EISNERAMPER

NEW YORK CARES, INC.

FINANCIAL STATEMENTS

SEPTEMBER 30, 2021 and 2020

NEW YORK CARES, INC.

Contents

EISNERAMPER

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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, 2021 and 2020, 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, 2021 and 2020, 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
April 27, 2022

NEW YORK CARES, INC.

Statements of Financial Position

	September 30, 2021	September 30, 2020
ASSETS		
Cash and cash equivalents	**$ 5,480,359**	$ 4,438,121
Pledges receivable, net	**1,666,789**	1,989,404
Other receivables	**-**	111,906
Investments	**5,022,734**	4,740,617
Prepaid expenses	**451,763**	458,688
Property and equipment, net	**51,735**	85,314
Total assets	**$ 12,673,380**	$ 11,824,050
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	**$ 554,126**	$ 707,518
Paycheck Protection Program loan payable	**-**	957,876
Refundable advances	**148,937**	-
Deferred rent obligation	**191,201**	280,604
Total liabilities	**894,264**	1,945,998
Commitments (Note L)		
Net Assets:		
Without donor restrictions:		
Undesignated, available for general operations	**$ 4,806,702**	$ 3,568,961
Board-designated endowment fund	**4,692,198**	4,410,132
Total net assets without donor restrictions	**9,498,900**	7,979,093
With donor restrictions:		
Purpose and/or time-restricted for future periods	**2,280,216**	1,898,959
Total net assets with donor restrictions	**2,280,216**	1,898,959
Total net assets	**11,779,116**	9,878,052
Total liabilities and net assets	**$ 12,673,380**	$ 11,824,050

NEW YORK CARES, INC.

Statements of Activities

	Year Ended September 30,					
	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenue:						
Contributions and grants:						
Foundations	**$ 742,883**	**$ 466,667**	**$ 1,209,550**	$ 1,265,258	$ 186,000	$ 1,451,258
Corporations	**3,258,859**	**1,077,488**	**4,336,347**	2,880,046	975,837	3,855,883
Government	**56,570**	**120,385**	**176,955**	209,256	80,385	289,641
Individuals	**1,978,158**	**410,391**	**2,388,549**	2,313,599	259,957	2,573,556
Special events (net of direct benefits to donors of $40,000 and $174,765 in 2021 and 2020, respectively)	**1,077,592**	**324,010**	**1,401,602**	1,227,700	441,603	1,669,303
Investment income, net	**62,264**	**-**	**62,264**	92,791	-	92,791
Earned revenue	**-**	**-**	**-**	23,250	-	23,250
Other income	**-**	**-**	**-**	12,963	-	12,963
Public support and revenue before donated goods and services	**7,176,326**	**2,398,941**	**9,575,267**	8,024,863	1,943,782	9,968,645
Donated goods and services (Note E)	**382,499**	**-**	**382,499**	2,083,514	-	2,083,514
Total public support and revenue before net assets released from restriction	**7,558,825**	**2,398,941**	**9,957,766**	10,108,377	1,943,782	12,052,159
Net assets released from restriction	**2,017,684**	**(2,017,684)**	**-**	2,069,300	(2,069,300)	-
Total public support and revenue	**9,576,509**	**381,257**	**9,957,766**	12,177,677	(125,518)	12,052,159
Expenses:						
Program services	**7,435,542**	**-**	**7,435,542**	9,231,748	-	9,231,748
General and administration	**450,217**	**-**	**450,217**	623,743	-	623,743
Fund-raising	**1,349,467**	**-**	**1,349,467**	1,460,668	-	1,460,668
Total expenses	**9,235,226**	**-**	**9,235,226**	11,316,159	-	11,316,159
Other changes:						
Gain on forgiveness of Paycheck Protection Program loan	**957,876**	**-**	**957,876**	-	-	-
Net realized and unrealized gains on investments	**220,648**	**-**	**220,648**	233,996	-	233,996
Other changes	**1,178,524**	**-**	**1,178,524**	233,996	-	233,996
Change in net assets	**1,519,807**	**381,257**	**1,901,064**	1,095,514	(125,518)	969,996
Net assets - beginning of year	**7,979,093**	**1,898,959**	**9,878,052**	6,883,579	2,024,477	8,908,056
Net assets - end of year	**$ 9,498,900**	**$ 2,280,216**	**$ 11,779,116**	$ 7,979,093	$ 1,898,959	$ 9,878,052

See notes to financial statements.

