EISNERAMPER

NEW YORK CARES, INC.

FINANCIAL STATEMENTS

SEPTEMBER 30, 2020 and 2019

NEW YORK CARES, INC.

Contents

EisnerAmper LLP
733 Third Avenue
New York, NY 10017
T 212.949.8700
F 212.891.4100
www.eisneramper.com

INDEPENDENT AUDITORS' REPORT

Board of Directors
New York Cares, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of New York Cares, Inc. (the “Organization”), which comprise the statements of financial position as of September 30, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for each of the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New York Cares, Inc. as of September 30, 2020 and 2019, and the changes in its net assets and its cash flows for each of the years then ended, in accordance with accounting principles generally accepted in the United States of America.

EisnerAmper LLP

EISNERAMPER LLP
New York, New York
March 18, 2021

NEW YORK CARES, INC.

Statements of Financial Position

	September 30, 2020	September 30, 2019
ASSETS		
Cash and cash equivalents	**$ 4,438,121**	$ 2,241,936
Pledges receivable, net	**1,989,404**	2,265,088
Other receivables	**111,906**	372,722
Investments	**4,740,617**	4,428,108
Prepaid expenses	**458,688**	469,498
Property and equipment, net	**85,314**	119,580
Total assets	**$ 11,824,050**	$ 9,896,932
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	**$ 707,518**	$ 595,437
Deferred revenue	**-**	38,025
Paycheck Protection Program loan payable	**957,876**	-
Deferred rent obligation	**280,604**	355,414
Total liabilities	**1,945,998**	988,876
Commitments and other uncertainty (Note M)		
Net assets:		
Without donor restrictions:		
Undesignated, available for general operations	**$ 3,568,961**	$ 2,783,095
Board-designated endowment fund	**4,410,132**	4,100,484
Total net assets without donor restrictions	**7,979,093**	6,883,579
With donor restrictions:		
Time-restricted for future periods	**1,898,959**	2,024,477
Total net assets with donor restrictions	**1,898,959**	2,024,477
Total net assets	**9,878,052**	8,908,056
Total liabilities and net assets	**$ 11,824,050**	$ 9,896,932

NEW YORK CARES, INC.

Statements of Activities

	Year Ended September 30,					
	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenue:						
Contributions and grants:						
Foundations	**$ 1,265,258**	**$ 186,000**	**$ 1,451,258**	$ 580,583	$ 553,667	$ 1,134,250
Corporations	**2,880,046**	**975,837**	**3,855,883**	3,095,063	2,020,025	5,115,088
Government	**209,256**	**80,385**	**289,641**	238,980	107,917	346,897
Individuals	**2,313,599**	**259,957**	**2,573,556**	1,238,158	144,741	1,382,899
Special events, (net of direct benefits to donors of $174,765 and $213,999 in 2020 and 2019, respectively)	**1,227,700**	**441,603**	**1,669,303**	922,703	177,428	1,100,131
Investment income, net	**92,791**	**-**	**92,791**	122,118	-	122,118
Earned revenue	**23,250**	**-**	**23,250**	-	-	-
Other income	**12,963**	**-**	**12,963**	3,350	-	3,350
Public support and revenue before donated goods and services	**8,024,863**	**1,943,782**	**9,968,645**	6,200,955	3,003,778	9,204,733
Donated goods and services (Note F)	**2,083,514**	**-**	**2,083,514**	1,973,658	-	1,973,658
Total public support and revenue before net assets released from restriction	**10,108,377**	**1,943,782**	**12,052,159**	8,174,613	3,003,778	11,178,391
Net assets released from restriction	**2,069,300**	**(2,069,300)**	**-**	3,671,539	(3,671,539)	-
Total public support and revenue	**12,177,677**	**(125,518)**	**12,052,159**	11,846,152	(667,761)	11,178,391
Expenses:						
Program services	**9,231,748**	**-**	**9,231,748**	9,238,758	-	9,238,758
General and administration	**623,743**	**-**	**623,743**	702,684	-	702,684
Fund-raising	**1,460,668**	**-**	**1,460,668**	1,333,328	-	1,333,328
Total expenses	**11,316,159**	**-**	**11,316,159**	11,274,770	-	11,274,770
Other changes:						
Net realized and unrealized gains on investments	**233,996**	**-**	**233,996**	165,014	-	165,014
Change in net assets	**1,095,514**	**(125,518)**	**969,996**	736,396	(667,761)	68,635
Net assets - beginning of year	**6,883,579**	**2,024,477**	**8,908,056**	6,147,183	2,692,238	8,839,421
Net assets - end of year	**$ 7,979,093**	**$ 1,898,959**	**$ 9,878,052**	$ 6,883,579	$ 2,024,477	$ 8,908,056

See notes to financial statements.

