



*FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT*

*FOR THE YEARS ENDED
DECEMBER 31, 2014 AND 2013*



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NEW YORKERS FOR CHILDREN, INC.

*FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
New Yorkers For Children, Inc.
450 Seventh Avenue, Suite 403
New York, NY

Report on Financial Statements

We have audited the accompanying financial statements of New Yorkers For Children, Inc. (a not-for-profit corporation, "NYFC"), which comprise the statements of financial position as of December 31, 2014 and 2013, 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

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 audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 Yorkers For Children, Inc. as of December 31, 2014 and 2013, 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.

Cerini & Associates LLP

May 29, 2015
Bohemia, New York

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
ASSETS				
Current Assets:				
Cash and cash equivalents (Notes 3 and 7)	\$ 1,644,468	\$ 676,096	\$ -	\$ 2,320,564
Contributions receivable	22,321	542,000	-	564,321
Investments (Note 3)	1,252,089	693,609	-	1,945,698
Prepaid expenses and other assets	81,721	12,542	-	94,263
TOTAL CURRENT ASSETS	3,000,599	1,924,247	-	4,924,846
Restricted investments (Notes 3 and 9)	-	-	750,000	750,000
Security deposit	29,380	-	-	29,380
Property and equipment, net of accumulated depreciation (Note 4)	17,072	-	-	17,072
TOTAL ASSETS	\$ 3,047,051	\$ 1,924,247	\$ 750,000	\$ 5,721,298
LIABILITIES AND NET ASSETS				
Current Liabilities:				
Accounts payable and accrued expenses	\$ 319,358	\$ -	\$ -	\$ 319,358
Grants payable	265,000	-	-	265,000
Deferred rent payable	-	-	-	-
TOTAL LIABILITIES	584,358	-	-	584,358
Commitments and contingencies (Notes 3, 6, 7, 10, and 11)				
Net Assets:				
Unrestricted:				
Undesignated	2,212,517	-	-	2,212,517
Board designated (Note 5)	250,176	-	-	250,176
Temporarily restricted (Note 5)	-	1,924,247	-	1,924,247
Permanently restricted (Note 9)	-	-	750,000	750,000
TOTAL NET ASSETS	2,462,693	1,924,247	750,000	5,136,940
TOTAL LIABILITIES AND NET ASSETS	\$ 3,047,051	\$ 1,924,247	\$ 750,000	\$ 5,721,298

The accompanying notes are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2013

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
ASSETS				
Current Assets:				
Cash and cash equivalents (Notes 3 and 7)	\$ 1,689,754	\$ 716,289	\$ -	\$ 2,406,043
Contributions receivable	8,486	52,500	-	60,986
Investments (Note 3)	1,180,774	783,801	-	1,964,575
Prepaid expenses	62,380	-	-	62,380
TOTAL CURRENT ASSETS	2,941,394	1,552,590	-	4,493,984
Restricted investments (Notes 3 and 9)	-	-	750,000	750,000
Security deposit	29,380	-	-	29,380
Property and equipment, net of accumulated depreciation (Note 4)	28,967	-	-	28,967
TOTAL ASSETS	\$ 2,999,741	\$ 1,552,590	\$ 750,000	\$ 5,302,331
LIABILITIES AND NET ASSETS				
Current Liabilities:				
Accounts payable and accrued expenses	\$ 367,505	\$ -	\$ -	\$ 367,505
Grants payable	92,790	-	-	92,790
Deferred rent payable	7,021	-	-	7,021
TOTAL LIABILITIES	467,316	-	-	467,316
Commitments and contingencies (Notes 3, 6, 7, 10 and 11)				
Net Assets:				
Unrestricted:				
Undesignated	2,532,425	-	-	2,532,425
Board designated (Note 5)	-	-	-	-
Temporarily restricted (Note 5)	-	1,552,590	-	1,552,590
Permanently restricted (Note 9)	-	-	750,000	750,000
TOTAL NET ASSETS	2,532,425	1,552,590	750,000	4,835,015
TOTAL LIABILITIES AND NET ASSETS	\$ 2,999,741	\$ 1,552,590	\$ 750,000	\$ 5,302,331

The accompanying notes are an integral part of these financial statements.

NEW YORKERS FOR CHILDREN, INC.

