EISNERAMPER

NEW YORK CARES, INC.

FINANCIAL STATEMENTS

SEPTEMBER 30, 2022 and 2021

NEW YORK CARES, INC.

Contents

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INDEPENDENT AUDITORS' REPORT

Board of Directors
New York Cares, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of New York Cares, Inc. (the "Organization"), which comprise the statements of financial position as of September 30, 2022 and 2021, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of New York Cares, Inc. as of September 30, 2022 and 2021, 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.

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 Auditors' 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 these 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 for one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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 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 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 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.

EisnerAmper LLP

EISNERAMPER LLP
New York, New York
May 17, 2023

NEW YORK CARES, INC.

Statements of Financial Position

	September 30,	
	2022	**2021**
ASSETS		
Cash and cash equivalents	**$ 3,336,856**	$ 5,480,359
Pledges receivable, net	**2,322,270**	1,666,789
Investments	**4,409,875**	5,022,734
Prepaid expenses	**636,066**	451,763
Property and equipment, net	**22,172**	51,735
Total assets	**$ 10,727,239**	$ 12,673,380
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	**$ 704,193**	$ 554,126
Refundable advances	**206,523**	148,937
Deferred rent obligation	**86,840**	191,201
Total liabilities	**997,556**	894,264
Commitments (Note L)		
Net assets:		
Without donor restrictions:		
Undesignated, available for general operations	**4,015,479**	4,806,702
Board-designated endowment fund	**4,077,112**	4,692,198
Total net assets without donor restrictions	**8,092,591**	9,498,900
With donor restrictions:		
Purpose and/or time-restricted for future periods	**1,637,092**	2,280,216
Total net assets	**9,729,683**	11,779,116
Total liabilities and net assets	**$ 10,727,239**	$ 12,673,380

NEW YORK CARES, INC.

Statements of Activities

	Year Ended September 30,					
	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenue:						
Contributions and grants:						
Foundations	$ 624,000	$ 15,000	$ 639,000	$ 742,883	$ 466,667	$ 1,209,550
Corporations	2,867,304	962,767	3,830,071	3,258,859	1,077,488	4,336,347
Government	41,250	47,500	88,750	56,570	120,385	176,955
Individuals	1,654,193	319,635	1,973,828	1,978,158	410,391	2,388,549
Special events, (net of direct benefits to donors of $166,281 and $40,000 in 2022 and 2021, respectively)	1,495,828	473,881	1,969,709	1,077,592	324,010	1,401,602
Investment income, net	61,614	-	61,614	62,264	-	62,264
Other income	13,045	-	13,045	-	-	-
Public support and revenue before donated goods and services	6,757,234	1,818,783	8,576,017	7,176,326	2,398,941	9,575,267
Donated goods and services (Note E)	913,771	-	913,771	382,499	-	382,499
Total public support and revenue before net assets released from restriction	7,671,005	1,818,783	9,489,788	7,558,825	2,398,941	9,957,766
Net assets released from restriction	2,461,907	(2,461,907)	-	2,017,684	(2,017,684)	-
Total public support and revenue	10,132,912	(643,124)	9,489,788	9,576,509	381,257	9,957,766
Expenses:						
Program services	8,952,810	-	8,952,810	7,435,542	-	7,435,542
General and administration	507,025	-	507,025	450,217	-	450,217
Fund-raising	1,410,903	-	1,410,903	1,349,467	-	1,349,467
Total expenses	10,870,738	-	10,870,738	9,235,226	-	9,235,226
Other changes:						
Gain on forgiveness of Paycheck Protection Program loan	-	-	-	957,876	-	957,876
Net realized and unrealized (losses) gains on investments	(668,483)	-	(668,483)	220,648	-	220,648
Total other changes	(668,483)	-	(668,483)	1,178,524	-	1,178,524
Change in net assets	(1,406,309)	(643,124)	(2,049,433)	1,519,807	381,257	1,901,064
Net assets, beginning of year	9,498,900	2,280,216	11,779,116	7,979,093	1,898,959	9,878,052
Net assets, end of year	$ 8,092,591	$ 1,637,092	$ 9,729,683	$ 9,498,900	$ 2,280,216	$ 11,779,116

See notes to financial statements.