NEW YORK CARES, INC.

Statements of Functional Expenses

	Year Ended September 30,									
	2020					2019				
	Program Services	Supporting Services				Program Services	Supporting Services			
	Volunteer Program	General and Administration	Fund-Raising	Total Supporting Services	Total	Volunteer Program	General and Administration	Fund-Raising	Total Supporting Activities	Total
Project expenses	$ 3,203,631	$ -	$ -	$ -	$ 3,203,631	$ 3,848,542	$ -	$ -	$ -	$ 3,848,542
Salaries	3,830,798	406,082	781,465	1,187,547	5,018,345	3,279,894	471,887	699,380	1,171,267	4,451,161
Payroll taxes and employee benefits	880,442	76,037	163,158	239,195	1,119,637	772,839	77,332	128,076	205,408	978,247
Rent and related expenses	506,861	39,698	28,766	68,464	575,325	520,200	44,589	29,726	74,315	594,515
Technology and telecommunications	376,579	24,877	33,979	58,856	435,435	242,250	16,444	20,952	37,396	279,646
Printing and reproduction	43,516	2,955	11,758	14,713	58,229	50,943	3,417	26,116	29,533	80,476
Professional fees	126,351	60,942	2,155	63,097	189,448	211,867	74,103	95,107	169,210	381,077
Outreach	77,793	-	9,910	9,910	87,703	100,972	-	10,023	10,023	110,995
Processing fees	-	-	96,465	96,465	96,465	-	-	63,116	63,116	63,116
Postage and shipping	15,748	1,100	2,589	3,689	19,437	14,995	1,114	2,048	3,162	18,157
Office expenses	87,536	6,291	158,575	164,866	252,402	102,631	6,841	114,791	121,632	224,263
Entertainment expenses	-	-	333,048	333,048	333,048	-	-	345,208	345,208	345,208
Insurance	54,731	3,822	9,000	12,822	67,553	50,738	3,770	6,928	10,698	61,436
Total expenses before depreciation and amortization	9,203,986	621,804	1,630,868	2,252,672	11,456,658	9,195,871	699,497	1,541,471	2,240,968	11,436,839
Depreciation and amortization	27,762	1,939	4,565	6,504	34,266	42,887	3,187	5,856	9,043	51,930
Total expenses	9,231,748	623,743	1,635,433	2,259,176	11,490,924	9,238,758	702,684	1,547,327	2,250,011	11,488,769
Less: direct benefits to donors	-	-	(174,765)	(174,765)	(174,765)	-	-	(213,999)	(213,999)	(213,999)
Total expenses per statements of activities	$ 9,231,748	$ 623,743	$1,460,668	$ 2,084,411	$ 11,316,159	$ 9,238,758	$ 702,684	$ 1,333,328	$ 2,036,012	$ 11,274,770

NEW YORK CARES, INC.

Statements of Cash Flows

	Year Ended September 30, 2020	Year Ended September 30, 2019
Cash flows from operating activities:		
Change in net assets	**$ 969,996**	$ 68,635
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	**34,266**	51,930
Bad debt expense	**144,686**	102,278
Net realized and unrealized gains on investments	**(233,996)**	(165,014)
Changes in:		
Pledges receivable, net	**130,998**	(413,321)
Other receivables	**260,816**	(163,130)
Prepaid expenses	**10,810**	(24,735)
Accounts payable and accrued expenses	**112,081**	226,755
Deferred revenue	**(38,025)**	(79,975)
Deferred rent obligation	**(74,810)**	(60,574)
Net cash provided by (used in) operating activities	**1,316,822**	(457,151)
Cash flows from investing activities:		
Purchases of investments	**(97,387)**	(110,013)
Proceeds from sales of investments	**18,874**	14,301
Purchases of property and equipment	**-**	(6,312)
Net cash used in investing activities	**(78,513)**	(102,024)
Cash flows from financing activities:		
Proceeds from Paycheck Protection Program loan	**957,876**	-
Net cash provided by financing activities	**957,876**	-
Change in cash and cash equivalents	**2,196,185**	(559,175)
Cash and cash equivalents, beginning of year	**2,241,936**	2,801,111
Cash and cash equivalents, end of year	**$ 4,438,121**	$ 2,241,936
Supplemental disclosure of cash flow information:		
Noncash donations of goods and services	**$ 2,083,514**	$ 1,973,658
Taxes paid on transportation benefits	**$ -**	$ 12,500