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT AND REVENUE (Note 7):				
Individual contributions.....	\$ 34,166	\$ 35,981	\$ -	\$ 70,147
Foundation and business organization contributions	155,402	2,310,943	-	2,466,345
Gross special events revenue.....	1,967,998	218,050	-	2,186,048
Less: direct benefits to donors (including \$168,858 of in-kind items) (Note 8).....	(585,443)	-	-	(585,443)
Net revenue from special events.....	1,382,555	218,050	-	1,600,605
Return on investments (Notes 3 and 9).....	44,191	(4,138)	-	40,053
Interest income (Note 3).....	28,327	21,293	-	49,620
Other income.....	9,087	2,850	-	11,937
Net assets released from restrictions.....	2,213,322	(2,213,322)	-	-
TOTAL SUPPORT AND REVENUE	3,867,050	371,657	-	4,238,707
EXPENSES:				
Program services.....	2,821,100	-	-	2,821,100
Management and general.....	552,274	-	-	552,274
Fundraising.....	563,408	-	-	563,408
TOTAL EXPENSES	3,936,782	-	-	3,936,782
CHANGE IN NET ASSETS	(69,732)	371,657	-	301,925
Net assets, beginning of year.....	2,532,425	1,552,590	750,000	4,835,015
Net assets, end of year.....	\$ 2,462,693	\$ 1,924,247	\$ 750,000	\$ 5,136,940

The accompanying notes are an integral part of these financial statements.

NEW YORKERS FOR CHILDREN, INC.

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT AND REVENUE (Note 7):				
Individual contributions	\$ 86,369	\$ 2,841	\$ -	\$ 89,210
Foundation and business organization contributions.....	233,631	3,185,933	-	3,419,564
Gross special events revenue	1,933,152	201,000	-	2,134,152
Less: direct benefits to donors (including \$204,350 of in-kind items) (Note 8).....	(602,134)	-	-	(602,134)
Net revenue from special events.....	1,331,018	201,000	-	1,532,018
Return on investments (Notes 3 and 9).....	185,071	(11,205)	-	173,866
Interest income (Note 3).....	23,397	22,602	-	45,999
Other income.....	-	-	-	-
Net assets released from restrictions	3,747,488	(3,747,488)	-	-
TOTAL SUPPORT AND REVENUE	5,606,974	(346,317)	-	5,260,657
EXPENSES:				
Program services.....	3,995,799	-	-	3,995,799
Management and general.....	461,468	-	-	461,468
Fundraising.....	506,136	-	-	506,136
TOTAL EXPENSES	4,963,403	-	-	4,963,403
CHANGE IN NET ASSETS	643,571	(346,317)	-	297,254
Net assets, beginning of year.....	1,888,854	1,898,907	750,000	4,537,761
Net assets, end of year.....	\$ 2,532,425	\$ 1,552,590	\$ 750,000	\$ 4,835,015

The accompanying notes are an integral part of these financial statements.

NEW YORKERS FOR CHILDREN, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Program Services	Management and General	Fundraising	Total
Salaries.....	\$ 148,611	\$ 273,866	\$ 165,849	\$ 588,326
Payroll taxes and employee benefits (Note 10).....	35,995	66,332	40,170	142,497
Back to school packages.....	542,409	-	-	542,409
Bad debt.....	-	-	-	-
Bank fees.....	-	21,769	-	21,769
Database management.....	-	-	1,296	1,296
Depreciation (Note 4).....	2,521	4,647	2,814	9,982
Dues and subscriptions.....	-	1,058	1,699	2,757
Filing fees.....	-	575	-	575
Indirect event expense.....	-	-	92,388	92,388
Insurance.....	-	7,948	-	7,948
Miscellaneous expenses.....	3,933	6,038	6,960	16,931
Grants (Note 2).....	277,375	-	-	277,375
Occupancy (Note 6).....	31,637	58,303	35,307	125,247
Office expenses.....	5,039	21,465	7,437	33,941
Printing and postage.....	1,700	3,134	2,710	7,544
Professional fees.....	31,593	82,630	202,880	317,103
Program construction expense.....	13,008	-	-	13,008
Program events.....	180,747	-	-	180,747
Program service consultants.....	1,220,819	-	-	1,220,819
Program stipends.....	150,925	-	-	150,925
Program supplies.....	42,227	-	-	42,227
Program transportation.....	82,668	-	-	82,668
Program tuition and tutoring.....	38,071	-	-	38,071
Repairs and maintenance.....	505	931	564	2,000
Scholarships.....	4,497	-	-	4,497
Training.....	6,820	-	-	6,820
Travel.....	-	3,578	3,334	6,912
TOTAL EXPENSES	\$ 2,821,100	\$ 552,274	\$ 563,408	\$ 3,936,782

The accompanying notes are an integral part of these financial statements.