NEW YORK CARES, INC.

Statements of Functional Expenses

	Year Ended September 30,									
	2022					2021				
	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	**$ 2,609,797**	**$ -**	**$ -**	**$ -**	**$ 2,609,797**	$ 1,155,069	$ -	$ -	$ -	$ 1,155,069
Salaries	**3,635,318**	**315,574**	**640,935**	**956,509**	**4,591,827**	3,821,571	272,117	610,127	882,244	4,703,815
Payroll taxes and employee benefits	**869,736**	**60,006**	**146,613**	**206,619**	**1,076,355**	982,955	60,321	153,475	213,796	1,196,751
Rent and related expenses	**481,050**	**37,676**	**27,301**	**64,977**	**546,027**	487,145	38,153	27,648	65,801	552,946
Technology and telecommunications	**527,353**	**19,595**	**44,222**	**63,817**	**591,170**	386,758	18,072	30,415	48,487	435,245
Printing and reproduction	**21,833**	**367**	**1,539**	**1,906**	**23,739**	28,359	619	2,317	2,936	31,295
Professional fees	**369,065**	**50,527**	**144,582**	**195,109**	**564,174**	308,705	47,205	44,997	92,202	400,907
Outreach	**65,322**	**-**	**7,664**	**7,664**	**72,986**	60,310	-	7,075	7,075	67,385
Fundraising fees (telemarketing)	**-**	**-**	**100,642**	**100,642**	**100,642**	-	-	92,663	92,663	92,663
Postage and shipping	**12,292**	**664**	**1,905**	**2,569**	**14,861**	13,057	697	1,936	2,633	15,690
Office expenses	**266,453**	**17,508**	**134,842**	**152,350**	**418,803**	100,214	8,154	285,302	293,456	393,670
Entertainment expenses	**-**	**-**	**145,998**	**145,998**	**145,998**	-	-	79,961	79,961	79,961
Catering	**-**	**-**	**166,281**	**166,281**	**166,281**	-	-	40,000	40,000	40,000
Insurance	**70,138**	**3,788**	**10,870**	**14,658**	**84,796**	63,455	3,387	9,408	12,795	76,250
Total expenses before depreciation and amortization	**8,928,357**	**505,705**	**1,573,394**	**2,079,099**	**11,007,456**	7,407,598	448,725	1,385,324	1,834,049	9,241,647
Depreciation and amortization	**24,453**	**1,320**	**3,790**	**5,110**	**29,563**	27,944	1,492	4,143	5,635	33,579
Total expenses	**8,952,810**	**507,025**	**1,577,184**	**2,084,209**	**11,037,019**	7,435,542	450,217	1,389,467	1,839,684	9,275,226
Less: direct benefits to donors	**-**	**-**	**(166,281)**	**(166,281)**	**(166,281)**	-	-	(40,000)	(40,000)	(40,000)
Total expenses per statements of activities	**$ 8,952,810**	**$ 507,025**	**$ 1,410,903**	**$ 1,917,928**	**$ 10,870,738**	$ 7,435,542	$ 450,217	$ 1,349,467	$ 1,799,684	$ 9,235,226

NEW YORK CARES, INC.

