



Part of the Solution and Affiliate

**Consolidated Financial Statements and
Supplementary Information**
Years Ended December 31, 2021 and 2020

Part of the Solution and Affiliate

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Independent Auditor's Report

Board of Directors
Part of the Solution and Affiliate
Bronx, NY

Opinion

We have audited the consolidated financial statements of Part of the Solution and Affiliate (the "Organization"), which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2021 and 2020, and the consolidated results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are issued or available to be issued.



Auditor's Responsibilities for the Audit of the 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 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, 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 Organization'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 the Organization'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.

Other Matter

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information, as set forth in the table of contents, is presented for purposes of additional analysis and is 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 consolidated financial statements, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements, or to the consolidated

financial statements themselves, and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects, in relation to the consolidated financial statements as a whole.

BDO USA, LLP
July 28, 2022

Consolidated Financial Statements

Part of the Solution and Affiliate
Consolidated Statements of Financial Position

<i>December 31,</i>	2021	2020
Assets		
Cash and cash equivalents	\$ 8,184,778	\$ 6,996,427
Restricted cash	2,673,735	2,673,735
Investments	284,867	267,266
Contributions and grants receivable, net	974,260	1,315,748
Prepaid expenses and other assets	62,760	82,993
Property and equipment, net	5,902,177	6,089,565
Construction in progress	785,322	743,247
Total Assets	\$ 18,867,899	\$ 18,168,981
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 160,957	\$ 158,968
Deferred revenue	397,501	485,360
Loan payable - Paycheck Protection Program	-	199,190
Total Liabilities	558,458	843,518
Net Assets Without donor restrictions		
Undesignated	13,234,679	12,145,369
Board designated for capital campaign	1,650,000	1,650,000
Total net assets without donor restrictions	14,884,679	13,795,369
With donor restrictions	3,424,762	3,530,094
Total Net Assets	18,309,441	17,325,463
Total Liabilities and Net Assets	\$ 18,867,899	\$ 18,168,981

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

Part of the Solution and Affiliate
Consolidated Statements of Activities

<i>Year Ended December 31,</i>	2021	2020
Changes in Net Assets Without Donor Restrictions		
Revenues, Gains and Other Support		
Without Donor Restriction		
Contributions	\$ 1,272,035	\$ 2,080,227
Government grants	1,453,891	1,327,085
Foundations and corporate contributions	1,024,452	1,148,174
Special events, net of direct expenses of \$250,803 and \$84,613 for 2021 and 2020, respectively	864,415	406,805
In-kind contributions	1,225,317	1,852,225
Interest and dividend income	7,416	9,167
Realized gain on sale of investments	14,425	6,927
Unrealized gain on investments	12,866	19,434
Forgiveness of Paycheck Protection Program loan	341,699	-
Other revenue	6,814	5,154
	6,223,330	6,855,198
Net Assets Released from Restrictions		
Satisfaction of program restrictions	1,361,490	1,705,138
Total Revenues, Gains and Other Support Without Donor Restrictions	7,584,820	8,560,336
Program Expenses		
Food programs	2,973,353	3,812,496
Long term stability services	2,100,433	1,863,915
Dignity and wellness programs	314,063	238,837
	5,387,849	5,915,248
Supporting Expenses		
Management and general	473,194	442,313
Fundraising	575,667	520,391
Total Expenses	6,436,710	6,877,952
Change in Net Assets Without Donor Restrictions	1,148,110	1,682,384
Changes in Net Assets With Donor Restrictions		
Contributions	46,320	62,573
Government grants	72,738	46,500
Foundations and corporate contributions	1,078,300	1,649,647
Net assets released from restrictions	(1,361,490)	(1,705,138)
Change in Net Assets with Donor Restrictions	(164,132)	53,582
Change in Net Assets	983,978	1,735,966
Net Assets, Beginning of Year	17,325,463	15,589,497
Net Assets, End of Year	\$ 18,309,441	\$ 17,325,463

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

Part of the Solution and Affiliate
Consolidated Statements of Functional Expenses

Year Ended December 31, 2021	Program Services			Supporting Services				2021 Total	
	Food Programs	Long Term Stability Services	Dignity and Wellness Programs	Total	Management and General	Fundraising	Total		Eliminations
Functional Expenses									
Salaries	\$ 466,760	\$ 1,133,453	\$ 126,784	\$ 1,726,997	\$ 249,747	\$ 369,557	\$ 619,304	\$ -	\$ 2,346,301
Payroll taxes and fringe benefits	111,876	301,478	26,939	440,293	74,673	100,176	174,849	-	615,142
Food	2,070,887	-	-	2,070,887	-	-	-	-	2,070,887
Repairs and maintenance	33,254	18,454	11,502	63,210	6,250	1,701	7,951	-	71,161
Equipment rental	3,359	5,995	721	10,075	1,208	1,611	2,819	-	12,894
Program related expense	4,046	294,066	59,466	357,578	3,655	3,737	7,392	-	364,970
Professional fees	49,406	146,598	10,259	206,263	52,905	29,444	82,349	-	288,612
Occupancy and utilities	39,342	39,021	19,647	98,010	7,168	3,767	10,935	-	108,945
Telephone	7,337	14,042	1,575	22,954	3,375	3,092	6,467	-	29,421
Supplies	64,966	3,075	5,386	73,427	847	240	1,087	-	74,514
Printing and copying	75	855	-	930	86	13,531	13,617	-	14,547
Office and miscellaneous expense	1,309	3,016	338	4,663	968	1,157	2,125	-	6,788
Postage and messenger	595	1,831	124	2,550	744	3,874	4,618	-	7,168
Computer	17,820	29,550	4,119	51,489	7,054	11,623	18,677	-	70,166
Conferences and training	1,354	12,202	180	13,736	10,361	2,127	12,488	-	26,224
Insurance	12,134	23,758	2,604	38,496	4,381	5,840	10,221	-	48,717
Service fees	17	46	-	63	40,548	15,713	56,261	-	56,324
Depreciation	88,816	72,993	44,419	206,228	16,285	8,477	24,762	-	230,990
Interest	-	-	-	-	1,757	-	1,757	-	1,757
Unallocated payments to affiliated organizations	-	-	-	-	42,325	-	42,325	(42,075)	250
Bad debt recovery	-	-	-	-	(9,068)	-	(9,068)	-	(9,068)
Total expenses - 2021	\$ 2,973,353	\$ 2,100,433	\$ 314,063	\$ 5,387,849	\$ 515,269	\$ 575,667	\$ 1,090,936	\$ (42,075)	\$ 6,436,710