NEW YORKERS FOR CHILDREN, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Program Services	Management and General	Fundraising	Total
Salaries.....	\$ 178,563	\$ 169,170	\$ 174,076	\$ 521,809
Payroll taxes and employee benefits (Note 10).....	63,358	62,013	59,556	184,927
Back to school packages.....	296,714	-	-	296,714
Bad debt.....	-	2,000	-	2,000
Bank fees.....	-	22,456	-	22,456
Database management.....	-	-	8,756	8,756
Depreciation (Note 4).....	3,416	3,236	3,330	9,982
Dues and subscriptions.....	-	1,780	2,152	3,932
Filing fees.....	-	575	-	575
Indirect event expense.....	-	-	61,921	61,921
Insurance.....	-	13,119	-	13,119
Miscellaneous expenses.....	20,661	151	1,855	22,667
Grants (Note 2).....	88,634	-	-	88,634
Occupancy (Note 6).....	47,346	44,856	46,157	138,359
Office expenses.....	6,787	14,612	8,056	29,455
Printing and postage.....	1,838	1,741	1,882	5,461
Professional fees	29,855	122,929	137,611	290,395
Program construction expense.....	2,038,608	-	-	2,038,608
Program events.....	87,752	-	-	87,752
Program service consultants.....	800,129	-	-	800,129
Program stipends.....	145,009	-	-	145,009
Program supplies.....	38,091	-	-	38,091
Program transportation.....	85,865	-	-	85,865
Program tuition and tutoring.....	26,439	-	-	26,439
Repairs and maintenance.....	-	-	-	-
Scholarships.....	30,029	-	-	30,029
Training.....	6,705	-	-	6,705
Travel.....	-	2,830	784	3,614
TOTAL EXPENSES	\$ 3,995,799	\$ 461,468	\$ 506,136	\$ 4,963,403

The accompanying notes are an integral part of these financial statements.

NEW YORKERS FOR CHILDREN, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets.....	\$ 301,925	\$ 297,254
<u>Adjustments to reconcile change in net assets to net cash (used in)/</u> <u>provided by operating activities:</u>		
Bad debt.....	-	2,000
Depreciation expense.....	9,982	9,982
Deferred rent.....	(7,021)	(321)
Unrealized gains on investments.....	(40,053)	(172,561)
Realized gains on investments.....	-	(1,305)
<u>Changes in operating assets and liabilities:</u> <u>(Increase)/ decrease in operating assets:</u>		
Contributions receivable.....	(503,335)	352,632
Prepaid expenses.....	(31,883)	15,751
<u>Increase/(decrease) in operating liabilities:</u>		
Accounts payable and accrued expenses.....	(48,147)	(69,831)
Grants payable.....	172,210	(141,502)
NET CASH (USED IN)/ PROVIDED BY OPERATING ACTIVITIES	(146,322)	292,099
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments.....	(49,620)	(48,016)
Sales of investments.....	108,550	19,246
Write off/(purchases of) property and equipment.....	1,913	(14,678)
NET CASH PROVIDED BY/ (USED IN) INVESTING ACTIVITIES	60,843	(43,448)
Net (decrease)/ increase in cash and cash equivalents.....	(85,479)	248,651
Cash and cash equivalents, beginning of year.....	2,406,043	2,157,392
Cash and cash equivalents, end of year.....	<u><u>\$ 2,320,564</u></u>	<u><u>\$ 2,406,043</u></u>

NEW YORKERS FOR CHILDREN, INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of New Yorkers For Children, Inc., (hereinafter, "NYFC") is presented to assist in understanding NYFC's financial statements. The financial statements and notes are representations of NYFC's management, who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Income Tax Status: NYFC is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code. In addition, NYFC qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). NYFC is also exempt from state and local taxes.