Statements of Cash Flows

	Year Ended September 30, 2022	Year Ended September 30, 2021
Cash flows from operating activities:		
Change in net assets	**$ (2,049,433)**	$ 1,901,064
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	**29,563**	33,579
PPP loan forgiveness	**-**	(957,876)
Bad debt expense	**94,960**	272,285
Net realized and unrealized losses (gains) on investments	**668,483**	(220,648)
Changes in:		
Pledges receivable, net	**(750,441)**	50,330
Other receivables	**-**	111,906
Prepaid expenses	**(184,303)**	6,925
Accounts payable and accrued expenses	**150,067**	(153,392)
Refundable advances	**57,586**	148,937
Deferred rent obligation	**(104,361)**	(89,403)
Net cash (used in) provided by operating activities	**(2,087,879)**	1,103,707
Cash flows from investing activities:		
Purchases of investments	**(97,913)**	(211,096)
Proceeds from sales of investments	**42,289**	149,627
Net cash used in investing activities	**(55,624)**	(61,469)
Change in cash and cash equivalents	**(2,143,503)**	1,042,238
Cash and cash equivalents, beginning of year	**5,480,359**	4,438,121
Cash and cash equivalents, end of year	**$ 3,336,856**	$ 5,480,359
Supplemental disclosure of cash flow information:		
Noncash donations of goods and services	**$ 913,771**	$ 382,499

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 meets pressing community needs by mobilizing thousands of caring New Yorkers in service each year on (i) a wide variety of hands-on, year-round volunteer projects, (ii) corporate-sponsored employee engagement opportunities, and (iii) signature events (such as the New York Cares Coat Drive, Winter Wishes, and Stand with Students). The Organization partners with nonprofits, schools, and disaster-relief organizations ("Community Partners") to address their ongoing volunteer recruitment needs and manages tens of thousands of projects annually that scale impact to serve communities across NYC. The Organization's volunteers address city-wide inequities, including education, hunger, social isolation, and the ongoing maintenance of schools, parks, and gardens. Programs provide tutoring, social-emotional learning, workforce development, socialization with seniors, meal distribution, environmental stewardship, and more.

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 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 ongoing basis and when triggering events indicate that the fair value of the long-lived assets may be less than the carrying value, recognizes any impairment in the year of determination. There were no triggering events occurring which would impact property and equipment requiring management to test for, or adjust for, impairment losses during fiscal year 2022 or 2021. However, 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 2022 calendar year. As of September 30, 2022 and 2021, the accrued vacation obligation was approximately $190,000 and $229,000, respectively, and has 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. During fiscal-year 2020, the Organization elected to record the PPP funds as a loan under the Financial Accounting Standards Board's (the "FASB") Accounting Standards Codification ("ASC") 470 *Debt*. During the year ended September 30, 2021, the Organization applied for and received full forgiveness of its loan from the bank and the SBA in the amount of $957,876. Accordingly, this amount has been reflected as a gain on loan forgiveness on the statements of activities as of September 30, 2021.

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 contain donor-restricted purposes are reported as "with donor restrictions". Contributions to the Organization are recognized as revenue upon the receipt of cash, 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 costs of the event that are attributable to the benefits that the donors receive.

(iii) Other income:

During fiscal year 2022, the Organization received a tax refund from the Internal Revenue Service related to a transit tax that had been previously repealed. This refund has been included in other income on the statements of activities.

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

[11] Revenue recognition: (continued)

(iv) Donated goods and services (contribution of nonfinancial assets):

From time-to-time, the Organization receives various forms of gifts-in-kind, which are contributions of nonfinancial assets, including donated merchandise and scientific and legal services. These types of contributions are reported at their estimated fair value on the date of receipt and reported as expenses when utilized. Donated goods are valued based upon estimates of fair value that would be received for selling the goods in their principal marketplace considering their condition and utility for use at the time the goods are contributed by the donor. It is the Organization's policy that contributions of nonfinancial assets are only utilized within operations to support the Organization's mission and not monetized.

For recognition of donated services, such services must: (i) create or enhance non-financial assets; (ii) typically need to be acquired, if not provided by donation; (iii) require a specialized skill; and (iv) be provided by individuals possessing these skills.

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.

[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 principle:

In September 2020, the FASB issued Accounting Standards Update ("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 statements of activities, apart from contributions of cash or other financial assets. For each category of contributed nonfinancial assets recognized, a 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

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

[14] Adoption of accounting principle: (continued)

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 are applied on a retrospective basis and are effective for annual reporting periods beginning after June 15, 2021, accordingly the Organization adopted the standard for fiscal year ending September 30, 2022. Analysis of the various provisions of this standard resulted in no significant changes in the way the Organization recognizes contributed nonfinancial assets and therefore no changes to the previously issued audited financial statements were required on a retrospective basis.

