

**FARMERS' MARKET FEDERATION
OF NEW YORK, INC.**

FINANCIAL STATEMENTS

Years Ended June 30, 2022 and 2021

TABLE OF CONTENTS

	Page No.
INDEPENDENT ACCOUNTANT'S REVIEW REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position	2
Statements of Activities	3
Statements of Cash Flows	4
Statement of Functional Expenses	5
Notes to the Financial Statements	7

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
Farmers' Market Federation of New York, Inc.

We have reviewed the accompanying financial statements of Farmers' Market Federation of New York, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022 and 2021, and the related statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

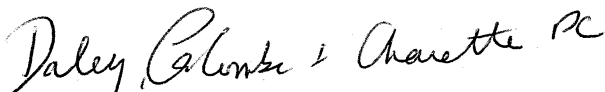
Auditors' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Farmers' Market Federation of New York, Inc. and to meet our ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.



Manlius, New York
October 10, 2022

FARMERS' MARKET FEDERATION OF NEW YORK, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 and 2021

ASSETS

	2022	2021
Current Assets:		
Cash	\$ 825,859	\$ 756,651
Cash - Exchange FMNP	11,042	27,675
Investments	460,473	521,594
Grants Receivable	317,160	144,091
Prepaid Expenses	900	1,800
TOTAL ASSETS	\$ 1,615,434	\$ 1,451,811

LIABILITIES AND NET ASSETS

Current Liabilities:		
Accrued Expenses	\$ 6,632	\$ 15,715
Funds Held for FMNP Grant	11,042	27,675
Deferred Revenue	62,402	62,402
TOTAL CURRENT LIABILITIES	80,076	105,792
Net Assets:		
Net Assets Without Restrictions	1,535,358	1,346,019
TOTAL LIABILITIES & NET ASSETS	\$ 1,615,434	\$ 1,451,811

See Notes to the Financial Statements.

FARMERS' MARKET FEDERATION OF NEW YORK, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2022 and 2021

	<u>Unrestricted</u> <u>2022</u>	<u>Unrestricted</u> <u>2021</u>
SUPPORT AND REVENUE:		
Support:		
Contributions and Conference Sponsor	\$ 5,482	\$ 889
Membership	0	43
Total support	5,482	932
Revenue:		
Government grants	215,677	239,444
Coupon Service Fees	373,572	234,783
Program Fees	9,080	6,588
Interest	5,606	1,704
Total revenue	603,935	482,519
Total support and revenue	609,417	483,451
EXPENSES:		
Program Expenses:		
Wireless technology	189,001	146,977
Training	76,680	108,524
Total program services	265,681	255,501
Supporting services:		
Management and general	82,654	74,417
Fundraising	8,938	2,189
Total supporting services	91,592	76,606
Total expenses	357,273	332,107
Change in net assest from operations	252,144	151,344
Gain (Loss) on Investments	(62,805)	135,308
Change in Net Assets	189,339	286,652
Net Assets - July 1	1,346,019	1,059,367
Net Assets - June 30	\$ 1,535,358	\$ 1,346,019

See Notes to the Financial Statements.

FARMERS' MARKET FEDERATION OF NEW YORK, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2022 and 2021

	2022	2021
Cash Flows From Operating Activities:		
Cash Received from:		
Contributions and grants	\$ 5,482	\$ 889
Memberships	0	43
Government grants	130,199	331,467
Coupon Service Fees	285,982	216,488
Program Fees	9,080	6,588
Interest	43	45
	430,786	555,520
Cash disbursed to:		
Program services	(272,033)	(252,129)
Support Services	(89,545)	(76,606)
	(361,578)	(328,735)
Net cash provided by (used) in operating activities	69,208	226,785
Cash and cash equivalents - July 1	756,651	529,866
Cash and cash equivalents - June 30	\$ 825,859	\$ 756,651

See Notes to the Financial Statements.