NYFC evaluated its activities for uncertain tax positions and has determined that there were no uncertain tax positions for 2014 and 2013.

NYFC files a Federal Form 990 and respective state informational returns. These returns are subject to review and examination by federal and state authorities and the returns for the years ended December 31, 2011, 2012, 2013, and 2014 are open for examination. NYFC has determined that it has registered in all states where it is required to be registered.

Basis of Accounting: These financial statements are presented on the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when incurred.

Basis of Presentation: Financial statement presentation follows the recommendations of the Financial Accounting Standards Board specifically for not-for-profit organizations. NYFC is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that will be met, either by action of NYFC and/or passage of time.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that must be maintained permanently by NYFC. Generally, the donors of these assets would permit NYFC to use all or part of the income earned on any related investments for general or specific purposes.

Revenue Recognition: NYFC's revenue consists of contributions and investment income. Unrestricted contributions intended for the current period are recognized when received. Restricted contributions are recorded as temporarily restricted support and net assets if they are received with donor stipulations that limit the use of the contributed assets. When a donor or sponsor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

NEW YORKERS FOR CHILDREN, INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions having temporary restrictions which are met in the period they are received are reported as unrestricted. Permanently restricted net assets consist of endowment funds which have been restricted by donors to be maintained in perpetuity.

Functional Expenses: The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Expenses have been allocated between program services and support services based on an analysis of personnel time for the related activities.

Cash and Cash Equivalents: For financial statement purposes, NYFC considers all highly-liquid investments with an initial maturity of three months or less to be cash equivalents. Cash and cash equivalents that are part of the investment portfolio are considered investments.

Fair Value Measurements: NYFC defines fair value as the price that would be received to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date.

Contributions Receivable: NYFC considers contributions receivable past due or delinquent when payments have not been received in a timely manner. Receivables are written off when management deems the possibility of collecting amounts due as completely unlikely.

Property and Equipment: Property and equipment are stated at cost, except for contributed assets, which are recorded at fair value at the time of the contribution. NYFC capitalizes all assets with a cost of \$1,000 or more and a useful life greater than three years. Depreciation is computed using the straight-line method over the assets' estimated useful lives as follows:

Computers and other equipment	5 years
Computer software and website.....	3 years

Special Events: NYFC holds fundraising events to provide support for its operations. Revenue from these events is recorded at the time the event takes place. Costs incurred for which a donor receives a direct benefit have been offset against the revenue earned in the statements of activities. Other costs related to the event for which the donor does not receive a direct benefit are included within indirect event expense in the statements of functional expenses.

Contributed Use of Materials: NYFC benefits from contributed materials attributable to special events and programs. Various noncash contributions are recorded at their estimated fair values at the time of contribution. See Note 8.

NYFC receives contributed services of volunteers which do not meet the criteria for recognition. Accordingly, the value of these contributed services has not been reflected in the accompanying financial statements.

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and

NEW YORKERS FOR CHILDREN, INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Events Occurring After the Report Date: NYFC has evaluated events and transactions that occurred between January 1, 2015 and May 29, 2015, which is the date that the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

Reclassification: Certain balances reflected on the statement of financial position, statement of activities, and statement of functional expenses for the year ended December 31, 2013 were reclassified to conform to the current year presentation.

NOTE 2 – ORGANIZATION

Founded in 1996 as the non-profit partner to the Administration for Children's Services ("ACS"), NYFC strives to improve the prospects of children supported by the child welfare system and to engage New Yorkers in that effort. With a focus on young people in foster care, NYFC supports programs that promote paths to stable adulthood through education and sustainable relationships with caring adults.

To achieve the highest impact for young people transitioning out of foster care, NYFC strategically partners with ACS and many non-profit organizations in New York City whose programs advance educational and career opportunities for youth in foster care. NYFC specifically supports programs that provide young people in foster care with the necessary educational and employment skills and access, and youth development services to attain successful and self-sufficient adulthood.

NYFC has several signature initiatives, summarized below, to meet current unmet youth needs and to promote education and youth development. These initiatives include:

Back-to-School Package Program

The Back-to-School Package program provides youth in foster care enrolled in college or an accredited vocational program with the necessary tools to succeed during their educational and vocational experience. Each package is valued at \$2,500 and includes a laptop, printer, software, backpack, school supplies, gift cards, and other essentials for college life.