See notes to financial statements.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

[1] The Organization:

New York Cares, Inc. (the “Organization”) is a not-for-profit organization incorporated under the laws of the State of New York. Founded in 1987, the Organization mobilizes tens of thousands of volunteers and/or contributors each year through (i) a wide variety of hands-on, monthly, volunteer projects, and (ii) annual events (such as New York Cares Day and the New York Cares Coat Drive). The Organization's volunteers tutor children, feed the hungry, assist people living with HIV/AIDS, revitalize gardens, take homeless children on cultural and recreational outings, visit the elderly, and more. The Organization develops ongoing partnerships with corporations, shelters, community agencies, and disaster-relief organizations ("Community Partners") that need volunteer support. Working closely with these agencies, the Organization creates and manages thousands of volunteer projects every year so that caring New Yorkers can make a difference.

The Organization is exempt from federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code, and from state and local taxes under comparable laws.

[2] Basis of accounting:

The financial statements of the Organization have been prepared using the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America (“U.S. GAAP”), as applicable to not-for-profit entities.

[3] Use of estimates:

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, public support and revenue, and expenses, as well as the disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

[4] Cash and cash equivalents:

The Organization considers all highly liquid investments, with a maturity of three months or less when purchased, to be cash equivalents, with the exception of money-market funds, which are held as part of the investment portfolio.

[5] Investments:

The Organization's investments in open-end and closed-end mutual funds are reported at their fair values in the statements of financial position based on quoted market prices as of each fiscal year end. Cash and cash equivalents held as part of the investment portfolio are also included in the balances reported as investments.

The Organization's investments, in general, are subject to various risks, such as interest-rate, market, and credit risks. Due to the level of risk associated with certain investment vehicles, it is at least reasonably possible that changes in the values of those securities could occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Investment transactions are recorded on a trade-date basis. Realized gains and losses on investments sold, and unrealized appreciation or depreciation on investments held, are reported in the statements of activities as increases or decreases in net assets without donor restrictions, unless their use is restricted through donor stipulation. Realized gains and losses on investments are determined by comparison of the cost at acquisition to the proceeds at the time of disposition. Unrealized gains and losses on investments are determined by comparing the investments’ cost to the fair values at the end of each fiscal year. The earnings from dividends and interest are recognized when earned.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[5] Investments: (continued)

The Organization's policy is to sell the donated securities immediately, and, accordingly, for purposes of the statements of cash flows, donated securities and the proceeds generated from their sale are included within operating activities.

Investment expenses include the services of the investment manager. The balances of investment management fees disclosed in Note C are those specific fees charged by the Organization's investment manager in each fiscal year; however, they do not include those fees that are embedded in investment transactions.

[6] Property and equipment:

Property and equipment are stated at their original costs at the dates of acquisition, or, if contributed, at their fair values at the dates of donation, net of accumulated depreciation and amortization. The Organization capitalizes items of property and equipment that have a cost of $1,000 or more and useful lives greater than one year, whereas minor costs of repairs and maintenance are expensed as incurred. Depreciation is provided using the straight-line method over a period of three to ten years for computers, furniture, and equipment. Amortization of leasehold improvements is provided using the straight-line method over the terms of the lease, or the useful lives of the improvements, whichever is shorter.

Management evaluates the recoverability of the investment in long-lived assets on an on-going basis and recognizes any impairment in the year of determination. Long-lived assets were tested for impairment as of September 30, 2020 and 2019, respectively, and, in the opinion of management, there were no impairments. It is reasonably possible that relevant conditions could change in the near term and necessitate a change in management's estimate of the recoverability of these assets.

