



NEW YORK CARES, INC.

FINANCIAL STATEMENTS

JUNE 30, 2013 and 2012

INDEPENDENT AUDITORS' REPORT

Board of Directors
New York Cares, Inc.
New York, New York

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 June 30, 2013 and 2012, and the related statements of activities, functional expenses, and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to 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 audits 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 organization'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 organization'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 June 30, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.



New York, New York
November 11, 2013

NEW YORK CARES, INC.

Statements of Financial Position

	June 30,	
	<u>2013</u>	<u>2012</u>
ASSETS		
Cash and cash equivalents - on-going operations	\$ 1,482,831	\$ 969,823
Cash and cash equivalents - restricted for disaster relief	1,537,894	
Restricted cash and cash equivalents	216,069	215,449
Pledges receivable, net	1,264,233	1,501,635
Investments	3,301,837	3,324,248
Prepaid expenses and other assets	205,116	206,946
Property and equipment, net	<u>640,940</u>	<u>637,169</u>
	<u>\$ 8,648,920</u>	<u>\$ 6,855,270</u>
LIABILITIES AND NET ASSETS		
Accounts payable and accrued expenses	\$ 485,802	\$ 512,246
Deferred rent	<u>394,904</u>	<u>158,390</u>
Total liabilities	<u>880,706</u>	<u>670,636</u>
Commitment (Note I)		
Net assets:		
Unrestricted:		
Undesignated, available for general operations	2,021,849	1,413,912
Board-designated endowment fund	<u>2,983,896</u>	<u>2,859,574</u>
Total unrestricted	5,005,745	4,273,486
Temporarily restricted	<u>2,762,469</u>	<u>1,911,148</u>
Total net assets	<u>7,768,214</u>	<u>6,184,634</u>
	<u>\$ 8,648,920</u>	<u>\$ 6,855,270</u>

NEW YORK CARES, INC.

Statements of Activities

	Year Ended June 30,					
	2013			2012		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Public support and revenue:						
Foundations	\$ 695,009	\$ 743,952	\$ 1,438,961	\$ 564,000	\$ 159,000	\$ 723,000
Corporations	2,270,707	2,268,794	4,539,501	2,112,798	1,655,478	3,768,276
Government	86,050		86,050	19,160		19,160
Individuals	1,080,253	1,152,738	2,232,991	747,574	241,988	989,562
Special events, net	1,422,049	390,517	1,812,566	892,298	100,000	992,298
Investment income	202,464		202,464	36,243		36,243
Other income				3,831		3,831
Rental income	<u>197,123</u>		<u>197,123</u>			
Total public support and revenue before donated goods and services	<u>5,953,655</u>	<u>4,556,001</u>	<u>10,509,656</u>	4,375,904	2,156,466	6,532,370
Donated goods and services	<u>4,374,969</u>		<u>4,374,969</u>	<u>2,995,688</u>		<u>2,995,688</u>
Total public support and revenue, donated goods and services before net assets released from restrictions	<u>10,328,624</u>	<u>4,556,001</u>	<u>14,884,625</u>	7,371,592	2,156,466	9,528,058
Net assets released from restrictions	<u>3,704,680</u>	<u>(3,704,680)</u>	<u>0</u>	<u>2,159,989</u>	<u>(2,159,989)</u>	<u>0</u>
Total public support and revenue	<u>14,033,304</u>	<u>851,321</u>	<u>14,884,625</u>	<u>9,531,581</u>	<u>(3,523)</u>	<u>9,528,058</u>
Expenses:						
Program services	11,379,593		11,379,593	8,016,736		8,016,736
Management and general	755,449		755,449	743,183		743,183
Fund-raising	<u>1,166,003</u>		<u>1,166,003</u>	<u>1,065,985</u>		<u>1,065,985</u>
Total expenses	<u>13,301,045</u>		<u>13,301,045</u>	<u>9,825,904</u>		<u>9,825,904</u>
Change in net assets	732,259	851,321	1,583,580	(294,323)	(3,523)	(297,846)
Net assets - beginning of the year	<u>4,273,486</u>	<u>1,911,148</u>	<u>6,184,634</u>	<u>4,567,809</u>	<u>1,914,671</u>	<u>6,482,480</u>
Net assets - end of the year	<u>\$ 5,005,745</u>	<u>\$ 2,762,469</u>	<u>\$ 7,768,214</u>	<u>\$ 4,273,486</u>	<u>\$ 1,911,148</u>	<u>\$ 6,184,634</u>