Guardian Scholars Program

The NYFC Guardian Scholars program is a comprehensive program for youth in foster care who are enrolled at Hunter College, John Jay College, and Kingsborough Community College. These youth are forced to make difficult transitions into adulthoods, often without traditional family support. The Guardian Scholars program provides essential financial, academic, and emotional support to help the students graduate from college.

Youth Advisory Board

The Youth Advisory Board ("YAB") is a group of highly engaged high school and college students in foster care who serve as advocates for other youth in care in New York City,

*NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013*

NOTE 2 - ORGANIZATION *(continued)*

with a focus on transition-aged youth. They seek to help children and youth through promotion of education, self-development, and community involvement. YAB envisions a future where children and families have access to a range of resources and community supports, and where youth and adults are joined in productive and fulfilling partnerships.

Spirit Award

The Spirit Award is a \$10,000 scholarship awarded each year to a young person in foster care who is succeeding in college. The recipient is a young person who has demonstrated outstanding leadership skills, a commitment to community, and the determination and ability to overcome the barriers to academic success. Two second place scholarships of \$2,500 each are also awarded each year.

Futures in Motion: Youth CAN!

In partnership with Walgreens and North Shore-LIJ the Youth CAN! program assists youth aging out of foster care to prepare for and connect with meaningful work experiences through ten weeks of career development and mentoring followed by a three-month work experience internship.

Charles Evans Emergency Fund

The Charles Evans Emergency Education Fund assists youth, ages 21-25, who were formerly involved in the foster care system in New York City, to complete or further their educational. The Fund ensures youth who encounter an unforeseen or unusual financial emergency will be able to continue their education without interruption.

Wrap to Rap

Wrap to Rap is NYFC's annual holiday event. The Board and Friends of NYFC join over 100 teens in foster care to wrap presents for children in care. In addition to providing much-needed holiday gifts for these children, this signature program serves to remind teens of the importance of volunteerism and giving back to their communities.

Noteworthy programs funded with NYFC discretionary grants to ACS include:

Transgender and Gender Non-Conforming Best Practices Guide (2013 program): NYFC provided support of the development of ACS' first Transgender and Gender Non-Conforming Best Practices Guide.

Foster Parent Guide to Education

The Foster Parent Guide to Education serves as a reference manual to assist foster parents in supporting the educational needs for youth in their care from 0-21 years old. The guide includes early education including literacy exercises, information on Headstart and Pre-K programs, grade-specific school-age academic program, special education, college preparation, and other relevant education information.

College Intern Coordinator

The College Intern Coordinator (CIC) organized professional and skill-based trainings and workshops for the college interns, including Summer Youth Employment Program interns.

NEW YORKERS FOR CHILDREN, INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 2 - ORGANIZATION (continued)

Workshops included goal setting, resume writing, interviewing techniques, health and wellness, and financial literacy. The CIC assessed best practices and developed a standard workshop on professional skills development for the student interns.

LGBTQ Population Count & Youth Climate Survey

The purpose of this grant is to assist ACS to conduct Phase I and Phase II of the Administration for Children Services LGBTQ foster care population count and youth climate survey. The goal of these two phases is to learn how to best design and implement this survey system-wide. After completing Phase I and II, ACS will then implement the survey system-wide, with the goal of receiving approximately 800 completed surveys.

Grants

NYFC awarded \$277,375 and \$88,634 in grants to ACS during the years ended December 31, 2014 and 2013, respectively. These organizations serve youth in foster care in New York City to help prepare the young people to become successful, self-sufficient adults.

NOTE 3 - INVESTMENTS

NYFC measures its investments at fair value, as defined in Note 1. Accordingly, NYFC uses 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 - quoted prices for identical instruments in active markets;
- Level 2 - quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations the significant inputs for which are observable; and
- Level 3 - instruments the significant inputs for which are unobservable.

