



New York City Relief, Inc.

**Financial Statements
With Independent Auditor's Report
September 30, 2020**

**Fylstra & Associates, LLC
Certified Public Accountants
Allendale, New Jersey**

New York City Relief, Inc.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
New York City Relief, Inc.

We have audited the accompanying financial statements of New York City Relief, Inc. (a nonprofit organization) which comprise the statement of financial position for the year ended September 30, 2020, and the related statements of activities, functional expenses and cash flows for the period 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 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 of material misstatement.

An audit involves performing procedures to obtain audit 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 statement 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 City Relief, Inc. for the year ended September 30, 2020, and the changes in its net assets and its cash flows for the period then ended in accordance with accounting principles generally accepted in the United States of America.


Fylstra & Associates, LLC

Allendale, New Jersey
February 17, 2021

New York City Relief, Inc.
Statement of Financial Position
September 30, 2020

Assets

Cash and cash equivalents	\$ 731,131
Contributions receivable	1,012
Employee receivable	31,504
Security deposits	1,400
Property and equipment at cost, net of accumulated depreciation	<u>584,091</u>
Total assets	<u><u>\$ 1,349,138</u></u>

Liabilities and Net Assets

Liabilities

Accounts payable and accrued expenses	\$ 49,668
PPP loan	<u>376,432</u>
Total liabilities	<u>426,100</u>

Net Assets

Without donor restrictions	906,178
With donor restrictions	<u>16,860</u>
Total net assets	<u>923,038</u>
Total liabilities and net assets	<u><u>\$ 1,349,138</u></u>

See accompanying notes to the financial statements

New York City Relief, Inc.
Statement of Activities
Year Ended September 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Revenues			
Contributions	\$ 3,124,837	\$ 16,860	\$ 3,141,697
Grants	824,400		824,400
Donations in-kind	2,470,107		2,470,107
Relief base Income	63,958		63,958
Apparel & gear income	580		580
Other Income	12,907		12,907
Interest income	1,703		1,703
Net assets released from restrictions	156,250	(156,250)	-
Total public support and revenues	6,654,742	(139,390)	6,515,352
Expenses			
Program services	4,519,206		4,519,206
Management and general	680,248		680,248
Fund-raising	603,805		603,805
Total expenses	5,803,259		5,803,259
Change in Net Assets	851,483	(139,390)	712,093
Net Assets			
Beginning of Year	54,695	156,250	210,945
End of Year	\$ 906,178	\$ 16,860	\$ 923,038

See accompanying notes to the financial statements

New York City Relief, Inc.
Statement of Functional Expenses
Year Ended September 30, 2020

Item of Expense	Program Services	Management and General	Fund- Raising	Total
Salaries	\$ 1,197,749	\$ 540,509	\$ 346,234	\$ 2,084,492
Payroll taxes	94,665	42,719	27,365	164,749
Employee benefits	126,749	38,171	60,874	225,794
Vehicle expenses	80,942			80,942
Food	439,411			439,411
Outreach clothing	1,929,655			1,929,655
Operating supplies	142,833			142,833
Office		3,067	105	3,172
Rent	55,925			55,925
Advertising			15,339	15,339
Uniforms	3,116			3,116
Association	15,941			15,941
Education and training	21,913	516	1,780	24,209
Meetings and meals	1,612	4,507	604	6,723
Insurance	37,991			37,991
Printing	1,038	129	13,032	14,199
Repairs and maintenance	2,958	2,638		5,596
Telephone	24,216	3,135	3,334	30,685
Volunteer services	180,551			180,551
Volunteer expense	14,318			14,318
Credit card and finance fees	32,447			32,447
Interest expense		11,376		11,376
Data processing		4,318		4,318
Website and software	33,725	10,356	18,986	63,067
Equipment expense	3,696			3,696
Postage		27	7,771	7,798
Professional fees		11,015	70,115	81,130
Travel			1,647	1,647
Utilities	12,604	7,765		20,369
Other fundraising events			36,619	36,619
Total before depreciation	4,454,055	680,248	603,805	5,738,108
Depreciation	65,151			65,151
Total	\$ 4,519,206	\$ 680,248	\$ 603,805	\$ 5,803,259

See accompanying notes to the financial statements.