NEW YORK CARES, INC.

Statements of Functional Expenses

	Year Ended September 30,									
	2021					2020				
	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	**$ 1,155,069**	**$ -**	**$ -**	**$ -**	**$ 1,155,069**	$ 3,203,631	$ -	$ -	$ -	$ 3,203,631
Salaries	**3,821,571**	**272,117**	**610,127**	**882,244**	**4,703,815**	3,830,798	406,082	781,465	1,187,547	5,018,345
Payroll taxes and employee benefits	**982,955**	**60,321**	**153,475**	**213,796**	**1,196,751**	880,442	76,037	163,158	239,195	1,119,637
Rent and related expenses	**487,145**	**38,153**	**27,648**	**65,801**	**552,946**	506,861	39,698	28,766	68,464	575,325
Technology and telecommunications	**386,758**	**18,072**	**30,415**	**48,487**	**435,245**	376,579	24,877	33,979	58,856	435,435
Printing and reproduction	**28,359**	**619**	**2,317**	**2,936**	**31,295**	43,516	2,955	11,758	14,713	58,229
Professional fees	**308,705**	**47,205**	**44,997**	**92,202**	**400,907**	126,351	60,942	2,155	63,097	189,448
Outreach	**60,310**	**-**	**7,075**	**7,075**	**67,385**	77,793	-	9,910	9,910	87,703
Fundraising fees (Telemarketing)	**-**	**-**	**92,663**	**92,663**	**92,663**	-	-	96,465	96,465	96,465
Postage and shipping	**13,057**	**697**	**1,936**	**2,633**	**15,690**	15,748	1,100	2,589	3,689	19,437
Office expenses	**100,214**	**8,154**	**285,302**	**293,456**	**393,670**	87,536	6,291	158,575	164,866	252,402
Entertainment expenses	**-**	**-**	**79,961**	**79,961**	**79,961**	-	-	333,048	333,048	333,048
Catering	**-**	**-**	**40,000**	**40,000**	**40,000**	-	-	-	-	-
Insurance	**63,455**	**3,387**	**9,408**	**12,795**	**76,250**	54,731	3,822	9,000	12,822	67,553
Total expenses before depreciation and amortization	**7,407,598**	**448,725**	**1,385,324**	**1,834,049**	**9,241,647**	9,203,986	621,804	1,630,868	2,252,672	11,456,658
Depreciation and amortization	**27,944**	**1,492**	**4,143**	**5,635**	**33,579**	27,762	1,939	4,565	6,504	34,266
Total expenses	**7,435,542**	**450,217**	**1,389,467**	**1,839,684**	**9,275,226**	9,231,748	623,743	1,635,433	2,259,176	11,490,924
Less: direct benefits to donors	**-**	**-**	**(40,000)**	**(40,000)**	**(40,000)**	-	-	(174,765)	(174,765)	(174,765)
Total expenses per statements of activities	**$ 7,435,542**	**$ 450,217**	**$ 1,349,467**	**$ 1,799,684**	**$ 9,235,226**	$ 9,231,748	$ 623,743	$1,460,668	$ 2,084,411	$ 11,316,159

See notes to financial statements.

NEW YORK CARES, INC.