Investments are presented in the financial statements at fair value. The fair value of NYFC's investments by major security type are as follows at December 31, 2014 and 2013:

Investments at Fair Value as of December 31, 2014

	Level 1	Level 2	Total
Cash equivalents.....	\$ 1,126	\$ -	\$ 1,126
US Treasury bills.....	400,764	-	400,764
Exchange traded products.....	1,007,395	-	1,007,395
Mutual funds.....	986,075	-	986,075
Certificates of deposit	-	300,338	300,338
Total investments at fair value	<u>\$ 2,395,360</u>	<u>\$ 300,338</u>	<u>\$ 2,695,698</u>

NEW YORKERS FOR CHILDREN, INC.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 3 – INVESTMENTS (continued)

Investments at Fair Value as of December 31, 2013			
	Level 1	Level 2	Total
Cash equivalents.....	\$ 313	\$ -	\$ 313
US Treasury bills.....	388,808	-	388,808
Exchange traded products.....	830,456	-	830,456
Mutual funds.....	595,147	-	595,147
Certificates of deposit	-	899,851	899,851
Total investments at fair value	<u>\$ 1,814,724</u>	<u>\$ 899,851</u>	<u>\$ 2,714,575</u>

At December 31, 2014 and 2013 investment income consisted of the following:

	<u>2014</u>	<u>2013</u>
Interest and dividend income	\$ 49,620	\$ 45,999
Unrealized gains.....	40,053	172,561
Realized gains	-	1,305
Total return on investments	<u>\$ 89,673</u>	<u>\$ 219,865</u>

NYFC invests in government bonds and mutual funds. Such investments are exposed to risks such as interest rate and market risks. Due to the level of risk associated with certain investment vehicles, it is possible that changes in the values of investment holdings could occur in the near term and these changes could materially affect the amounts reported in the statements of financial position.

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31,:

	<u>2014</u>	<u>2013</u>
Computers and other equipment	\$ 82,544	\$ 80,582
Computer software	11,179	11,179
Website improvements	15,535	15,535
Leasehold improvements	-	3,875
Total property and equipment	109,258	111,171
Less: accumulated depreciation.....	(92,186)	(82,204)
Net property and equipment	<u>\$ 17,072</u>	<u>\$ 28,967</u>

For both of the years ended December 31, 2014 and 2013, NYFC incurred \$9,982 of depreciation expense.

NEW YORKERS FOR CHILDREN, INC.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 5 – BOARD DESIGNATED AND TEMPORARILY RESTRICTED NET ASSETS

Net assets were board designated and temporarily restricted for the following purposes at December 31, 2014 and 2013:

Board Designated and Temporarily Restricted Net Assets as of December 31, 2014

	Board Designated	Temporarily Restricted	Total
Mental Health Initiative	\$ -	\$ 3,723	\$ 3,723
Youth Financial Empowerment Initiative	-	6,986	6,986
Casey Family Program	-	8,571	8,571
Child Protection	-	300	300
Conrad Hilton.....	-	-	-
LBGTQ.....	-	17,978	17,978
High School Goal Weekend.....	-	16,685	16,685
Children's Center	-	500	500
Crossover Youth Practice Model	-	8,307	8,307
Redlich Horwitz.....	-	3,001	3,001
September 11 Memorial Scholarship	-	4,267	4,267
RH Acelero.....	-	162,500	162,500
Shoolman FCCT.....	-	118,012	118,012
Van Ameringen.....	-	-	-
United Way - Hurricane Sandy.....	-	-	-
Dave Thomas Adoption Fund.....	-	351	351
Wednesday's Child	-	18,923	18,923
Wendy's Wonderful Kids.....	-	17,500	17,500
Brownstone Foundation.....	-	4,069	4,069
No Time to Wait.....	-	97,200	97,200
Falconwood.....	-	30,000	30,000
Center for Study of Social Programs.....	-	50,000	50,000
Division of Youth and Family Justice.....	-	2,500	2,500
College Success Initiative.....	-	354,529	354,529
Guardian Scholars Program	-	550,180	550,180
Back to School Package Program	250,176	100,000	350,176
Vocational Conference.....	-	-	-
Youth Advisory Board.....	-	7,808	7,808
Wrap to Rap	-	10,223	10,223
College Conference.....	-	-	-
Emergency Education	-	273,355	273,355
ATavarez Fund.....	-	100	100
Spirit Award.....	-	20,029	20,029
Educational Endowment	-	26,336	26,336
Pipeline Project.....	-	10,314	10,314
Total.....	\$ 250,176	\$ 1,924,247	\$2,174,423