FARMERS' MARKET FEDERATION OF NEW YORK, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022

	Program Services		Supporting Services		Totals 2022
	Wireless Technology	Training	Management and General	Fund Raising	
Salaries	\$ 63,969	47,566	44,286	8,201	\$ 164,022
Payroll taxes	5,747	4,273	3,978	737	14,735
Total salaries and taxes	69,716	51,839	48,264	8,938	178,757
Transaction fees reimbursements	44,712	-	-	-	44,712
Professional fees	36,380	21,594	6,541	-	64,515
Supplies and minor equipment	31,667	-	6,373	-	38,040
Telephone/Internet	-	-	-	-	-
Software	-	1,024	9,508	-	10,532
Postage/Shipping	543	-	2,151	-	2,694
Occupancy	4,320	2,160	4,320	-	10,800
Travel and transportation	1,663	63	-	-	1,726
Conferences and meetings	-	-	-	-	-
Insurance	-	-	1,230	-	1,230
Miscellaneous	-	-	4,267	-	4,267
Total Functional Expenses	\$ 189,001	\$ 76,680	\$ 82,654	\$ 8,938	\$ 357,273

See Notes to the Financial Statements.

FARMERS' MARKET FEDERATION OF NEW YORK, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2021

	Program Services		Supporting Services		Totals 2021
	Wireless Technology	Training	Management and General	Fund Raising	
Salaries	\$ 52,658	\$ 67,967	\$ 45,591	\$ 2,019	\$ 168,235
Payroll taxes	4,414	5,698	3,822	170	14,104
Total salaries and taxes	57,072	73,665	49,413	2,189	182,339
Transaction fees reimbursements	21,231	-	-	-	21,231
Professional fees	47,000	28,993	8,657	-	84,650
Supplies and minor equipment	15,408	-	4,152	-	19,560
Telephone/Internet	-	1,024	465	-	1,489
Software	1,252	1,797	521	-	3,570
Postage/Shipping	694	-	1,244	-	1,938
Occupancy	4,320	2,160	4,320	-	10,800
Travel and transportation	-	670	114	-	784
Conferences and meetings	-	215	-	-	215
Insurance	-	-	1,207	-	1,207
Miscellaneous	-	-	4,324	-	4,324
Total Functional Expenses	\$ 146,977	\$ 108,524	\$ 74,417	\$ 2,189	\$ 332,107

See Notes to the Financial Statements.

FARMERS' MARKET FEDERATION OF NEW YORK, INC.
NOTES TO THE FINANCIAL STATEMENTS

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Farmers' Market Federation of New York, Inc., a not-for-profit corporation, supports and promotes the viability of farmers markets through innovative services, programs and partnerships that maximize the benefits of markets to sellers, buyers, and communities. Farmers markets are located throughout New York State.

Income Tax Status

Farmers' Market Federation of New York, Inc. is a New York State not-for-profit corporation, exempt from income tax under Section 501 (c)(3) of the Internal Revenue Code. They qualify for the charitable deduction under Section 170(b)(1)(A) and have been classified by the Internal Revenue Service as an organization that is not a private foundation as defined in Section 509(a)(2) of the Internal Revenue Code.

As of June 30, 2022, the Organization's Forms 990, Return of Organization Exempt from Income Tax, for the years ending June 2019, 2020 and 2021 are still open to examination by major tax jurisdictions.

Uncertain Tax Positions

For tax exempt entities, their tax-exempt status itself is deemed to be an uncertainty, since events could potentially occur to jeopardize their tax exempt status. As of June 30, 2022 and June 30, 2021, the organization does not have a liability for unrecognized tax benefits and management believes there are not unrecognized tax positions for either recognition or disclosure in the financial statements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Concentration of Credit Risk

In the normal course of business, the Organization is party to financial instruments with off-balance sheet risk. These financial instruments include cash accounts in commercial banks located principally in or near Onondaga County. The organization maintains its cash balances in one financial institution located in Syracuse, NY. The balances are secured by the Federal Deposit Insurance Company (FDIC) up to \$250,000. At June 30, 2022 and 2021, the Organization's uninsured cash balances totaled \$825,859 and \$756,651, respectively.

Accounts Receivable

The Organization uses the direct write-off method of accounting for bad debts. The Board of Directors believes that any allowances would be immaterial.

FARMERS' MARKET FEDERATION OF NEW YORK, INC.
NOTES TO THE FINANCIAL STATEMENTS

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For the purposes of the statements of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Concentration

The Organization is dependent on the funding from various governmental agencies. Approximately 97 percent of the Organization's combined revenues were provided by government funding for the fiscal year ended June 30, 2022. The rates by which the Organization is reimbursed are subject to change from year to year, sometimes with changes being made retroactively. It is possible that in the near future this funding could cease, which would cause a severe impact on the organization and its ability to continue its operations.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Basis of Accounting

The financial statements of Farmers' Market Federal of New York, Inc. have been prepared on the accrual basis of accounting with conformity with accounting principles generally accepted in the United States of America. Accordingly, support and revenue are recognized when earned and expenses are recognized when incurred.