Statements of Cash Flows

	Year Ended September 30, 2021	Year Ended September 30, 2020
Cash flows from operating activities:		
Change in net assets	**$ 1,901,064**	$ 969,996
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	**33,579**	34,266
PPP loan forgiveness	**(957,876)**	-
Bad debt expense	**272,285**	144,686
Net realized and unrealized gains on investments	**(220,648)**	(233,996)
Changes in:		
Pledges receivable, net	**50,330**	130,998
Other receivables	**111,906**	260,816
Prepaid expenses	**6,925**	10,810
Accounts payable and accrued expenses	**(153,392)**	112,081
Deferred revenue	**-**	(38,025)
Refundable advances	**148,937**	-
Deferred rent obligation	**(89,403)**	(74,810)
Net cash provided by operating activities	**1,103,707**	1,316,822
Cash flows from investing activities:		
Purchases of investments	**(211,096)**	(97,387)
Proceeds from sales of investments	**149,627**	18,874
Net cash used in investing activities	**(61,469)**	(78,513)
Cash flows from financing activities:		
Proceeds from Paycheck Protection Program loan	**-**	957,876
Net cash provided by financing activities	**-**	957,876
Increase in cash and cash equivalents	**1,042,238**	2,196,185
Cash and cash equivalents, beginning of year	**4,438,121**	2,241,936
Cash and cash equivalents, end of year	**$ 5,480,359**	$ 4,438,121
Supplemental disclosure of cash flow information:		
Noncash donations of goods and services	**$ 382,499**	$ 2,083,514

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 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 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 2021 or 2020. 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 coronavirus ("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, 2021 and 2020, the accrued vacation obligation was approximately $229,000 and $212,000, respectively, and has been 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"), provided businesses, including certain not-for-profit organizations, with funds to pay payroll and qualifying expenditures during the 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 ending 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 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 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. Revenue is recognized when the performance obligation of participation within the program is fulfilled.

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 principle:

Revenue from contracts with customers:

In May 2014, the FASB issued Accounting Standards Update ("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. The standard is effective for fiscal years beginning after December 15, 2019, and accordingly, the Organization adopted this pronouncement for its fiscal year ended September 30, 2021, on the retrospective basis. Analysis of the various provisions of this standard resulted in no significant changes in the way the Organization recognized revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis.

[15] Upcoming accounting pronouncements:

(i) Leases:

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 statements 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 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.

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

[15] Upcoming accounting pronouncements: (continued)

(ii) 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 April 27, 2022, 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,	
	2021	**2020**
Less than one year	**$ 1,733,943**	$ 2,084,001
One to five years	**83,333**	10,000
	1,817,276	2,094,001
Less: discount to present value of 2.5%	**(487)**	(487)
Less: allowance for uncollectible amounts	**(150,000)**	(104,110)
	$ 1,666,789	$ 1,989,404

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,			
	2021		2020	
	Fair Value	Cost	Fair Value	Cost
Money-market funds	**$ 330,536**	**$ 330,535**	$ 330,485	$ 330,485
Mutual funds:				
Bond funds	**3,723,217**	**3,597,054**	3,491,858	3,288,569
Stock funds	**968,981**	**510,289**	918,274	623,386
	$ 5,022,734	**$ 4,437,878**	$ 4,740,617	$ 4,242,440

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

	September 30,	
	2021	2020
Interest and dividends	**$ 77,488**	$ 107,206
Investment fees	**(15,224)**	(14,415)
Net investment income	**62,264**	92,791
Unrealized gains	**86,679**	229,710
Realized gains	**133,969**	4,286
Total unrealized and realized gains	**220,648**	233,996
Total investment return	**$ 282,912**	$ 326,787

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.

NOTE C - INVESTMENTS (CONTINUED)

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,			
	2021		2020	
	Level 1	Total	Level 1	Total
Money-market funds	**$ 330,536**	**$ 330,536**	$ 330,485	$ 330,485
Mutual funds	**4,692,198**	**4,692,198**	4,410,132	4,410,132
	$ 5,022,734	**$ 5,022,734**	$ 4,740,617	$ 4,740,617

NOTE D - PROPERTY AND EQUIPMENT

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

	September 30,	
	2021	2020
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	**(846,467)**	(812,888)
	$ 51,735	$ 85,314

NOTE E - 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.