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

Part of the Solution and Affiliate
Consolidated Statements of Functional Expenses

Year Ended December 31, 2020	Program Services				Supporting Services				2020 Total
	Food Programs	Long Term Stability Services	Dignity and Wellness Programs	Total	Management and General	Fundraising	Total	Eliminations	
Functional Expenses									
Salaries	\$ 614,039	\$ 955,111	\$ 49,861	\$ 1,619,011	\$ 216,512	\$ 323,869	\$ 540,381	\$ -	\$ 2,159,392
Payroll taxes and fringe benefits	143,863	264,927	11,667	420,457	49,649	86,821	136,470	-	556,927
Food	2,784,445	-	-	2,784,445	-	-	-	-	2,784,445
Repairs and maintenance	28,685	19,585	15,623	63,893	6,563	1,785	8,348	-	72,241
Equipment rental	6,787	5,819	971	13,577	843	1,687	2,530	-	16,107
Program related expense	20,179	374,769	54,874	449,822	37,992	3,192	41,184	-	491,006
Professional fees	22,971	48,996	8,790	80,757	41,093	9,759	50,852	-	131,609
Occupancy and utilities	21,368	26,375	19,114	66,857	8,196	2,356	10,552	-	77,409
Telephone	6,435	15,080	2,282	23,797	2,579	3,875	6,454	-	30,251
Supplies	70,257	9,935	8,227	88,419	1,208	2,417	3,625	-	92,044
Printing and copying	202	680	-	882	15	281	296	-	1,178
Office and miscellaneous expense	1,040	2,209	407	3,656	4,307	646	4,953	-	8,609
Postage and messenger	402	950	125	1,477	778	13,725	14,503	-	15,980
Computer	13,430	27,990	5,207	46,627	3,596	13,310	16,906	-	63,533
Conferences and training	3,737	8,297	341	12,375	2,353	2,013	4,366	-	16,741
Insurance	11,618	26,348	4,041	42,007	6,006	7,073	13,079	-	55,086
Service fees	-	707	-	707	38,882	10,928	49,810	-	50,517
Depreciation	63,038	76,137	57,307	196,482	24,560	6,549	31,109	-	227,591
Unallocated payments to affiliated organizations	-	-	-	-	69,714	-	69,714	(69,714)	-
Bad debt expense (recovery)	-	-	-	-	(2,819)	30,105	27,286	-	27,286
Total expenses - 2020	\$ 3,812,496	\$ 1,863,915	\$ 238,837	\$ 5,915,248	\$ 512,027	\$ 520,391	\$ 1,032,418	\$ (69,714)	\$ 6,877,952

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

Part of the Solution and Affiliate
Consolidated Statements of Cash Flows

<i>December 31,</i>	2021	2020
Cash Flows From Operating Activities		
Change in Net Assets	\$ 983,978	\$ 1,735,966
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Unrealized gain on investments	(12,866)	(19,416)
Realized gain on sale of investments, net	(14,425)	(7,504)
Contributions restricted for capital campaign	(10,000)	(10,000)
Donated marketable securities	(106,593)	(98,844)
Bad debt (recovery) expense - capital campaign	(11,071)	(3,089)
Bad debt expense	2,003	30,375
Forgiveness of prior year Paycheck Protection Program loan	(199,190)	-
Discount on contributions receivable	13,758	(17,579)
Depreciation	230,990	227,591
Changes in operating assets and liabilities:		
Contributions and grants receivable	115,371	170,040
Prepaid expenses and other assets	20,233	(25,899)
Accounts payable and accrued expenses	1,989	52,246
Deferred revenue	(87,859)	461,502
Net Cash Provided by Operating Activities	926,318	2,495,389
Cash Flows From Investing Activities		
Purchase of property and equipment	(43,602)	(79,296)
Purchase of construction in progress	(42,075)	(50,046)
Purchase of investments	(132,138)	(102,937)
Proceeds from sale of investments	248,671	195,516
Net Cash Provided by (used in) Investing Activities	30,856	(36,763)
Cash Flows From Financing Activities		
Proceeds from loan payable - Paycheck Protection Program	-	407,090
Repayment of loan payable - Paycheck Protection Program	-	(207,900)
Capital campaign contributions	231,427	71,786
Net Cash Provided by Financing Activities	231,427	270,976
Net Increase in Cash and Cash Equivalents and Restricted Cash	1,188,601	2,729,602
Cash & Cash Equivalents & Restricted Cash - Beginning of Year	9,669,912	6,940,560
Cash & Cash Equivalents & Restricted Cash - End of Year	\$ 10,858,513	\$ 9,670,162
Supplemental Disclosures of Cash Flow Information:		
Cash and Cash Equivalents Consist of:		
Cash and cash equivalents	\$ 8,184,778	\$ 6,996,427
Restricted cash	2,673,735	2,673,735
	\$ 10,858,513	\$ 9,670,162

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

Part of the Solution and Affiliate

Notes to Consolidated Financial Statements

1. Nature of the Organization

Part of the Solution (“POTS”) was founded in 1982. POTS is a tax-exempt organization as determined by the Internal Revenue Service (“IRS”) under Section 501(c)(3) of the Internal Revenue Code (“IRC”) and has been held to be a publicly supported organization and not a private foundation under Section 509(a) of the IRC. POTS provides various food service and social service program support to those in need in Bronx County, New York. Its primary source of revenue is generated from contributions and grants.

POTS Building for the Future (“PBFF”, and together with POTS, the “Organization”) was formed in November 2009 to raise funds and provide grants and loans to support the work of POTS. POTS is the sole member of PBFF and appoints the Board of Directors of PBFF. PBFF is a New York State not-for-profit organization that has received its tax exempt status, as determined by the IRS, under Section 501(c)(3) of the IRC and has been held to be a publicly supported organization and not a private foundation under Section 509(a) of the IRC.