[7] Accrued vacation:

Accrued vacation represents the Organization's obligation for the cost of unused employee vacation time payable in the event that all employees left the Organization. In response to the COVID-19 pandemic, the Organization temporarily updated its Time-Off Policy, allowing employees to carry over an additional five days of unused vacation time, for a total of fifteen days, into the 2021 calendar year. As of September 30, 2020 and 2019, the accrued vacation obligation was approximately $212,000 and $116,000, respectively, and was included within accounts payable and accrued expenses in the statements of financial position.

[8] Paycheck Protection Program loan payable:

On March 27, 2020, Congress enacted the Coronavirus Aid Relief, and Economic Security Act ("CARES Act"). The Paycheck Protection Program ("PPP") established by the CARES Act, implemented by the U.S. Small Business Administration ("SBA"), provides businesses, including certain not-for-profit organizations, with funds to pay payroll and qualifying expenditures during the coronavirus ("COVID-19") pandemic. During fiscal-year 2020, the Organization applied for and received PPP funds.

There are two acceptable methods for accounting for the PPP funds received under the CARES Act. Entities can elect to treat the funds as a loan or as a conditional contribution. The Organization has elected to record the PPP funds as a loan under the Financial Accounting Standards Board's (the "FASB") Accounting Standards Codification ("ASC") 470 *Debt*. The Organization is in the process of applying for loan forgiveness, which will be recognized when the application is formally approved by the bank and the SBA, however, no assurance can be provided that the Organization will be eligible for forgiveness, in whole, or in part (see Note E).

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[9] Deferred rent obligation:

Rent expense is recognized using the straight-line method over the term of the lease. The difference between rent expense incurred and the rental amounts actually paid, which is attributable to scheduled rent increases and a rent abatement, is reported as a deferred rent obligation in the statements of financial position.

[10] Net assets:

The net assets of the Organization and changes therein are classified and reported as follows:

(i) Net assets without donor restrictions:

Net assets without donor restrictions, represent those resources for which there are no restrictions by donors as to their use and are categorized as follows:

- Undesignated, available for general operations - undesignated and available for the ongoing activities and working capital needs of the Organization.
- Board-designated endowment fund - designated by the Board of Directors to function as an endowment.

(ii) Net assets with donor restrictions:

Net assets with donor restrictions, represent those resources the use of which has been restricted by donors to specific purposes and/or a specific period of time. Net assets released from restrictions, which are reclassified as net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions, represent one of the following: (i) the satisfaction of the restricted purposes specified by the donors; or (ii) the passage of time.

[11] Revenue recognition:

(i) Contributions, grants and pledges:

Contributions and grants received in support of current operations are reported as “without donor restrictions” in the statements of activities. Contributions which support future operations or donor-restricted purposes are reported as “with donor restrictions”. Contributions to the Organization are recognized as revenue upon the receipt of cash or other assets, or of unconditional pledges. Contributions to be received after one year are discounted at an appropriate interest rate, commensurate with the risk involved.

(ii) Special events:

The Organization conducts special events for which the food and beverages may be donated. A portion of the gross proceeds paid by the attendees represents payment for the direct cost of the benefits received by the attendees at the event. Such special-event income is reported net of the direct cost of the event that is attributable to the benefit that the donors receive.

(iii) Earned revenue:

Earned revenue represents income received by the Organization related to monies collected from the Volunteer Impact Program run by the Organization.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[12] Functional allocation of expenses:

The Organization's financial statements report certain categories of expenses that are attributable to program and supporting services of the Organization. These costs have been summarized on a functional basis in the accompanying statements of activities. The statements of functional expenses present expenses by function and natural classification. Accordingly, certain costs that are directly attributable to a specific functional area of the Organization are reported as expenses of those functional areas. Within program expenses are project expenses that relate to the cost of supplies for the various volunteer projects. The expenses that are allocated include rent and related expenses and insurance, all of which have been allocated on a square-footage basis. Technology and telecommunications, printing and reproduction and supplies and office expenses, have been allocated on the basis of utilization of resources by department, whereas salaries, benefits and taxes have been allocated on the basis of estimates of time and effort.

[13] Income taxes:

The Organization is subject to the provisions of the FASB’s ASC Topic 740, *Income Taxes*, as it relates to accounting and reporting for uncertainty in income taxes. Because of the Organization's general tax-exempt status, management believes ASC Topic 740 has not had, and is not anticipated to have, a material impact on the Organization's financial statements.