See notes to financial statements

NEW YORK CARES, INC.

**Statement of Functional Expenses
Year Ended June 30, 2013**

(with summarized financial information for 2012)

	<u>Program</u>	<u>Management and General</u>	<u>Fund- Raising</u>	<u>Total Expenses 2013</u>	<u>Total Expenses 2012</u>
Project expenses	\$ 6,068,313	\$ 478	\$ 821	\$ 6,069,612	\$ 3,836,967
Salaries	3,128,145	510,327	469,366	4,107,838	3,622,101
Payroll taxes and employee benefits	625,381	65,859	82,159	773,399	745,551
Rent and related expenses	740,719	48,741	83,555	873,015	365,329
Technology and telecommunications	102,758	5,367	18,410	126,535	76,943
Printing and reproduction	66,577	1,800	19,936	88,313	99,479
Professional fees	181,233	62,021	5,256	248,510	326,454
Outreach	137,261		32,499	169,760	126,310
Processing fees			136,871	136,871	84,018
Postage and shipping	19,642	2,596	7,509	29,747	26,238
Bad-debt expense			108,022	108,022	109,989
Operations and office expenses	85,725	37,663	9,192	132,580	104,567
Special event expenses			167,068	167,068	189,471
Insurance	<u>34,057</u>	<u>8,064</u>	<u>3,855</u>	<u>45,976</u>	<u>30,984</u>
Total expenses before depreciation and amortization	11,189,811	742,916	1,144,519	13,077,246	9,744,401
Depreciation and amortization	<u>189,782</u>	<u>12,533</u>	<u>21,484</u>	<u>223,799</u>	<u>81,503</u>
Total expenses	<u>\$ 11,379,593</u>	<u>\$ 755,449</u>	<u>\$ 1,166,003</u>	<u>\$ 13,301,045</u>	<u>\$ 9,825,904</u>

NEW YORK CARES, INC.**Statement of Functional Expenses
Year Ended June 30, 2012**

	<u>Program</u>	<u>Management and General</u>	<u>Fund- Raising</u>	<u>Total Expenses 2012</u>
Project expenses	\$ 3,830,481	\$ 3,600	\$ 2,886	\$ 3,836,967
Salaries	2,756,574	380,031	485,496	3,622,101
Payroll taxes and employee benefits	612,219	50,093	83,239	745,551
Rent and related expenses	309,925	20,821	34,583	365,329
Technology and telecommunications	64,864	4,538	7,541	76,943
Printing and reproduction	83,861	5,869	9,749	99,479
Professional fees	58,972	236,577	30,905	326,454
Outreach	118,727		7,583	126,310
Processing fees			84,018	84,018
Postage and shipping	21,514	1,506	3,218	26,238
Bad-debt expense			109,989	109,989
Operations and office expenses	62,843	30,452	11,272	104,567
Special event expenses	4,671		184,800	189,471
Insurance	<u>23,377</u>	<u>4,887</u>	<u>2,720</u>	<u>30,984</u>
Total expenses before depreciation and amortization	7,948,028	738,374	1,057,999	9,744,401
Depreciation and amortization	<u>68,708</u>	<u>4,809</u>	<u>7,986</u>	<u>81,503</u>
Total expenses	<u>\$ 8,016,736</u>	<u>\$ 743,183</u>	<u>\$ 1,065,985</u>	<u>\$ 9,825,904</u>