NOTE E - DONATED GOODS AND SERVICES (CONTINUED)

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

	Year Ended September 30,					
	2021			2020		
	Goods	**Services**	**Total**	**Goods**	**Services**	**Total**
Coat drive	**$ 255,374**	**$ -**	**$ 255,374**	$ 1,821,714	$ -	$ 1,821,714
Project expenses	**-**	**49,200**	**49,200**	-	120,269	120,269
Special-event expenses	**-**	**-**	**-**	11,433	-	11,433
Professional fees	**-**	**77,925**	**77,925**	-	130,098	130,098
	$ 255,374	**$ 127,125**	**$ 382,499**	$ 1,833,147	$ 250,367	$ 2,083,514

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 F - DAYS OF SERVICE

During fiscal-years 2021 and 2020, respectively, corporate sponsors funded approximately $118,822 and $333,000 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, 2021, $148,937 was recognized as refundable advances on the statements of financial position for projects that had not yet taken place. As of September 30, 2020, $111,906 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 G - NET ASSETS WITH DONOR RESTRICTIONS

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

	September 30,	
	2021	**2020**
Subject to the passage of time:		
Pledges	**$ 1,345,717**	$ 1,484,474
December coat drive	**83,967**	70,934
NYC Marathon	**19,658**	1,948
Winter benefit	**379,010**	341,603
Subject to purpose restrictions:		
Stand with Students	**286,864**	-
Cash for Coats	**165,000**	-
	$ 2,280,216	$ 1,898,959

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

	September 30,	
	2021	**2020**
Expiration of time restrictions:		
Pledges	**$ 1,484,474**	$ 1,299,497
December coat drive	**70,935**	71,428
New York Cares Day	**-**	23,358
NYC Marathon	**1,850**	22,927
Winter benefit	**341,603**	168,878
Satisfaction of purpose restrictions:		
Cash for Coats	**-**	150,000
Days of Service	**118,822**	333,212
	$ 2,017,684	$ 2,069,300

NOTE H - 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.

NOTE H - ACCOUNTING AND REPORTING FOR THE ENDOWMENT (CONTINUED)

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

	Without Donor Restrictions	
	September 30,	
	2021	**2020**
Board-designated fund, beginning of year	**$ 4,410,132**	$ 4,100,484
Investment return:		
Dividend income, net	**77,039**	79,938
Net realized and unrealized appreciation	**205,027**	229,710
Total investment return	**282,066**	309,648
Board-designated fund, end of year	**$ 4,692,198**	$ 4,410,132

[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 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, 2021 and 2020, 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.

NOTE I - LIQUIDITY AND AVAILABILITY OF RESOURCES (CONTINUED)

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

	September 30, 2021	September 30, 2020
Cash and cash equivalents	**$ 5,480,359**	$ 4,438,121
Pledges receivable, net	**1,666,789**	1,989,404
Other receivable	**-**	111,906
Investments	**5,022,734**	4,740,617
Total financial assets available within one year	**12,169,882**	11,280,048
Less: amounts unavailable for general expenditures within one year, due to:		
Restrictions by donors for:		
Purpose and/ or time restrictions	**(2,280,216)**	(1,898,959)
Amounts unavailable to management without the Board's approval:		
Board-designated endowment fund	**(4,692,198)**	(4,410,132)
Total financial assets available to meet cash needs for general expenditures within one year	**$ 5,197,468**	$ 4,970,957

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 2021 and 2020 was $61,519 and $68,728, 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's management believes that there is no substantial risk of loss associated with the failures of these financial institutions.

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. 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
2022	$ 613,254
2023	468,511
	$ 1,081,765

Rental expense was approximately $509,000 in each of the fiscal-years 2021 and 2020, 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.