NEW YORKERS FOR CHILDREN, INC.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 5 – BOARD DESIGNATED AND TEMPORARILY RESTRICTED NET ASSETS
(continued)

Board Designated and Temporarily Restricted Net Assets as of December 31, 2013

	Board Designated	Temporarily Restricted	Total
Mental Health Initiative	\$ -	\$ 3,723	\$ 3,723
Youth Financial Empowerment Initiative	-	9,026	9,026
Casey Family Program	-	-	-
Child Protection	-	300	300
Conrad Hilton.....	-	12,982	12,982
LGBTQ.....	-	46,342	46,342
High School Goal Weekend.....	-	12,885	12,885
Children's Center	-	543	543
Crossover Youth Practice Model	-	185	185
Redlich Horwitz.....	-	24,750	24,750
September 11 Memorial Scholarship	-	5,767	5,767
RH Acelero.....	-	230,000	230,000
Shoolman FCCT.....	-	12,181	12,181
Van Ameringen.....	-	43,300	43,300
United Way - Hurricane Sandy.....	-	8	8
Dave Thomas Adoption Fund.....	-	-	-
Wednesday's Child	-	-	-
Wendy's Wonderful Kids.....	-	-	-
Brownstone Foundation.....	-	-	-
No Time to Wait.....	-	-	-
Falconwood.....	-	-	-
Center for Study of Social Programs.....	-	-	-
Division of Youth and Family Justice.....	-	-	-
College Success Initiative.....	-	25,000	25,000
Guardian Scholars Program	-	744,298	744,298
Back to School Package Program	-	67,679	67,679
Vocational Conference.....	-	3,364	3,364
Youth Advisory Board.....	-	24,091	24,091
Wrap to Rap	-	5,754	5,754
College Conference.....	-	4,623	4,623
Emergency Education	-	252,924	252,924
ATavarez Fund.....	-	100	100
Spirit Award.....	-	9,087	9,087
Educational Endowment	-	13,678	13,678
Pipeline Project.....	-	-	-
Total.....	<u>\$ -</u>	<u>\$ 1,552,590</u>	<u>\$1,552,590</u>

NEW YORKERS FOR CHILDREN, INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 6 – LEASING ARRANGEMENT

During June 2008, NYFC entered into a lease agreement for office space in New York City. The lease provided NYFC with the office space beginning September 1, 2008 through August 31, 2013 at approximately \$9,460 per month, with certain rent concessions at the beginning of the lease and annual escalations of approximately 3%. In April 2013, NYFC extended this lease for a seven year period beginning September 1, 2013 through August 31, 2020 at approximately \$9,489 per month with annual escalations of approximately 3%. Rent expense incurred during the years ended December 31, 2014 and 2013 totaled \$107,990 and \$122,814, respectively. Rent expense is included in occupancy in the statements of functional expenses.

The future minimum rental commitments under this lease agreement are as follows for the years ending December 31,:

2015.....	\$	118,461
2016.....		122,014
2017.....		125,675
2018.....		129,445
2019.....		133,328
Thereafter		<u>90,646</u>
Total	\$	<u>719,569</u>

NOTE 7 – CONCENTRATIONS OF CREDIT RISK AND SUPPORT

NYFC maintains its cash balances in a high-quality financial institution and utilizes Liquid Insured Deposits ("LIDS") to increase its Federal Deposit Insurance Corporation protection to \$2,500,000. As of December 31, 2014 all of NYFC's cash balances are insured.

For the years ended December 31, 2014 and 2013, NYFC received approximately 35% and 26%, respectively, of its total support and revenue from the Fall Gala fundraising event. Management does not expect the revenue from this source to significantly decline in the near future.

Approximately 58% of total contributions revenue recognized during the year ended December 31, 2014 were attributed to four donors. Approximately 72% of total contributions revenue recognized during the year ended December 31, 2013 were attributed to three donors.