The signature programs of POTS are the following:

Food Programs - These programs are funded by a combination of individual, corporate, foundation, and government income. Consists of a food pantry service that provides groceries and nutritional food to individuals and families. It also consists of a community kitchen that serves lunch six days a week.

Long Term Stability Services - Consists of a legal aid program, a case management program, workforce development program, and a mentoring program that provide stabilizing services for those in need.

Dignity and Wellness Programs - This program offers showers, haircuts, mailing addresses, substance abuse counseling services and other basic supporting social services for those in need.

2. Summary of Significant Accounting Policies

Basis of Presentation

The Organization’s consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”), as applicable to not-for-profit organizations. In the consolidated statements of financial position, assets and liabilities are presented in order of liquidity or conversion to cash and their maturity resulting in the use of cash, respectively.

POTS has a controlling financial interest in PBFF and is financially interrelated. Accordingly, the accompanying consolidated financial statements include the accounts of POTS and its controlled affiliate PBFF in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”), Not-for-Profit Entities - Consolidation (Topic ASC 958-810). All significant intercompany accounts and transactions have been eliminated.

Financial Statement Presentation

The classification of the Organization’s net assets and its support, revenues, and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of

Part of the Solution and Affiliate

Notes to Consolidated Financial Statements

the two classes of net assets - with donor restrictions or without donor restrictions - be displayed in a statement of financial position and that the amount of change in each of those classes of net assets be displayed in a consolidated statement of activities. These classes are defined as follows:

Net Assets with Donor Restrictions consist of contributions and other inflows of assets whose use is subject to donor-imposed restrictions that are more specific than broad limits reflecting the nature of the not-for-profit entity, the environment in which it operates, and the purposes specified in its articles of incorporation or bylaws or comparable documents. Donor-imposed restrictions may be temporary in nature, such as stipulating that resources may be used only after a specified date or limited to specific programs or services. Certain donor-imposed restrictions are perpetual in nature.

Net Assets without Donor Restrictions consist of contributions and other inflows of assets whose use is not subject to donor-imposed restrictions and are, therefore, available for general operations of the Organization. Included in net assets without donor restrictions are the board designated net assets for the capital campaign. See below.

As of December 31, 2021, the Organization had no net assets with donor restriction that are perpetual in nature.

Unconditional contributions without donor restrictions are recognized as revenue or support in changes in net assets without donor restrictions when received or promised. Contributions subject to donor restrictions are recognized in changes in net assets with donor restrictions. When a purpose restriction is satisfied or when a time restriction expires, the contribution is reported as net assets released from restrictions in the statement of activities.

Cash and Cash Equivalents

The Organization considers all highly liquid investments purchased with original maturities of three months or less from the date of acquisition as cash equivalents.

Restricted Cash

Restricted cash represents cash held for the capital campaign for donor restricted capital improvements.

Fair Value Measurements and Fair Value - Definition and Hierarchy

The Organization follows the accounting standard related to fair value measurements of its financial assets and liabilities. Under this standard, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

This standard establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Organization. Unobservable inputs reflect the Organization's assumption about inputs used by market participants at the measurement date. The fair value hierarchy is categorized into three levels based on inputs as follows:

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Notes to Consolidated Financial Statements

- Level 1 - Valuation based on quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access.
- Level 2 - Valuation based on quoted prices for similar assets or liabilities in active markets; for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; or inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 - Valuation based on inputs that are unobservable and significant to the overall fair value measurement.

Investment Income

Investments are recorded at fair value. Realized gains or losses are recognized based on the first-in, first-out method. Dividends on securities are recorded on the ex-dividend date.

Donated Securities

Donated securities are measured at fair value on the date of receipt. It is the intention of the Organization to sell all gifts of public securities upon receipt or as soon thereafter as possible. For the years ended December 31, 2021 and 2020, the Organization received donated securities with a fair value of \$106,593 and \$98,845, respectively.

Contributions and Grants Receivable, Net

Contributions and grants receivable represent unconditional promises to give by donors. At December 31, 2021 and 2020, the Organization had contributions receivable (net of allowance for uncollectible contributions and discount to present value) of \$974,260 and \$1,315,748, respectively, which are recorded at net realizable value. The Organization uses the allowance method to determine uncollectible contributions and grants receivable. Such allowance is based on management's assessments of the creditworthiness of its donors, the aged basis of its receivables, as well as current economic conditions and historical information. The Organization had net recovery of bad debts totaling \$9,068 during the year ended December 31, 2021, and net bad debt expense totaling \$27,286 during the year ended December 31, 2020. Contributions and grants receivable that are due in more than one year are discounted to present value using an annual rate of 2.5% for the years ended December 31, 2021 and 2020.

Property and Equipment, Net

Property and equipment are stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets (Note 5). The Organization has established a \$1,000 threshold above which assets are capitalized. Maintenance and repairs are charged to expense as incurred; major renewals and betterments are capitalized.

Impairment of Property and Equipment

The Organization reviews long-lived assets to determine whether there has been any permanent impairment whenever events or circumstances indicate the carrying amount of an asset may not be recoverable. If the sum of the expected future undiscounted cash flows is less than the carrying amount of the assets, the entity recognizes an impairment loss. No impairment losses were recognized for the years ended December 31, 2021 and 2020.

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Notes to Consolidated Financial Statements

Revenue Recognition

Contributions and promises to give are recorded as revenue at the time they are made or pledged unconditionally and supported by a written commitment. Contributions are classified as either with or without donor restrictions. Contributions are nonexchange transactions in which no commensurate value is exchanged. Therefore, contributions fall under the purview of ASC Topic 958, Not-for-Profit Entities.

Contributions may either be conditional or unconditional. A contribution is considered conditional when the donor imposes both a barrier and a right of return. Conditional contributions are recognized as revenue on the date all donor-imposed barriers are overcome or explicitly waived by the donor. Barriers may include specific and measurable outcomes, limitations on the performance of an activity and other stipulations related to the contribution. A donor has a right of return of any assets transferred or a right of release of its obligation to transfer any assets in the event the Organization fails to overcome one or more barriers. Assets received before the barrier is overcome are accounted for as deferred revenue.