[15] Upcoming accounting pronouncement:

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842), as amended, which supersedes the current leasing guidance and upon adoption, will require lessees to recognize right-of-use assets and lease liabilities on the statements of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today. The new standard is effective for the Organization for the annual period beginning after December 15, 2021. Upon the adoption of the guidance, operating leases are capitalized on the statements of financial position at the present value of lease payments. The statements of financial position amount recorded for existing leases at the date of adoption of ASU 2016-02 will be calculated using the applicable incremental borrowing rate, or risk-free rate at the date of adoption. The impact on the Organization's financial statements is currently being evaluated. Information about the Organization's undiscounted future lease payments and the timing of those payments is provided in Note L.

[16] Subsequent events:

The Organization evaluated subsequent events through May 17, 2023, 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,	
	2022	**2021**
Less than one year	**$ 2,472,757**	$ 1,733,943
One to five years	**-**	83,333
	2,472,757	1,817,276
Less: discount to present value of 2.5%	**-**	(487)
Less: allowance for uncollectible amounts	**(150,487)**	(150,000)
	$ 2,322,270	$ 1,666,789

NOTE B - PLEDGES RECEIVABLE (CONTINUED)

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,			
	2022		2021	
	Fair Value	Cost	Fair Value	Cost
Money-market funds	**$ 332,763**	**$ 332,763**	$ 330,536	$ 330,535
Mutual funds:				
Bond funds	**3,282,658**	**3,657,430**	3,723,217	3,597,054
Stock funds	**794,454**	**523,844**	968,981	510,289
	$ 4,409,875	**$ 4,514,037**	$ 5,022,734	$ 4,437,878

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

	Year Ended September 30,	
	2022	2021
Interest and dividends	**$ 88,085**	$ 77,488
Investment fees	**(26,471)**	(15,224)
Net investment income	**61,614**	62,264
Unrealized (losses) gains	**(689,018)**	86,679
Realized gains	**20,535**	133,969
Total unrealized and realized (losses) gains	**(668,483)**	220,648
Total investment return	**$ (606,869)**	$ 282,912

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.

NOTE C - INVESTMENTS (CONTINUED)

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,			
	2022		2021	
	Level 1	Total	Level 1	Total
Money-market funds	**$ 332,763**	**$ 332,763**	$ 330,536	$ 330,536
Mutual funds	**4,077,112**	**4,077,112**	4,692,198	4,692,198
	$ 4,409,875	**$ 4,409,875**	$ 5,022,734	$ 5,022,734

NOTE D - PROPERTY AND EQUIPMENT

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

	September 30,	
	2022	2021
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	**(876,030)**	(846,467)
	$ 22,172	$ 51,735

NOTE E - DONATED GOODS AND SERVICES

The tables below disclose the in-kind donations received in each fiscal year, as well as the valuation techniques and inputs, the existence of donor restrictions, and the utilization in accordance with ASU 2020-07:

Year Ended September 30, 2022

	Revenue Recognized	Utilization in Programs/Activities	Donor Restrictions	Valuation Techniques and Inputs
Donated coats	$ 464,265	Coats for homeless program	None	Valued using published indices for similar donated apparel.
Donated advertising	$ 250,000	Communications	None	Valued using published indices for similarly placed ads.
Donated legal services	$ 94,180	Various administrative matters	N/A	Contributed services are considered to reflect fair market rates for services performed in the New York marketplace.
Donated usage of warehouse space	$ 83,333	Coats for homeless program	None	In valuing the contributed warehouse space located in Manhattan, the Organization estimated the fair value on the basis of comparable rent prices in Manhattan.
Donated project expenses and other supplies	$ 21,993	Utilized in volunteer programs and special events	None	Reflected at market prices in the various principal markets where they are consumed.
Total	$ 913,771			