NOTE 8 – IN-KIND MATERIALS

NYFC received contributed materials for their special events as well as various Board Initiative Programs. The estimated fair value of the materials by purpose for the years ended December 31:

	<u>2014</u>	<u>2013</u>
Board Initiative – Wrap 2 Rap	\$ -	\$ 700
Direct benefit to donors – gift bags.....	168,858	204,350
Spring dance auction	<u>178,084</u>	<u>108,901</u>
Total.....	<u>\$ 346,942</u>	<u>\$ 313,951</u>

NEW YORKERS FOR CHILDREN, INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 9 – ENDOWMENT

Effective September 17, 2010, the State of New York enacted the New York Prudent Management of Institutional Funds Act ("NYPMIFA"), the provisions of which apply to the endowment funds existing on or established after that date.

NYFC's endowment consists of one donor-restricted individual fund established for the educational needs of youth in foster care. NYFC does not have any funds designated by the Board of Directors that function as an endowment. NYFC is required to act prudently when making decisions to spend or accumulate donor restricted endowment assets and in doing so to consider a number of factors including the duration and preservation of its donor restricted endowment funds. NYFC classifies as permanently restricted net assets the original value of gifts donated to the permanent endowment. The portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets based on donor stipulations.

Funds with Deficiencies: From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or NYPMIFA requires NYFC to retain as a fund of perpetual duration. There were no such deficiencies as of December 31, 2014 and 2013.

Return Objectives and Risk Parameters: NYFC has adopted investment and spending strategies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets.

Strategies Employed for Achieving Objectives: To satisfy its long-term rate-of-return objectives, NYFC relies on a total-return strategy in which investment returns are achieved through current yield (interest income and investment appreciation). NYFC targets a conservative asset allocation that places a greater emphasis on the conservation of investment principal to achieve its long-term return objectives within prudent risk constraints.

Spending Policy: NYFC has a policy of spending the investment income generated from its permanently restricted funds, which is allowable under the donor guidelines. At December 31, 2014 and 2013, any unspent donor-restricted investment income was added to the temporarily restricted balance of the net assets.

During the year ended December 31, 2014, NYFC had the following endowment-related activities:

	Temporarily Restricted	Permanently Restricted	Total
Endowment funds, beginning of year	\$ 13,678	\$ 750,000	\$ 763,678
Investment income.....	21,293	-	21,293
Net depreciation.....	(4,138)	-	(4,138)
Releases from restrictions	(4,497)	-	(4,497)
Endowment funds, end of year.....	<u>\$ 26,336</u>	<u>\$ 750,000</u>	<u>\$ 776,336</u>

NEW YORKERS FOR CHILDREN, INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 9 – ENDOWMENT (continued)

During the year ended December 31, 2013, NYFC had the following endowment-related activities:

	Temporarily Restricted	Permanently Restricted	Total
Endowment funds, beginning of year	\$ 20,719	\$ 750,000	\$ 770,719
Investment income.....	19,428	-	19,428
Net depreciation.....	(11,902)	-	(11,902)
Releases from restrictions	(14,567)	-	(14,567)
Endowment funds, end of year.....	<u>\$ 13,678</u>	<u>\$ 750,000</u>	<u>\$ 763,678</u>

NOTE 10 – EMPLOYEE BENEFIT PLAN

NYFC has a defined contribution 403(b) retirement plan for eligible employees. All full-time employees who have reached 18 years of age are eligible for participation in the plan. If employees elect, they may make contributions to the plan up to the maximum amount allowed by the Internal Revenue Code. Employee contributions can be invested in any number of available options offered by the plan, which offers a broad level of diversification to its participants. NYFC provides basic employer contributions for each pay period throughout the plan year during which an employee is an active participant of the plan. A discretionary amount is determined annually for each active participant in the same ratio that each employee's compensation is part of the total plan. Total expense for the years ended December 31, 2014 and 2013 was \$19,289 and \$22,530, respectively.

NOTE 11 – LINES OF CREDIT

Pursuant to an agreement with Amazon.com, NYFC has available a \$9,000 unsecured line of credit. There were no amounts outstanding on the line as of December 31, 2014 and 2013. A finance charge is payable monthly on outstanding balances at an interest rate of 2.0% at December 31, 2014 and 2013, respectively.

Pursuant to an agreement with Dell Business Credit, NYFC has available a \$165,000 unsecured line of credit. There were no amounts outstanding on the line as of December 31, 2014 and 2013. Interest is payable monthly on outstanding balances at an interest rate of 22.99% at December 31, 2014 and 2013.