Unconditional contributions may or may not be subject to donor-imposed restrictions. Donor-imposed restrictions limit the use of the donated assets, but are less specific than donor-imposed conditions. Contributions subject to donor restrictions are recognized in changes in net assets with donor restrictions. When a purpose restriction is satisfied or when a time restriction expires, the contribution is reported as net assets released from restrictions and is recognized in changes in net assets without donor restrictions. Funds received in advance for which qualifying expenditures have not been incurred, if any, are reflected as deferred revenue in the consolidated statement of financial position.

Government grants and contracts are nonexchange transactions in which no commensurate value is exchanged. Accordingly, contribution accounting is applied under ASC Topic 958, Not-for-Profit Entities. These grants are evaluated for contributions that are conditional. Factors indicating the existence of a conditional contribution include the presence of a barrier that must be overcome and either a right of return of assets transferred or a right of release of a funder's obligation to transfer of assets. Revenue from government grants and contracts are recognized when the conditions are satisfied, which is generally when the expenditures for each contract are incurred.

The Organization applies Topic 606 to exchange transactions when applicable. Most of the Organization's revenue for the years ended December 31, 2021 and 2020 were from non-exchange transaction revenue sources including contributions, in-kind contributions and investment income.

Topic 606 applies to the portion of the Organization's special events income that is determined to be an exchange transaction. The Organization conducts special events in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant at the event. Unless a verifiable, objective means exists to demonstrate otherwise, the fair value of meals and entertainment provided at special events is measured at the actual cost to the Organization. The direct costs of the special events which ultimately benefit the donor rather than the Organization are recorded as exchange transaction revenue and exchange transaction expense. All proceeds received in excess of the direct costs are recorded as special events income in the accompanying consolidated statements of activities.

For the year ended December 31, 2021, the Organization reported special event revenue of \$1,118,618 and direct expenses of \$250,803 of which \$33,361 are recognized as an exchange

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Notes to Consolidated Financial Statements

transaction. For the year ended December 31, 2020, the Organization reported special event revenue of \$491,418 and direct expenses of \$84,613, of which \$23,144 are recognized as an exchange transaction.

Board Designated Net Assets for Capital Campaign

The Board of Directors has designated \$1,650,000 for use, as needed, to support the capital campaign. These funds may be used as a source of internal bridge funding, to provide working capital for the project until donor pledges are paid, or as a replacement for required funds not raised. These funds are included in cash and cash equivalents in the consolidated statements of financial position.

In-Kind Contributions

The Organization receives contributions of donated goods and services that are an integral part of its operations. Such assets and services are recorded as contributions in-kind. If those services create or enhance non-financial assets or require specialized skills provided by individuals possessing those skills and would typically be purchased if not provided by donation. These assets and services are valued at their values based on market values of items and services donated or on current prices at the time of donation, if no receipt is available. Contributions are recorded in the period received. Based upon an independent market benchmark, the Organization calculates donated food by utilizing the approximate average wholesale value of one pound of donated product at the national level (Note 8). The value of donated food was \$1.62/lb in 2021 and 2020. The Organization believes using the national benchmark provides a better representation of the value of donated foods.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis and by natural classification in the consolidated statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Directly identifiable expenses are charged to the applicable program and supporting service. Expenses related to more than one function are allocated based on employee time.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Organization follows the accounting standard for uncertainty in income taxes. The standard prescribes a minimum recognition threshold and measurement methodology that a tax position taken or expected to be taken in a tax return is required to meet before being recognized in the consolidated financial statements. It also provides guidance for derecognition, classification, interest and penalties, disclosure and transition.

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Notes to Consolidated Financial Statements

The Organization files federal and New York State informational returns. With few exceptions, the Agency has passed the statute of limitations for Federal, State or local tax examinations for fiscal years before 2018, with some limited exceptions.

The Organization believes that it has appropriate support for the positions taken on its returns. Nonetheless, the amounts ultimately paid, if any, upon resolution of the issues raised by the taxing authorities may differ materially from the amounts accrued for each year. Management believes that its nonprofit status would be sustained upon examination.

Should there be interest on underpayments of income tax, the Organization would classify it as interest expense. The Agency would classify penalties in connection with underpayments of income tax as other expense.

Under U.S. GAAP, an organization must recognize the tax benefit associate with tax positions taken for tax return purposes when it is more likely than not that the position will not be sustained upon examination by a taxing authority. The Organization does not believe it has taken any material uncertain tax positions and, accordingly, it has not recorded any liability for unrecognized tax benefits. The Agency is subject to routine audits by a taxing authority. As of December 31, 2021, The Organization had no examinations by a taxing authority in progress.

Recent Accounting Pronouncements Not Yet Adopted

Accounting for Leases

In February 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2016-02, *Accounting for Leases* (Topic 842), which amends existing lease guidance. The update requires lessees to recognize a right-of-use asset and related lease liability for many operating leases now currently off-balance sheet under current U.S. GAAP. Also, the FASB has issued amendments to the update with practical expedients related to land easements, lessor accounting, and disclosures related to accounting changes and error corrections.

The update originally required transition to the new lease guidance using a modified retrospective approach which would reflect the application of the update as of the beginning of the earliest comparative period presented. A subsequent amendment to the update provides an optional transition method that allows entities to initially apply the new lease guidance with a cumulative-effect adjustment to the opening balance of equity in the period of adoption. If this optional transition method is elected, after the adoption of the new lease guidance, the Organization’s presentation of comparative periods in the financial statements will continue to be in accordance with current lease accounting.

In June 2020, the FASB issued an accounting standards update which defers the required effective date of the update for one year. As a result, entities may elect to adopt the guidance for annual reporting periods beginning after December 15, 2021, and for interim reporting periods beginning after December 15, 2022, with early application permitted. The Organization has elected the deferral and is currently evaluating the method of adoption and the effect the update will have on its financial statements.

