fringe benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional fees	23,136	-	-	-	23,136	-	-	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Occupancy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Supplies	35,504	-	-	-	35,504	-	-	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Program cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating subtotal	64,302	5,754	-	-	70,056	-	-	-	-	-	-	-	-	-	-
Audit costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contract total	<u>\$ 64,302</u>	<u>\$ 5,754</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70,056</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>