[14] Adoption of accounting pronouncements:

(i) Clarifying the scope and the accounting guidance for contributions received and contributions made:

In June 2018, the FASB issued Accounting Standards Update (“ASU”) 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 985)*. ASU 2018-08 clarifies and improves guidance concerning: i) evaluating whether a transaction should be accounted for as an exchange transaction or as a contribution, and ii) determining whether a contribution received is conditional. ASU 2018-08 is effective for annual periods beginning after December 15, 2018 for entities that are resource recipients, and periods beginning after December 15, 2019 for entities that are resource providers. ASU 2018-08 should be applied on a modified prospective basis. The Organization adopted the resource recipient portion of the standard and early adopted the resource provider portion of the standard for the fiscal-year ending September 30, 2020 and this accounting guidance did not have a material effect on the Organization’s financial statements.

(ii) Disclosure requirements for fair-value measurements:

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820) Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement*, which modified the disclosure requirements for fair value measurements and is effective for years beginning after December 15, 2019, with early adoption permitted. The effect of adopting this accounting guidance results in the removal or modification of certain fair value measurement disclosures presented in the Organization’s financial statements. The Organization chose to early-adopt this ASU for the fiscal-year ending September 30, 2020. The amendments on changes in unrealized gains and losses, the range and weighted average of significant unobservable inputs used to develop Level 3 fair value measurements, and the narrative description of measurement uncertainty are applied prospectively for only the most recent annual period presented in the year of adoption. All other amendments are applied retrospectively to each period for which the financial statements are presented.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[15] Upcoming accounting pronouncements:

(i) Revenue from contracts with customers:

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry specific guidance. ASU 2014-09 requires an entity to recognize revenue depicting the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard permits the use of either the retrospective or cumulative effect transition method. As a result of a recent deferral due to COVID-19, the standard is effective for fiscal years beginning after December 15, 2019; accordingly, management is in the process of assessing the impact of this ASU on the financial statements.

(ii) Leases:

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which will require entities to recognize lease assets and lease liabilities (related to leases previously classified as operating under previous U.S. GAAP) on the statements of financial position. This ASU is required to be adopted on a modified retrospective basis. The ASU is effective for fiscal years beginning after December 15, 2021. Management is in the process of assessing the impact of this ASU on the financial statements.

(iii) Contributed nonfinancial assets:

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, 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 statement of activities, apart from contributions of cash or other financial assets. For each category of contributed nonfinancial assets recognized, the not-for-profit organization will need to disclose: (i) qualitative information about whether the contributed nonfinancial assets were either monetized or utilized during the reporting period. If utilized, a description of the programs or other activities in which those assets were used; (ii) the not-for-profit's policy (if any) about monetizing rather than utilizing contributed nonfinancial assets; (iii) a description of any donor-imposed restrictions associated with the contributed nonfinancial assets; (iv) the valuation techniques and inputs used to arrive at a fair value measure, in accordance with the requirements in Topic 820, *Fair Value Measurement*, at initial recognition; and (v) the principal market (or most advantageous market) used to arrive at a fair value measure, if it is a market in which the recipient entity is prohibited by a donor-imposed restriction from selling or using the contributed nonfinancial assets. The amendments in this ASU will be applied on a retrospective basis and are effective for annual reporting periods beginning after June 15, 2021. Management is in the process of assessing the impact of this ASU on the financial statements.

[16] Subsequent events:

The Organization evaluated subsequent events through March 18, 2021, the date on which the financial statements were available to be issued.

NOTE B - PLEDGES RECEIVABLE

At each fiscal year-end, pledges receivable consisted of the following:

	September 30, 2020	September 30, 2019
Less than one year	**$ 2,084,001**	$ 2,118,006
One to five years	**10,000**	276,667
	2,094,001	2,394,673
Less: discount to present value of 2.5%	**(487)**	(10,854)
Less: allowance for uncollectible amounts	**(104,110)**	(118,731)
	$ 1,989,404	$ 2,265,088

An allowance for uncollectible pledges receivable is provided, using management's judgment of potential defaults, which considers factors such as the prior-collection history, the type of contribution, and the nature of fund-raising activity.