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Notes to Consolidated Financial Statements

Measurement of Credit Losses on Financial Instruments

In June 2016, the FASB issued ASU 2016-13, Financial Instruments - Credit Losses (Topic 326): *Measurement of Credit Losses on Financial Instruments*, which will replace the current incurred loss impairment methodology in GAAP with a methodology that reflects the expected credit losses. The update is intended to provide financial statement users with more decision-useful information about expected credit losses. This update is effective on a modified retrospective basis for financial statements issued for fiscal years beginning after December 15, 2022, and interim periods within fiscal years beginning after December 15, 2023. Early adoption is permitted for fiscal years beginning after December 15, 2018 including interim periods in those fiscal years. The Organization is currently evaluating the effect the update will have on its financial statements.

Contributed Nonfinancial Assets

In September 2020, the FASB issued ASU 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets, which amends guidance for not-for-profit entities that receive contributed nonfinancial assets. The update requires not-for-profits to present contributed nonfinancial assets as a separate line item in the statement of activities, and to disclose information regarding each type of contributed nonfinancial asset. The update is to be applied on a retrospective basis and is effective for annual reporting periods beginning after June 15, 2021, and for interim reporting periods beginning after June 15, 2022. The Organization is currently evaluating the effect the update will have on its financial statements.

3. Contributions and Grants Receivable, net

The Organization’s Board of Directors approved a long-term fundraising plan (the “Capital Campaign”) to raise funds for the acquisition and construction of additional facilities and related costs.

Unconditional promises to give have been recorded at present values. Unless not material, receivables due in more than one year have been discounted to present values using the annual rate of 2.5% on the date that the contribution is made. The receivables are recorded as follows:

<i>December 31,</i>	2021	2020
Capital campaign	\$ 485,786	\$ 707,214
Other receivables	555,756	673,130
	1,041,542	1,380,344
Less: Discount to present value	(32,993)	(19,235)
Allowance for doubtful accounts	(34,289)	(45,361)
	\$ 974,260	\$ 1,315,748
Amounts due in:		
Less than one year	\$ 591,756	\$ 1,117,161
One to five years	382,504	198,587
	\$ 974,260	\$ 1,315,748

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Notes to Consolidated Financial Statements

4. Liquidity and Availability of Resources

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due. As part of the Organization's liquidity plan, excess cash is invested in cash equivalents.

The Organization's financial assets available within one year of the consolidated statements of financial position date for general expenditures are as follows:

<i>December 31,</i>	2021	2020
Cash and cash equivalents	\$ 8,184,778	\$ 6,996,427
Restricted cash	2,673,735	2,673,735
Investments	284,867	267,266
Contributions receivable - due within one year	591,756	1,117,161
Total financial assets available within one year	11,735,136	11,054,589
Less: amounts unavailable for general expenditures within one year due to:		
Restricted by donors with purpose restrictions	3,424,762	3,530,094
Less: amounts unavailable to management without Board approval		
Board designated for capital campaign	1,650,000	1,650,000
Total financial assets available to management for general expenditures within one year	\$ 6,660,374	\$ 5,874,495

The Organization has board designated net assets without donor restrictions which it could draw down if necessary. The Organization does not intend to spend these amounts for purposes other than those identified.

5. Property and Equipment, net

Property and equipment, net consist of the following at December 31:

<i>December 31,</i>	2021	2020	Estimated Useful Life
Land	\$ 503,998	\$ 503,998	N/A
Building and improvements	7,935,340	7,904,353	39 1/2 years
Office equipment	171,704	171,704	3-7 years
Furniture and fixtures	320,583	309,243	3-5 years
Total property and equipment	8,931,625	8,889,298	
Less: accumulated depreciation	(3,029,448)	(2,799,733)	
Net property and equipment	\$ 5,902,177	\$ 6,089,565	

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Notes to Consolidated Financial Statements

Depreciation expense for the years ended December 31, 2021 and 2020 was \$230,990 and \$227,591, respectively.

6. Construction in Progress

The Organization has been in the design and planning process to renovate and expand their current facility. During 2020, the Organization decided to evaluate alternative options for the expansion to better meet the Organization's needs in a fiscally responsible manner. During the last quarter of 2021 the Board of Directors decided to move forward with a smaller expansion project. Beginning in early 2022 work began on the design process. Construction is anticipated to begin in the fourth quarter of 2022 and be completed in the first quarter of 2024. Total estimated remaining costs to be incurred on this project are approximately \$4.2 million. The expansion will include a remodel and expansion of the food pantry, including additional freezer and refrigeration space, remodeling of the dining room and entry lobby, additional office space, remodeling to existing office space as well as land improvements. At December 31, 2021 and 2020, total construction in progress amounted to \$785,322 and \$743,247, respectively, and is reflected in the accompanying consolidated statements of financial position.

7. Investments at Fair Value

The Organization's investments consist of mutual funds and are classified as Level 1 of the fair value hierarchy, in accordance with ASC 820. See Note 2 for a discussion of the Organization's policies regarding this hierarchy. The following are the classes of assets measured at fair value on a recurring basis:

<i>December 31, 2021</i>	Total	Fair Value Measurement at Reporting Date		
		Level 1	Level 2	Level 3
Mutual funds - equities	\$ 235,405	\$ 235,405	\$ -	\$ -
Mutual funds - fixed income	49,462	49,462	-	-
	\$ 284,867	\$ 284,867	\$ -	\$ -

<i>December 31, 2020</i>	Total	Fair Value Measurement at Reporting Date		
		Level 1	Level 2	Level 3
Mutual funds - equities	\$ 206,098	\$ 206,098	\$ -	\$ -
Mutual funds - fixed income	61,168	61,168	-	-
	\$ 267,266	\$ 267,266	\$ -	\$ -

Interest and dividend income are reinvested in accordance with the Organization's investment policy.

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Notes to Consolidated Financial Statements

The aggregate cost basis, unrealized gains and losses, and fair market value of the investment account are as follows:

<i>December 31, 2021</i>	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Mutual funds	\$ 229,352	\$ 55,515	\$ -	\$ 284,867

<i>December 31, 2020</i>	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Mutual funds	\$ 225,442	\$ 41,824	\$ -	\$ 267,266

Mutual funds are valued on the last day of the year based upon publicly available exchange-based price quotations.