New York City Relief, Inc.
Statement of Cash Flows
Year Ended September 30, 2020

Cash Flows from Operating Activities	
Change in net assets	\$ 712,093
Adjustments to reconcile net change in net assets to net cash provided by operating activities:	
Depreciation	65,151
Changes in operating assets and liabilities:	
Receivables	488
Accounts payable and accrued expenses	<u>(68,959)</u>
Net cash provided by (applied to) operating activities	<u>708,773</u>
Cash Flows from Investing Activities	
Purchase of property and equipment	<u>(184,052)</u>
Net cash provided by (applied to) investing activities	<u>(184,052)</u>
Cash Flows from Financing Activities	
Increase (decrease) in bank line of credit	(296,841)
Proceeds from PPP loan	<u>376,432</u>
Net cash provided by (applied to) financing activities	<u>79,591</u>
Net Increase (Decrease) in Cash	604,312
Cash and Cash Equivalents	
Beginning of year	<u>126,819</u>
End of year	<u>\$ 731,131</u>
Supplemental Disclosure	
Interest paid	<u>\$ 11,376</u>

See accompanying notes to the financial statements

New York City Relief, Inc.
Notes to Financial Statements
September 30, 2020

1. Nature of Activities:

Organization - New York City Relief, Inc. is a mobile outreach that compassionately serves the struggling and homeless by offering hope and resources that lead toward life transformation.

2. Summary of Significant Accounting Policies:

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions.

Net Assets Without Donor Restriction - Net assets that are not subject to or are no longer subject to donor imposed stipulations.

Net Assets With Donor Restrictions - Net assets whose use is limited by donor imposed time and/or purpose restrictions.

Revenue Recognition - The financial statements are prepared on the accrual basis of accounting, whereby income is recorded when earned and expenses when incurred.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes - The Organization is a not-for-profit organization exempt from federal and state income taxes under section 501(c)(3) of the Internal Revenue Code. There is, therefore, no provision for income taxes in these financial statements. Annually, the Organization files Form 990, Return of Organizations Exempt from Income Tax with the Internal Revenue Service. This form is open for public inspection. The Organization believes that it has appropriate support for all tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. Tax returns are open for examination by the Internal Revenue Service for three years after filing. Returns for this year and the last three years remain open.

Cash and Cash Equivalents - The Organization considers all cash on hand and in the bank, money market funds, and certificates of deposit with an original maturity of less than three months to be cash equivalents.

Contributions - Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

New York City Relief, Inc.
Notes to Financial Statements
September 30, 2020

2. Summary of Significant Accounting Policies (continued):

Property and Equipment - Property and equipment over \$5,000 are recorded at cost or if donated as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated assets to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method over the estimated useful lives of the various assets.

Subsequent Events - The Organization has evaluated subsequent events for potential recognition or disclosure through February 17, 2021, the date the financial statements were available to be issued.

3. Employee receivable:

In 2017, an employee was overpaid in error from a change in compensation policy. As a result a monthly repayment schedule was adopted until the entire amount is fully repaid. The organization has put in corrective measures to avoid recurrence of this error. In December 2020, the loan was forgiven due to years of service and gratitude.

4. Property and Equipment:

Property and equipment is summarized as follows:

Land	\$ 61,080
Building	244,319
Leasehold improvements	457,484
Furniture & fixtures	20,307
Office equipment	13,378
Computer equipment	99,885
Machinery & equipment	43,483
Vehicles	533,660
	<hr/>
	1,473,596
Less accumulated depreciation	889,505
	<hr/>
	<u>\$ 584,091</u>

New York City Relief, Inc.
Notes to Financial Statements
September 30, 2020

5. PPP Loan:

The Organization received loan proceeds of \$376,432 under the Paycheck Protection Program (“PPP”). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides for loans to qualifying organizations for amounts up to 2.5 times of the average monthly payroll expenses. The loans and accrued interest are conditionally forgivable on the organization meeting certain requirements including incurring eligible expenses, limitations on reductions to compensation and meeting certain full-time equivalent (FTE) headcount requirements. FASB ASC 958-605 indicates that a transfer of assets that is a conditional contribution is accounted for as a liability until the conditions have been substantially met. The loan was fully forgiven on December 18, 2020 by the SBA.

6. Bank Line of Credit:

The Organization has an operating line-of-credit arrangement with an area bank, with interest at the prime rate plus 1.00%. The line-of credit limit is \$300,000 with zero outstanding balance as of September 30, 2020.

7. Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activity. Accordingly, certain costs have been allocated among the programs and services benefited.

8. Liquidity and Availability of Financial Assets

The Organization's primary sources of revenue are contributions and foundation grants. They monitor their liquidity so they are able to meet all operating needs. They have the following financial assets that could readily be made available within one year of the balance sheet date to fund expenses without limitations.

	2020
Cash and cash equivalents	\$ 731,131
Contributions receivable	1,012
Employee receivable	31,504
Security deposits	1,400
	<u>\$ 765,047</u>