NEW YORK CARES, INC.**Statements of Cash Flows**

	Year Ended June 30,	
	2013	2012
Cash flows from operating activities:		
Change in net assets	\$ 1,583,580	\$ (297,846)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	223,799	81,503
Bad debt expense	108,022	109,989
Change in reserve for allowances	(16,464)	
Realized and unrealized (gains) losses on investments	(126,370)	38,876
Changes in:		
Pledges receivable	145,844	(112,238)
Prepaid expenses and other assets	1,830	41,879
Accounts payable and accrued expenses	(26,444)	107,315
Deferred rent	236,514	(13,655)
Net cash provided by (used in) operating activities	<u>2,130,311</u>	<u>(44,177)</u>
Cash flows from investing activities:		
Proceeds from sales of investments	344,477	1,148,432
Purchases of investments	(195,696)	(1,222,482)
Purchases of property and equipment	(227,570)	(451,996)
Net cash used in investing activities	<u>(78,789)</u>	<u>(526,046)</u>
Change in cash and cash equivalents	2,051,522	(570,223)
Cash and cash equivalents - July 1	<u>1,185,272</u>	<u>1,755,495</u>
Cash and cash equivalents - June 30	<u>\$ 3,236,794</u>	<u>\$ 1,185,272</u>

NEW YORK CARES, INC.

Notes to Financial Statements June 30, 2013 and 2012

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

[1] 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 each year through (i) a wide variety of hands-on, monthly, volunteer projects, (ii) annual events (such as New York Cares Day and the New York Cares Coat Drive) and (iii) disaster-relief initiatives. 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 schools, 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] Financial reporting:

(a) Basis of accounting:

The accompanying financial statements of the Organization have been prepared using the accrual basis of accounting and conforms to accounting principles generally accepted in the United States of America, as applicable to not-for-profit entities.

(b) Functional allocation of expenses:

The costs of providing the Organization's various programs and supporting services have been summarized on a functional basis in the accompanying statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services using reasonable ratios determined by management.

(c) Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingencies. Actual results may differ from those estimates.

(d) Cash and cash equivalents:

For purposes of the accompanying statements of cash flows, 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. Certain amounts of cash and cash equivalents have been restricted for the security deposit of the Organization's new office space as well as the security cash held for their tenants.

NEW YORK CARES, INC.

Notes to Financial Statements June 30, 2013 and 2012

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

[2] Financial reporting: (continued)

(e) Net assets:

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

(i) Unrestricted:

Unrestricted net assets represent those resources for which there are no restrictions by donors as to their use and are categorized as follows:

Available for general operations - undesignated and available for the ongoing activities and working capital needs of the Organization.

Board-designated fund - designated by the Board of Directors to function as an endowment.

(ii) Temporarily restricted:

Temporarily restricted net assets represent those resources the use of which has been restricted by donors to specific purposes. The release of net assets from restrictions results from the satisfaction of the restricted purposes specified by the donor.

[3] Contributions:

Contributions made in support of current operations are recognized as unrestricted contributions in the accompanying statements of activities. Contributions which support future operations or donor-restricted purposes are reported as temporarily restricted contributions. All contributions are recognized at their fair values at the earlier of the receipt of assets or of an unconditional promise to pay. Bequests are recorded when payment is received.

[4] Rental income:

The Organization leases space to an unrelated party in accordance with a signed lease agreement (see related Note I). Rental income is recognized in accordance with the lease agreement.

[5] Investments:

Investments in marketable securities are stated at their fair values at fiscal year-end. Donated securities are recorded at their fair values on the dates they are received. It is the Organization's policy to sell donated securities upon receipt. Net investment income is recorded in the accompanying statements of activities. Realized and unrealized gains and losses on investments are recorded in accordance with donor intent. Mutual funds are composed of open-end and closed-end funds, trading in both debt and equity securities.