8. In - Kind Contributions

During the years ended December 31, 2021 and 2020, the Organization recognized total in-kind donations of \$1,225,317 and \$1,852,225, respectively. These amounts are reflected in both support and expenses in the accompanying consolidated financial statements. In-kind donations consist of legal services, clothing, food supplies, hygiene products, small appliances, and other miscellaneous items. The valuation of the donated food received and distributed is based on an approximated average wholesale value of one pound of donated product. The Organization uses an approximate average wholesale value of one pound of donated product at the national level, based on a study by Feeding America, a non-profit organization with an extensive nationwide network of member food banks. The value of services provided by volunteers is not included in these figures since those services do not meet the criteria for recognition.

Breakdown of donated goods and services at December 31, 2021 and 2020, included in the financial statements, were as follows:

<i>December 31,</i>	2021	2020
Food	\$ 982,129	\$ 1,083,773
Prepared meals	45,000	617,498
Grocery products/supplies	56,896	94,446
Clothing/other	275	56,508
Professional services	141,017	-
	\$1,225,317	\$ 1,852,225

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Notes to Consolidated Financial Statements

9. Retirement Plan

The Organization maintains a qualified 401(k) voluntary contributory retirement plan offered to all permanent employees on the date of hire. The Organization may make discretionary contributions of 4% of each eligible employee's salary beginning on the one-year anniversary of their hire date. During the years ended December 31, 2021 and 2020, employer contributions totaled \$80,171 and \$65,505, respectively.

10. Net Assets with Donor Restrictions

Net assets with donor restrictions are purpose and time restricted and consist of the following at:

<i>December 31,</i>	2021	2020
Purpose restrictions - program expenses	\$ 378,886	\$ 175,664
Purpose restrictions - capital campaign	2,673,735	2,673,735
Time and use restrictions - program expenses	372,141	680,695
	\$ 3,424,762	\$ 3,530,094

Net assets were released from restrictions either by incurring expenses or by the passage of time, thus satisfying their respective restricted purposes for the years ended December 31, 2021 and 2020 as follows:

<i>December 31,</i>	2021	2020
Purpose restrictions - program expenses	\$ 108,152	\$ 123,952
Purpose restrictions - capital campaign	-	49,860
Time and use restrictions - program expenses	1,253,338	1,531,326
	\$ 1,361,490	\$ 1,705,138

11. Concentrations

Financial instruments that potentially subject the Organization to a concentration of credit risk include cash accounts at major financial institutions that, at times, exceed the Federal Deposit Insurance Corporation insured limits of \$250,000.

Three vendors accounted for approximately 63% of accounts payable and accrued expenses at December 31, 2021. Two vendors accounted for approximately 43% of accounts payable and accrued expenses at December 31, 2020.

Two major sources accounted for approximately 39% of contributions and grants receivable at December 31, 2021. One major source accounted for approximately 22% of contributions and grants receivable at December 31, 2020. No funder accounted for more than 10% of revenue at December 31, 2021 and 2020.

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Notes to Consolidated Financial Statements

12. Loan Payable - Paycheck Protection Program

On April 20, 2020, the Organization entered into a promissory note (the “Promissory Note”) with TD Bank and TD Bank agreed to make available to the Organization a loan in the amounts of \$407,090 under the Small Business Administration (the “SBA”) Paycheck Protection Program (“PPP”) enabled by the Coronavirus Aid, Relief and Economic Security Act of 2020 (the “CARES Act”).

The advance under the PPP loan bore interest at a rate per annum of 1.00%. The term of the PPP loan was two years, ending April 20, 2022 (the “Maturity Date”). No payments were due on the PPP loan until September 20, 2021, although interest will accrue during the deferment period. On May 15, 2020, the Organization made a partial payment toward the PPP loan principal in the amount of \$207,900. The Organization used the net proceeds to support payroll costs, rent and utilities in accordance with the relevant terms and conditions of the CARES Act. The outstanding PPP loan balance at December 31, 2020 was \$199,190.

The PPP loan may be fully or partially forgiven if the Organization meets the PPP criteria for the forgiveness of the loan. In 2021 the Organization applied for forgiveness of the total amount of the original PPP loan of \$407,090. On August 12, 2021, the SBA authorized forgiveness of the PPP loan in the amount of \$341,699. The Organization recognized the loan forgiveness as income in 2021 following the guidance of ASC 405-20, Extinguishment of Liabilities. This is presented as nonoperating revenue in the statement of activities.

The application for these funds requires the Organization to, in good faith, certify that the current economic uncertainty made the loan request necessary to support the ongoing operations of the Organization. This certification further requires the Organization to take into account its current business activity and its ability to access other sources of liquidity sufficient to support ongoing operations in a manner that is not significantly detrimental to the business. The receipt of these funds, and the forgiveness of the loan attendant to these funds, is dependent on the Organization having initially qualified for the loan and qualifying for the forgiveness of such loan based on our future adherence to the forgiveness criteria.

13. Commitments and Contingencies

The Organization leases office equipment for \$949 per month under a non-cancellable operating lease expiring in November 2022. In addition, the Organization leases a parking lot owned by the Metropolitan Transportation Authority for a month rental fee of \$1,200, increasing annually by 1%, expiring in March 2025, with a one-time 5 year extension to March 2030.

In May 2022, the Organization entered into a 15-year lease agreement for office space and operations at 2450 Grand Concourse, Bronx, NY, for \$24,583 per month, increasing 2.5% annually to \$34,736 in the final year. The Organization will pay additional rent for real estate taxes equal to 50% of the tax in excess of base year tax from July 1, 2022 to June 30, 2023. The Organization expects to move into this space in January 2023 and begin paying rent in May 2023.

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Notes to Consolidated Financial Statements

Future minimum payments on the above leases are as follows:

<i>Years ending December 31,</i>	
2022	\$ 24,139
2023	211,466
2024	314,864
2025	311,161
2026	315,100
Thereafter	4,170,821
	\$ 5,347,551

Lease expense for the years ended December 31, 2021 and 2020 amounted to \$12,894 and \$16,107, respectively.

14. Risk and Uncertainties

The Organization has investments that are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, and the level of uncertainty related to changes in the value of investments, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and such changes could affect the amounts reported in the consolidated statements of financial position, but would not be expected to materially impact the financial stability of the Organization due to the limited size of the investment portfolio.