NOTE C - INVESTMENTS

At each fiscal year-end, investments consisted of the following:

	September 30, 2020		September 30, 2019	
	Fair Value	Cost	Fair Value	Cost
Money-market funds	**$ 330,485**	**$ 330,485**	$ 327,624	$ 327,624
Mutual funds:				
Open-end:				
Bond funds	**3,491,858**	**3,288,569**	3,301,943	3,223,844
Closed-end:				
Stock funds	**918,274**	**623,386**	798,541	608,173
	$ 4,740,617	**$ 4,242,440**	$ 4,428,108	$ 4,159,641

During each fiscal year, investment earnings consisted of the following:

	Year Ended September 30, 2020	Year Ended September 30, 2019
Interest and dividends	**$ 107,206**	$ 136,419
Investment fees	**(14,415)**	(14,301)
Net investment income	**92,791**	122,118
Unrealized gains	**229,710**	165,127
Realized gains (losses)	**4,286**	(113)
Total unrealized and realized	**233,996**	165,014
Total investment return	**$ 326,787**	$ 287,132

NOTE C - INVESTMENTS (CONTINUED)

The FASB's ASC Topic 820, *Fair Value Measurements*, establishes a three-level valuation hierarchy of fair-value measurements. These valuation techniques are based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions. These two types of inputs create the following fair-value hierarchy:

Level 1: Valuations are based on observable inputs that reflect quoted market prices in active markets for identical investments at the reporting date.

Level 2: Valuations are based on: (i) quoted prices for similar investments in active markets; or (ii) quoted prices for those investments, or similar investments, in markets that are not active; or (iii) pricing inputs other than quoted prices that are directly or indirectly observable at the reporting date.

Level 3: Valuations are based on pricing inputs that are unobservable and includes situations where: (i) there is little, if any, market activity for the investments; or (ii) the investments cannot be independently valued.

The availability of market data is monitored by the Organization to assess the appropriate classification of financial instruments within the fair-value hierarchy. Changes in economic conditions or valuation techniques may require the transfer of financial instruments from one level to another. In such instances, the transfer is reported at the beginning of the reporting period.

The following table summarizes the fair values of the Organization's investments at each fiscal-year, in accordance with the ASC Topic 820 fair-value levels:

	September 30,			
	2020		2019	
	Level 1	Total	Level 1	Total
Money-market funds	**$ 330,485**	**$ 330,485**	$ 327,624	$ 327,624
Mutual funds	**4,410,132**	**4,410,132**	4,100,484	4,100,484
	$4,740,617	**$4,740,617**	$4,428,108	$4,428,108

NOTE D - PROPERTY AND EQUIPMENT

At each fiscal year-end, property and equipment consisted of the following:

	September 30,	
	2020	2019
Computers and other information technology	**$ 429,786**	$ 429,786
Furniture and equipment	**120,630**	120,630
Leasehold improvements	**347,786**	347,786
	898,202	898,202
Less: accumulated depreciation and amortization	**(812,888)**	(778,622)
	$ 85,314	$ 119,580

NOTE E - PAYCHECK PROTECTION PROGRAM LOAN PAYABLE

On April 10, 2020, the Organization received $957,876 in funds from the PPP and is reported as a Paycheck Protection Program loan payable in the statements of financial position at September 30, 2020. Neither principle nor interest is due for a six-month deferral period through October 2020. This loan may be forgiven subject to bank approval in accordance with SBA guidelines. Any outstanding principle of the loan that is not forgiven under the PPP Loan program at the end of the six-month deferral period will convert to a term loan with an interest rate of .98% payable in equal installments of principle and interest over the next eighteen months, beginning in November 2020. The loan matures on April 10, 2022. The Organization is in the process of applying for forgiveness. Until determination of forgiveness, the scheduled future principle maturities as of September 30, 2020 are as follows:

Fiscal-Year Ended September 30,	Amount
2021	$ 585,368
2022	372,508
	$ 957,876

NOTE F - DONATED GOODS AND SERVICES

For recognition of donated services in the Organization's financial statements, such services must: (i) create or enhance non-financial assets; and (ii) typically need to be acquired if not provided by donation. Additionally, recognition of donated services must: (i) require a specialized skill; and (ii) be provided by individuals possessing these skills. Donated goods and services are recorded as support at their estimated fair values at the dates of donation and are reported as without donor restrictions unless the donor has restricted the donated assets for a specific purpose. Donated goods and services are reported as both contributions and offsetting expenses in the accompanying statements of activities.