[6] Property and equipment:

Property and equipment are stated at their costs at the dates of acquisition or at their fair values at the dates of donation. Depreciation of computers, furniture and equipment is provided using the straight-line method over estimated useful lives of five to ten years. Amortization of leasehold improvements is provided using the straight-line method over the term of the lease.

NEW YORK CARES, INC.

Notes to Financial Statements June 30, 2013 and 2012

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

[7] Accrued vacation:

Based on their tenure, the Organization's employees are entitled to be paid for unused vacation time if they leave the Organization. Accordingly, at each fiscal year-end, the Organization must recognize a liability for the amount that would be incurred if employees with such unused vacation were to leave. The accrued vacation obligation was approximately \$137,000 and \$122,000 for fiscal-years 2013 and 2012, respectively.

[8] Deferred rent:

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

[9] Income tax uncertainties:

The Organization is subject to the provisions of the Financial Accounting Standards Board's Accounting Standards Codification ("ASC") Topic 740-10-05, relating to the accounting for uncertainty in income taxes. Because of the Organization's tax-exempt status, ASC Topic 740-10-05 has not had, and is not expected to have, a material impact on the Organization's financial statements.

[10] Fair-value measurement:

The Organization reports a fair-value measurement of all applicable assets and liabilities, including investments, pledges and receivables and short-term payables.

[11] Endowment funds:

The Organization reports all applicable disclosures to its Board-designated fund treated as endowment (see Note K).

[12] Subsequent events:

The Organization considers the accounting treatments, and the related disclosure in the current fiscal-year's financial statements, that may be required as the result of all events or transactions that occur after the fiscal year-end through the date of the independent auditors' report.

[13] Reclassifications:

Certain amounts included in the fiscal-year 2012 financial statements have been reclassified to conform to the fiscal-year 2013 presentation.

NEW YORK CARES, INC.

Notes to Financial Statements June 30, 2013 and 2012

NOTE B - PLEDGES RECEIVABLE

Pledges receivable consist substantially of promises to give from individuals, corporations and foundations. At each fiscal year-end, pledges receivable were due to be collected as follows:

	June 30,	
	2013	2012
Less than one year	\$ 1,116,201	\$ 1,282,655
One to five years	<u>239,527</u>	<u>335,867</u>
	1,355,728	1,618,522
Less discount to present value between 4% and 5%	(23,762)	(32,689)
Less allowance for uncollectible amounts	<u>(67,733)</u>	<u>(84,198)</u>
	<u>\$ 1,264,233</u>	<u>\$ 1,501,635</u>

NOTE C - INVESTMENTS

At each fiscal year-end, investments at cost and fair value were composed of the following:

	June 30,			
	2013		2012	
	Cost	Fair Value	Cost	Fair Value
Money-market funds	\$ 193,720	\$ 193,720	\$ 493,458	\$ 493,458
Mutual funds:				
Open-end:				
Bond funds	1,114,536	1,129,385	1,082,537	1,092,946
Stock funds	536,224	629,900	328,529	346,622
Closed-end:				
Stock funds	849,845	941,485	869,954	917,165
Fixed-income securities	<u>375,000</u>	<u>407,347</u>	<u>441,378</u>	<u>474,057</u>
	<u>\$ 3,069,325</u>	<u>\$ 3,301,837</u>	<u>\$ 3,215,856</u>	<u>\$ 3,324,248</u>

During each fiscal year, investment income (losses) consisted of the following:

	Year Ended June 30,	
	2013	2012
Interest and dividend income	\$ 76,094	\$ 75,119
Realized gains	2,250	163,623
Net unrealized gains (losses)	<u>124,120</u>	<u>(202,499)</u>
Net return on investment	<u>\$ 202,464</u>	<u>\$ 36,243</u>

NEW YORK CARES, INC.