The Organization is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; actions of employees, and natural disasters. The Organization maintains commercial insurance to help protect itself against such risks.

The Organization entered into contractual relationships with certain governmental funding sources. The governmental agencies may request return of funds as a result of noncompliance by the Organization. The accompanying consolidated financial statements make no provision for the possible disallowance or refund, because management does not believe that there are any liabilities to be recorded.

15. Subsequent Events

As mentioned above, in May 2022, the Organization entered into a 15-year lease agreement for office space at 2450 Grand Concourse, Bronx, NY.

The Organization has evaluated events through July 28, 2022, which is the date the consolidated financial statements were available to be issued.

Supplementary Information

Part of the Solution and Affiliate
Consolidating Schedule of Financial Position

<i>December 31,</i>	POTS	PBFF	Eliminations	2021	2020
Assets					
Cash and cash equivalents	\$ 7,293,180	\$ 891,598	\$ -	\$ 8,184,778	\$ 6,996,427
Restricted cash	-	2,673,735	-	2,673,735	2,673,735
Investments	18	284,849	-	284,867	267,266
Contributions and grants receivable, net	545,756	428,504	-	974,260	1,315,748
Prepaid expenses and other assets	62,760	-	-	62,760	82,993
Due from POTS	-	34,974	(34,974)	-	-
Property and equipment, net	5,902,177	-	-	5,902,177	6,089,565
Construction in progress	785,322	-	-	785,322	743,247
Total Assets	14,589,213	4,313,660	(34,974)	18,867,899	18,168,981
Liabilities and Net Assets					
Liabilities					
Accounts payable and accrued expenses	142,568	18,389	-	160,957	158,968
Deferred revenue	397,501	-	-	397,501	485,360
Paycheck Protection Program loan	-	-	-	-	199,190
Due to PBFF	34,974	-	(34,974)	-	-
Total Liabilities	575,043	18,389	(34,974)	558,458	843,518
Net Assets Without donor restrictions					
Undesignated	12,760,245	474,434	-	13,234,679	12,145,369
Board designated for capital campaign	503,000	1,147,000	-	1,650,000	1,650,000
Total net assets without donor restrictions	13,263,245	1,621,434	-	14,884,679	13,795,369
With donor restrictions	750,925	2,673,837	-	3,424,762	3,530,094
Total Net Assets	14,014,170	4,295,271	-	18,309,441	17,325,463
Total Liabilities and Net Assets	\$ 14,589,213	\$ 4,313,660	\$ (34,974)	\$ 18,867,899	\$ 18,168,981

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

Part of the Solution and Affiliate

Consolidating Schedule of Activities

December 31,	POTS	PBFF	Eliminations	2021	2020
Changes in Net Assets Without Donor Restrictions					
Revenues, Gains and Other Support					
Without Donor Restrictions					
Contributions	\$ 1,281,465	\$ (9,430)	\$ -	\$ 1,272,035	\$ 2,080,227
Government grants	1,453,891	-	-	1,453,891	1,327,085
Foundations and corporate contributions	1,075,855	(9,328)	(42,075)	1,024,452	1,148,174
Special events, net of direct expenses of \$250,803 and \$84,613 for 2021 and 2020, respectively	864,415	-	-	864,415	406,805
In-kind contributions	1,225,317	-	-	1,225,317	1,852,225
Interest and dividend income	373	7,043	-	7,416	9,167
Realized gain on sale of investments	(116)	14,541	-	14,425	6,927
Unrealized gain on investments	-	12,866	-	12,866	19,434
Forgiveness of Paycheck Protection Program loan	341,699	-	-	341,699	-
Other Revenue	6,814	-	-	6,814	5,154
	6,249,713	15,692	(42,075)	6,223,330	6,855,198
Net Assets Released from Restrictions					
Satisfaction of program restrictions	1,361,490	-	-	1,361,490	1,705,138
Total Revenues, Gains and Other Support					
Without Donor Restriction	7,611,203	15,692	(42,075)	7,584,820	8,560,336
Program Expenses					
Food programs	2,973,353	-	-	2,973,353	3,812,496
Long term stability services	2,100,433	-	-	2,100,433	1,863,915
Dignity and wellness programs	314,063	-	-	314,063	238,837
	5,387,849	-	-	5,387,849	5,915,248
Supporting Expenses					
Management and general	469,174	46,095	(42,075)	473,194	442,313
Fundraising	575,667	-	-	575,667	520,391
	1,044,841	46,095	(42,075)	1,048,861	962,704
Total Expenses	6,432,690	46,095	(42,075)	6,436,710	6,877,952
Change in Net Assets Without Donor Restrictions	1,178,513	(30,403)	-	1,148,110	1,682,384
Changes in Net Assets With Donor Restrictions					
Contributions	46,320	-	-	46,320	62,573
Government grants	72,738	-	-	72,738	46,500
Foundations and corporate contributions	1,078,300	-	-	1,078,300	1,649,647
Net assets released from restrictions	(1,361,490)	-	-	(1,361,490)	(1,705,138)
Change in Net Assets with Donor Restrictions	(164,132)	-	-	(164,132)	53,582
Change in Net Assets	1,014,381	(30,403)	-	983,978	1,735,966
Net Assets, Beginning of Year	12,999,789	4,325,674	-	17,325,463	15,589,497
Net Assets, End of Year	\$ 14,014,170	\$ 4,295,271	\$ -	\$ 18,309,441	\$ 17,325,463