Year Ended September 30, 2021

	Revenue Recognized	Utilization in Programs/Activities	Donor Restrictions	Valuation Techniques and Inputs
Donated coats	$ 255,374	Coats for homeless program	None	Valued using published indices for similar donated apparel.
Donated legal services	$ 77,925	Various administrative matters	N/A	Contributed legal services are considered to reflect fair market rates for services performed in the New York marketplace.
Donated project expenses and other supplies	$ 49,200	Utilized in volunteer programs and special events	None	Reflected at market prices in the various principal markets where they are consumed.
Total	$ 382,499			

NOTE F - DAYS OF SERVICE

During fiscal-years 2022 and 2021, corporate sponsors funded approximately $405,000 and $119,000 in program-related supplies and expenses that benefit the Organization's community partners, respectively. 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, 2022 and 2021, the $206,523 and $148,937, respectively, was recognized as refundable advances on the statements of financial position for projects that had not yet taken place.

NOTE G - NET ASSETS WITH DONOR RESTRICTIONS

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

	September 30, 2022	September 30, 2021
Subject to the passage of time:		
Pledges	**$ 885,175**	$ 1,345,717
December coat drive	**88,938**	83,967
NYC Marathon	**98**	19,658
Winter benefit	**512,881**	379,010
Subject to purpose restrictions:		
Stand with Students	**-**	286,864
Cash for coats	**150,000**	165,000
	$ 1,637,092	$ 2,280,216

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

	September 30, 2022	September 30, 2021
Expiration of time restrictions:		
Pledges	**$ 1,091,718**	$ 1,484,474
December coat drive	**83,967**	70,935
NYC Marathon	**19,559**	1,850
Winter benefit	**379,010**	341,603
Satisfaction of purpose restrictions:		
Cash for coats	**165,000**	-
Stand with Students	**718,653**	-
Days of service	**-**	118,822
Winter wishes	**4,000**	-
	$ 2,461,907	$ 2,017,684

NOTE H - ACCOUNTING AND REPORTING FOR THE ENDOWMENT

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

The Organization's endowment consists 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,	
	2022	2021
Board-designated fund, beginning of year	**$ 4,692,198**	$ 4,410,132
Investment return:		
Dividend income, net	**58,113**	77,039
Net realized and unrealized (depreciation) appreciation	**(673,199)**	205,027
Total investment (loss) return	**(615,086)**	282,066
Board-designated fund, end of year	**$ 4,077,112**	$ 4,692,198

[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. The Organization seeks a target allocation of 80% fixed income and 20% equity.

[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 Executive Committee elected not to appropriate the Organization's endowment fund during either fiscal year.

NOTE I - LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects the Organization's financial assets as of September 30, 2022 and 2021 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,	
	2022	**2021**
Cash and cash equivalents	**$ 3,336,856**	$ 5,480,359
Pledges receivable, net	**2,322,270**	1,666,789
Investments	**4,409,875**	5,022,734
Total financial assets available within one year	**10,069,001**	12,169,882
Less: amounts unavailable for general expenditures within one year, due to:		
Restrictions by donors for:		
Purpose and/or time restrictions	**(1,637,092)**	(2,280,216)
Amounts unavailable to management without the Board's approval:		
Board-designated endowment fund	**(4,077,112)**	(4,692,198)
Total financial assets available to meet cash needs for general expenditures within one year	**$ 4,354,797**	$ 5,197,468

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 J - 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 2022 and 2021 was $39,598 and $61,519, respectively.

NOTE K - 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 has not experienced any losses in such accounts, and management monitors the risk associated with concentrations on an ongoing basis.

NOTE L - COMMITMENTS

[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 and an additional concurrent lease for storage space within the building. In accordance with the lease agreements, $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 leases are set to expire in fiscal year 2023.

The Organization's lease agreements are 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 leases, exclusive of required payments for real estate taxes, are as follows:

Year Ending September 30,	Amount
2023	$ 468,511

Rental expense was approximately $509,000 in each of the fiscal-years 2022 and 2021, 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.