Notes to Financial Statements June 30, 2013 and 2012

NOTE C - INVESTMENTS (CONTINUED)

ASC 820-10-05 establishes a three-level valuation hierarchy of fair-value measurements. These valuation techniques are based on 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 those investments, or similar investments, at the reporting date.
- Level 2: Valuations are based on (i) quoted prices for those investments, or 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 2 assets include those investments that are redeemable at or near the balance sheet date and for which a model was derived for valuation.
- Level 3: Valuations are based on pricing inputs that are unobservable and include situations where (i) there is little, if any, market activity for the investments, or (ii) the investments cannot be independently valued, or (iii) the investments cannot be immediately redeemed at or near the fiscal year-end.

The following table summarizes the fair-values of the Organizations investments at June 30, 2013 and 2012, in accordance with ASC Topic 820-10-05 these fair-value levels:

	June 30,					
	2013			2012		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Money-market funds	\$ 193,720		\$ 193,720	\$ 493,458		\$ 493,458
Mutual funds	2,700,770		2,700,770	2,356,733		2,356,733
Fixed income securities		<u>\$ 407,347</u>	<u>407,347</u>		\$ 474,057	<u>474,057</u>
Total	<u>\$ 2,894,490</u>	<u>\$ 407,347</u>	<u>\$ 3,301,837</u>	<u>\$ 2,850,191</u>	<u>\$ 474,057</u>	<u>\$ 3,324,248</u>

NOTE D - PROPERTY AND EQUIPMENT

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

	June 30,	
	2013	2012
Computers	\$ 848,287	\$ 662,958
Furniture and equipment	232,828	277,177
Leasehold improvements	<u>459,037</u>	<u>372,447</u>
	1,540,152	1,312,582
Less accumulated depreciation and amortization	<u>(899,212)</u>	<u>(675,413)</u>
	<u>\$ 640,940</u>	<u>\$ 637,169</u>

Depreciation and amortization expense was \$223,799 and \$81,503 for fiscal-years 2013 and 2012, respectively. During 2013, the Organization wrote off fully depreciated equipment and computers of approximately \$105,500.

NEW YORK CARES, INC.

Notes to Financial Statements June 30, 2013 and 2012

NOTE E - SPECIAL EVENTS

Income from the Organization's special events is shown net of direct benefit to donors of \$188,633 and \$168,628 for fiscal-years 2013 and 2012, respectively.

NOTE F - DONATED GOODS AND SERVICES

Contributed goods are recognized at their fair values at the dates of donation. Contributions of services are also recognized at fair value when they are received, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not donated.

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

	June 30,					
	2013			2012		
	Goods	Services	Total	Goods	Services	Total
Coat drive	\$ 3,781,661		\$ 3,781,661	\$ 2,421,112		\$ 2,421,112
Project expenses	180,142	\$ 162,840	342,982	80,398	\$ 87,296	167,694
Special-event expenses	69,152		69,152	175,593		175,593
Professional fees		181,174	181,174		231,289	231,289
	<u>\$ 4,030,955</u>	<u>\$ 344,014</u>	<u>\$ 4,374,969</u>	<u>\$ 2,677,103</u>	<u>\$ 318,585</u>	<u>\$ 2,995,688</u>

Coat drive revenues and expenses consisted of the estimated fair-value of donated coats. Donated project revenues and expenses consisted primarily of donated educational materials and other supplies. Donated special-event expenses consisted of items used for the auction, and gift bags. Donated professional fees consisted primarily of legal services.

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

NOTE G - DAYS OF SERVICE

During fiscal-years 2013 and 2012, corporate sponsors funded approximately \$679,367 and \$748,303, respectively, in program-related supplies and expenses that benefit the Organization's community partners. 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.

NOTE H - SANDY RELIEF PROJECT

During fiscal-year 2013, the Organization created a new program in response to Hurricane Sandy which affected several NYC communities. For the Hurricane Sandy Disaster Relief Effort, restricted contributions of \$3,228,474 were received for program activities, while \$1,690,579 was released to fund related expenses leaving a balance of \$1,537,894 at June 30, 2013. Funding for this effort was received from individuals, corporate sponsors, and foundations as well as events held by concerned individuals and organizations located in areas impacted by the storm (see Note J).