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

Part of the Solution and Affiliate
Consolidating Schedule of Functional Expense

Year Ended December 31, 2021	POTS				PBFF							2021 Total	2020 Total
	Food Programs	Program Services Long Term Stability Services	Dignity and Wellness Programs	Total	Supporting Services Management and General	Fundraising	Total	Supporting Services Management and General	Fundraising	Total	Eliminations		
Functional Expenses													
Salaries	\$ 466,760	\$ 1,133,453	\$ 126,784	\$ 1,726,997	\$ 249,747	\$ 369,557	\$ 2,346,301	\$ -	\$ -	\$ -	\$ -	\$ 2,346,301	\$ 2,159,392
Payroll taxes and fringe benefits	111,876	301,478	26,939	440,293	74,673	100,176	615,142	-	-	-	-	615,142	556,927
Food	2,070,887	-	-	2,070,887	-	-	2,070,887	-	-	-	-	2,070,887	2,784,445
Repairs and maintenance	33,254	18,454	11,502	63,210	6,250	1,701	71,161	-	-	-	-	71,161	72,241
Equipment rental	3,359	5,995	721	10,075	1,208	1,611	12,894	-	-	-	-	12,894	16,107
Program related expense	4,046	294,066	59,466	357,578	3,655	3,737	364,970	-	-	-	-	364,970	491,006
Professional fees	49,406	146,598	10,259	206,263	40,255	29,444	275,962	12,650	-	12,650	-	288,612	131,609
Occupancy and utilities	39,342	39,021	19,647	98,010	7,168	3,767	108,945	-	-	-	-	108,945	77,409
Telephone	7,337	14,042	1,575	22,954	3,375	3,092	29,421	-	-	-	-	29,421	30,251
Supplies	64,966	3,075	5,386	73,427	847	240	74,514	-	-	-	-	74,514	92,044
Printing and copying	75	855	-	930	86	13,531	14,547	-	-	-	-	14,547	1,178
Office and miscellaneous expense	1,309	3,016	338	4,663	968	1,157	6,788	-	-	-	-	6,788	8,609
Postage and messenger	595	1,831	124	2,550	744	3,874	7,168	-	-	-	-	7,168	15,980
Computer	17,820	29,550	4,119	51,489	7,054	11,623	70,166	-	-	-	-	70,166	63,533
Conferences and training	1,354	12,202	180	13,736	10,361	2,127	26,224	-	-	-	-	26,224	16,741
Insurance	12,134	23,758	2,604	38,496	4,381	5,840	48,717	-	-	-	-	48,717	55,086
Service fees	17	46	-	63	38,107	15,713	53,883	2,441	-	2,441	-	56,324	50,517
Depreciation	88,816	72,993	44,419	206,228	16,285	8,477	230,990	-	-	-	-	230,990	227,591
Interest	-	-	-	-	1,757	-	1,757	-	-	-	-	1,757	-
Unallocated payments to affiliated organizati	-	-	-	-	250	-	250	42,075	-	42,075	(42,075)	250	-
Bad debt expense (recovery)	-	-	-	-	2,003	-	2,003	(11,071)	-	(11,071)	-	(9,068)	27,286
Total Expenses	\$2,973,353	\$ 2,100,433	\$ 314,063	\$5,387,849	\$ 469,174	\$ 575,667	\$6,432,690	\$ 46,095	\$ -	\$ 46,095	\$ (42,075)	\$6,436,710	\$6,877,952

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

Part of the Solution and Affiliate Consolidating Schedule of Cash Flows

Year Ended December 31,	POTS	PBFF	Eliminations	2021	2020
Cash Flows From Operating Activities					
Change in Net Assets	\$ 1,014,381	\$ (30,403)	\$ -	\$ 983,978	\$ 1,735,966
Adjustments to reconcile change in net assets to net cash provided by operating activities:					
Unrealized gain on investments	-	(12,866)	-	(12,866)	(19,416)
Realized gain on sale of investments, net	116	(14,541)	-	(14,425)	(7,504)
Contributions restricted for capital campaign	-	(10,000)	-	(10,000)	(10,000)
Donated marketable securities	(106,593)	-	-	(106,593)	(98,844)
Bad debt (recovery) expense - capital campaign	-	(11,071)	-	(11,071)	(3,089)
Bad debt expense	2,003	-	-	2,003	30,375
Forgiveness of prior year Paycheck Protection Program loan	(199,190)	-	-	(199,190)	-
Discount on contributions receivable	-	13,758	-	13,758	(17,579)
Depreciation	230,990	-	-	230,990	227,591
Changes in operating assets and liabilities:					
Contributions and grants receivable	115,371	-	-	115,371	170,040
Prepaid expenses and other assets	20,233	-	-	20,233	(25,899)
Due from POTS	-	(34,974)	34,974	-	-
Due from PBFF	119,000	-	(119,000)	-	-
Accounts payable and accrued expenses	(4,900)	6,889	-	1,989	52,246
Due to POTS	-	(119,000)	119,000	-	-
Due to PBFF	34,974	-	(34,974)	-	-
Deferred revenue	(87,859)	-	-	(87,859)	461,502
Net cash provided by (used in) operating activities	1,138,526	(212,208)	-	926,318	2,495,389
Cash Flows From Investing Activities					
Exercise of put option	-	-	-	-	-
Purchase of property and equipment	(43,602)	-	-	(43,602)	(79,296)
Purchase of construction in progress	(42,075)	-	-	(42,075)	(50,046)
Purchase of assets restricted to investment in property and equipment	-	-	-	-	-
Purchase of investments	-	(132,138)	-	(132,138)	(102,937)
Proceeds from sale of investments	113,836	134,835	-	248,671	195,516
Net cash provided by (used in) investing activities	28,159	2,697	-	30,856	(36,763)
Cash Flows From Financing Activities					
Proceeds from Paycheck Protection Program loan	-	-	-	-	407,090
Repayment of Paycheck Protection Program loan	-	-	-	-	(207,900)
Capital campaign contributions	-	231,427	-	231,427	71,786
Net cash provided by financing activities	-	231,427	-	1,314,749	270,976
Net Increase in Cash and Cash Equivalents and Restricted Cash	1,166,685	21,916	-	1,188,601	2,729,602
Cash and Cash Equivalents and Restricted Cash - Beginning of Year	6,126,495	3,543,417	-	9,669,912	6,940,560
Cash and Cash Equivalents and Restricted Cash - End of Year	\$ 7,293,180	\$ 3,565,333	\$ -	\$ 10,858,513	\$ 9,670,162
Supplemental Disclosures of Cash Flow Information:					
Cash and Cash Equivalents Consist of:					
Cash and cash equivalents	\$ 7,293,180	\$ 891,598	\$ -	\$ 8,184,778	\$ 6,996,427
Restricted cash	\$ -	\$ 2,673,735	\$ -	2,673,735	2,673,735
Total	\$ 7,293,180	\$ 3,565,333	\$ -	\$ 10,858,513	\$ 9,670,162

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