At each fiscal year-end, the fair value of donated goods and services was as follows:

	Year Ended September 30,					
	2020			2019		
	Goods	**Services**	**Total**	**Goods**	**Services**	**Total**
Coat Drive	**$ 1,821,714**	**$ -**	**$ 1,821,714**	$ 1,692,548	$ -	$ 1,692,548
Project expenses	**-**	**120,269**	**120,269**	-	120,053	120,053
Special-event expenses	**11,433**	**-**	**11,433**	10,144	-	10,144
Professional fees	**-**	**130,098**	**130,098**	-	150,913	150,913
	$ 1,833,147	**$ 250,367**	**$ 2,083,514**	$ 1,702,692	$ 270,966	$ 1,973,658

Donated project revenues and expenses consisted primarily of warehouse space and software licenses. Donated special-event expenses consisted primarily of food and beverages used during events. Donated professional fees consisted of legal services.

Unpaid volunteers have made significant contributions of their time to assist the Organization in carrying out its mission. However, these contributed services have not been recognized in the accompanying financial statements because they do not meet the criteria for recognition under generally accepted accounting principles.

NOTE G - DAYS OF SERVICE

During fiscal-years 2020 and 2019, respectively, corporate sponsors funded approximately $333,000 and $1,187,000 in program-related supplies and expenses that benefit the Organization's community partners. The Organization requires the funding for these supplies and expenses to be received from corporate sponsors in advance of the projects for which they are incurred. However, in rare cases, the Organization may incur expenses related to a project prior to receiving this funding. When this occurs, the Organization creates a receivable position and works with the sponsor to ensure that these funds are collected before additional projects can be planned and executed. These projects were planned and managed by the Organization's staff members through the Organization's customized corporate-service programs. As the program-related supplies and expenses are incurred, the Organization recognizes both revenue and expenses of the same amount. As of September 30, 2020 and 2019, the remaining balance due to the Organization of $111,906 and $372,722, respectively, was recognized as other receivables on the statements of financial position. Other receivables are considered to be fully collectible and accordingly no allowance for these receivables has been established.

NOTE H - NET ASSETS WITH DONOR RESTRICTIONS

At each fiscal year-end, net assets with donor restrictions consisted of the following:

	September 30,	
	2020	**2019**
Subject to the passage of time:		
Pledges	**$ 1,484,474**	$ 1,587,788
New York Cares Day	**-**	23,358
NYC Marathon	**1,948**	23,025
Winter benefit	**341,603**	168,878
Cash for coats	**-**	150,000
December coat drive	**70,934**	71,428
	$ 1,898,959	$ 2,024,477

During each fiscal year, net assets with donor restrictions released from restriction were for the following:

	September 30,	
	2020	**2019**
Expiration of time restrictions:		
Pledges	**$ 1,299,497**	$ 1,279,135
Winter wishes	**-**	50,000
New York Cares Day	**23,358**	123,695
NYC Marathon	**22,927**	23,546
Winter benefit	**168,878**	814,208
Cash for coats	**150,000**	135,000
December coat drive	**71,428**	15,430
Days of service	**333,212**	1,220,525
Family fund	**-**	10,000
	$ 2,069,300	$ 3,671,539

NOTE I - ACCOUNTING AND REPORTING FOR THE ENDOWMENT

[1] Net assets without donor restrictions (Board-designated endowment fund):

The Organization's endowment consist solely of a Board-designated fund. The Board-designated endowment fund is comprised of resources designated by the Board of Directors to be used for growth and sustainability of the Organization.

[2] Interpretation of relevant law:

The Organization adheres to the provisions of the New York Prudent Management of Institutional Funds Act ("NYPMIFA") that are applicable to assets held for endowment.

[3] Changes in endowment net assets during each fiscal year:

	Without Donor Restrictions	
	September 30,	
	2020	**2019**
Board-designated fund, beginning of year	**$ 4,100,484**	$ 3,846,996
Investment return:		
Dividend income, net	**79,938**	88,474
Net realized and unrealized appreciation	**229,710**	165,014
Total investment return	**309,648**	253,488
Board-designated fund, end of year	**$ 4,410,132**	$ 4,100,484

[4] Return objectives and strategies employed for achieving objectives:

The Organization has adopted an investment policy for its endowment assets that attempts to provide a predictable stream of funding for the future needs and goals of the Organization. Endowment assets are invested in a diversified manner, so that up to 50% is invested in equities and the balance is invested in high-quality bonds and other fixed-income securities, to maximize return with a low risk.