Contributions

All contributions are considered to be available without restrictions unless specifically restricted by the donor. Donations in-kind are reflected as contributions in the accompanying statements at their estimated values at the date of receipt.

Deferred Revenue

Some government grants provide an advance payment, which is recouped at the end of the grant period. Any unused funds at the end of the year are shown as deferred revenue.

**FARMERS' MARKET FEDERATION OF NEW YORK, INC.
NOTES TO THE FINANCIAL STATEMENTS**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities. Directly identifiable expenses are charged to programs and supporting services. Certain categories of expenses are attributable to more than one program or supporting function. Salaries, payroll expenses and occupancy related costs are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

NOTE B – INVESTMENTS

In May 2016, the Organization established the Farmers' Market Federation of NY endowment fund with the Central New York Community Foundation. The fund was established for the sole use of supporting the Farmers' Market Federation of NY. The Organization can take an annual distribution based on a rate of 5 percent of a 20-quarter rolling average. The distribution is voluntary. The Board will decide annually on whether to take the annual distribution of whether to roll it over into the principal.

	<u>Cost</u>	<u>Market Value</u>	<u>Unrealized Gain (loss)</u>
As of June 30, 2022	<u>\$ 310,000</u>	<u>\$ 460,473</u>	<u>\$ 150,473</u>

NOTE C – OPERATING LEASE

On August 1, 2019, the Organization entered into a three year operating lease for office space located at 109 Twin Oaks Dr, Syracuse, NY for \$900 per month until September 1, 2022. After September 1, 2022, the lease is on a month to month basis.

As of June 30, 2022, future minimum lease payments under the remaining noncancelable lease term in excess of one year are as follows:

Fiscal Year Ended June 30, 2022	\$10,800
Fiscal Year Ended June 30, 2023	\$ 1,800

Total lease expense for the years ended June 30, 2022 and 2021 was \$10,800.

**FARMERS' MARKET FEDERATION OF NEW YORK, INC.
NOTES TO THE FINANCIAL STATEMENTS**

NOTE D – FIXED ASSETS

Furniture and equipment are capitalized at cost if their value is \$2,500 or more. Depreciation is provided on a straight-line basis over the estimated lives of the assets. The costs of such assets are as follows:

	2021	2020
Furniture and equipment	\$ 5,693	\$ 5,693
Less accumulated depreciation	(5,693)	(5,693)
Total	\$ -	\$ -

NOTE E – NET ASSETS

Net assets without restrictions consist of the following at June 30, 2022 and 2021:

	2021	2020
Undesignated, available for general use	\$1,074,885	\$ 824,425
Board Designated for investments, future programs, and agency needs	460,473	521,594
Total	\$1,535,358	\$1,346,019

NOTE F – GRANT RECEIVABLE

The grant receivable represents the balance due from the New York State Department of Agriculture and Markets of \$317,160 and \$144,091 for the years ended June 30, 2022, and 2021, respectively.

NOTE G – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through October 10, 2022, which is the date that the financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in the financial statements.

FARMERS' MARKET FEDERATION OF NEW YORK, INC.
NOTES TO THE FINANCIAL STATEMENTS

NOTE H – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

	June 30, 2022	June 30, 2021
Cash and cash equivalents	\$ 825,859	\$ 756,651
Grant Receivable	317,160	144,091
Investments	<u>460,473</u>	<u>521,594</u>
	\$ 1,603,492	\$ 1,422,336

The Organization has \$1,603,492 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year. The Organization's goal is to maintain a cash balance on hand to meet 60 days of normal operating expenses which are, on average, approximately \$360,000 on an annual basis.

NOTE I – FUNDS HELD FOR FMNP GRANT

The Organization received a new grant from the Farmer's Market Nutrition Program (FMNP) for the period April 1, 2020 to March 31, 2022 for check redemption services. To have the funds available when farmer's submitted their coupons, the program advanced \$1,402,000 to the Organization to set up separate bank accounts to service this program. The Organization remits the checks to the farmer's as designated by the program and receives a per check processing fee for each check redemption. The balance as of June 30, 2022 in the Cash-Exchange bank account was \$11,042.