NEW YORK CARES, INC.

Notes to Financial Statements June 30, 2013 and 2012

NOTE I - COMMITMENTS

During fiscal-year 2012, the Organization entered into an eleven-year non-cancelable operating lease for its new office space. Subsequent to fiscal-year-end 2012, the Organization moved into this new space located at 65 Broadway and sublet a portion of its existing office space located at 214 West 29th Street, under the terms of a lease that expires in 2015.

On July 17, 2012, the Organization also sub-let a portion its new space with an agreement due to expire on June 30, 2013. The agreement was extended for an additional year which is due to expire on June 30, 2014.

The leases are subject to escalations; however, the Organization expenses rent on a straight-line basis over the term of the lease. Minimum future obligations under the non-cancelable operating leases, exclusive of required payments for real estate taxes, are as follows:

<u>Year</u>	<u>214 West 29th St.</u>	<u>65 Broadway</u>	<u>Total</u>
2014	\$ 311,580	\$ 250,100	\$ 561,680
2015	235,196	512,705	747,901
2016		525,523	525,523
2017		538,661	538,661
2018		552,127	552,127
Thereafter	<u> </u>	<u>2,974,716</u>	<u>2,974,716</u>
	<u>\$ 546,776</u>	<u>\$ 5,353,832</u>	<u>\$ 5,900,608</u>

Rent expense was \$771,686 and \$259,849 for fiscal-years 2013 and 2012, respectively.

NOTE J - TEMPORARILY RESTRICTED NET ASSETS

At each fiscal year-end, temporarily restricted net assets consisted of the following:

	<u>June 30,</u>	
	<u>2013</u>	<u>2012</u>
December coat drive	\$ 125,000	\$ 307,000
Winter benefit	85,602	103,000
Capital project		250,000
Library initiative	50,000	50,000
Time restrictions	963,973	1,201,148
Sandy relief project	<u>1,537,894</u>	<u> </u>
	<u>\$ 2,762,469</u>	<u>\$ 1,911,148</u>

NEW YORK CARES, INC.

Notes to Financial Statements June 30, 2013 and 2012

NOTE J - TEMPORARILY RESTRICTED NET ASSETS (CONTINUED)

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

	Year Ended June 30,	
	2013	2012
December coat drive	\$ 182,000	\$ 187,000
Winter benefit	40,000	65,000
Capital project	250,000	400,000
Library initiative	50,000	50,000
Time restrictions	812,734	709,686
Sandy relief project	1,690,579	
Day of service	679,367	748,303
	<u>\$ 3,704,680</u>	<u>\$ 2,159,989</u>

NOTE K - ENDOWMENT

[1] Board-designated fund:

The Organization has a fund that consists solely of resources designated by the Board of Directors to function as endowment and that is treated as part of the Organization's investments.

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

	Unrestricted	
	Year Ended June 30,	
	2013	2012
Board-designated fund, beginning of year	\$ 2,859,574	\$ 2,900,002
Investment return:		
Dividend income	6,253	7,339
Net realized and unrealized appreciation (depreciation)	118,069	(47,767)
Total investment return	124,322	(40,428)
Board-designated fund, end of year	\$ 2,983,896	\$ 2,859,574

[3] Investment objectives and spending policy:

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

The Organization does not have a formal spending policy.

NEW YORK CARES, INC.

Notes to Financial Statements June 30, 2013 and 2012

NOTE L - 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 contribution, if any, for all eligible participants. For fiscal-years 2013 and 2012, the cost of matching employee contributions amounted to \$56,700 and \$47,121, respectively.

NOTE M - CONCENTRATION OF CREDIT RISK

The Organization maintains its cash in accounts with major banking institutions. At times, such amounts may be in excess of federally insured limits. Management does not believe that the Organization faces a significant risk of loss due to the failure of these institutions.