[5] Spending policy:

The Executive Committee of the Board of Directors of the Organization has a policy of appropriating for distribution each year up to 5% of the total value of the funds, averaged over the year. If the total return in a single year is less than or equal to 5% of the corpus, and is greater than zero, the Executive Committee of the Board of Directors may decide to transfer an amount up to the total return for the year. The Organization did not appropriate from its endowment fund during either fiscal year.

NOTE J - LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects the Organization's financial assets as of September 30, 2020 and 2019 reduced by amounts not available for general use within one year due to donor-imposed restrictions or internal designations. Amounts not available include amounts set aside by the Board for growth and sustainability of the Organization that could be drawn upon if the Board of Directors approves the action.

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

	September 30,	
	2020	**2019**
Cash and cash equivalents	**$ 4,438,121**	$ 2,241,936
Pledges receivable, net	**1,989,404**	2,265,088
Other receivable	**111,906**	372,722
Investments	**4,740,617**	4,428,108
Total financial assets available within one year	**11,280,048**	9,307,854
Less: amounts unavailable for general expenditures within one year, due to:		
Restrictions by donors for:		
Time restrictions	**(1,898,959)**	(2,024,477)
Amounts unavailable to management without the Board's approval:		
Board-designated endowment fund	**(4,410,132)**	(4,100,484)
Total financial assets available to meet cash needs for general expenditures within one year	**$ 4,970,957**	$ 3,182,893

Liquidity policy:

The Organization maintains a sufficient level of operating cash and short-term investments to be available as its general expenditures, liabilities, and other obligations come due as part of the Organization's liquidity management. Additionally, the Organization has a Board-designated endowment fund, whereby amounts could be made available for current operations, if necessary, however the Organization does not intend to spend this fund for purposes other than those identified.

NOTE K- EMPLOYEE-BENEFIT PLAN

The Organization maintains a Section 403(b) tax-deferred annuity plan for the benefit of its employees. All employees are eligible to participate, and employee contributions are based upon Internal Revenue Service and U.S. Department of Labor guidelines. Each plan year, the Board of Directors determines the amount of matching contributions, if any, for all eligible participants. The match contributed by the Organization in fiscal-years 2020 and 2019 was $68,728 and $50,293, respectively.

NOTE L - CONCENTRATION OF CREDIT RISK

The Organization maintains its cash and cash equivalents in high-credit-quality financial institutions in amounts which, at times, may exceed federally insured limits. The Organization's management believes that there is no substantial risk of loss associated with the failures of these financial institutions.

NOTE M - COMMITMENTS AND OTHER UNCERTAINTY

[1] Operating lease:

During fiscal-year 2013, the Organization entered into an eleven-year, non-cancelable agreement to lease office space located at 65 Broadway in New York City. In accordance with the lease agreement, $214,968 is to be held as a security deposit and, as such, it is included in prepaid expenses in the statements of financial position, as of each year-end.

The Organization's lease agreement is subject to rent escalations, and as described in Note A[9], a deferred rent obligation was formed. Minimum future obligations under the non-cancelable operating lease, exclusive of required payments for real estate taxes, are as follows:

Year Ending September 30,	Amount
2021	$ 598,297
2022	613,254
2023	468,511
	$ 1,680,062

Rental expense was approximately $509,000 in each of the fiscal-years 2020 and 2019, respectively.

[2] Other contracts:

In the normal course of business, the Organization enters into various contracts for professional and other services, all of which are typically renewable on a year-to-year basis.

[3] COVID-19

The extent of the impact of the coronavirus ("COVID-19") outbreak on the operational and financial performance of the Organization will depend on the continued future developments, including the duration and spread of the outbreak and related travel advisories and restrictions and the impact of COVID-19 on the overall availability of contributions towards the Organization's programs, all of which are highly uncertain and cannot be predicted. If contributions towards the Organization's programs are impacted for an extended period, results of operations may be materially adversely affected.