New Yorkers For Children, Inc.

Financial Report
December 31, 2019

THE POWER OF BEING UNDERSTOOD
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Independent Auditor's Report

RSM US LLP

Board of Directors
New Yorkers For Children, Inc.

Report on the Financial Statements
We have audited the accompanying financial statements of New Yorkers For Children, Inc., which comprise the statement of financial position as of December 31, 2019, the related statements of activities, functional expenses and cash flows for the year 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 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 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 Yorkers For Children, Inc. as of December 31, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

RSM US LLP

New York, New York
June 18, 2020

THE POWER OF BEING UNDERSTOOD
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New Yorkers For Children, Inc.

Statement of Financial Position
December 31, 2019

Assets		
Cash and cash equivalents	$	2,301,947
Contributions receivable		1,923,457
Investments		2,022,219
Prepaid expenses and other current assets		65,061
Property and equipment, net of accumulated depreciation		20,811
Restricted investments		850,950
Security deposit		29,655
Total assets	$	7,214,100
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	$	246,553
Grants payable		1,870
Total liabilities		248,423
Commitments		
Net assets:		
Without donor restrictions		2,689,239
With donor restrictions:		
Purpose and time restrictions		3,425,488
Perpetual in nature		850,950
		4,276,438
Total net assets		6,965,677
Total liabilities and net assets	$	7,214,100

See notes to financial statements.

New Yorkers For Children, Inc.

Statement of Activities
Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Individual contributions	$ 128,189	$ 48,085	$ 176,274
Foundation and business organization contributions	97,009	587,995	685,004
Government grant	324,013	-	324,013
Donated materials and services	115,189	-	115,189
Gross special events revenue	1,088,077	-	1,088,077
Less direct benefits to donors	(186,589)	-	(186,589)
Net revenue from special events	901,488	-	901,488
Net investment gain	247,713	139,752	387,465
Net assets released from restrictions	2,106,552	(2,106,552)	-
Total support and revenue	3,920,153	(1,330,720)	2,589,433
Expenses:			
Program services	2,742,558	-	2,742,558
Management and general	567,551	-	567,551
Fundraising	175,482	-	175,482
Total expenses	3,485,591	-	3,485,591
Change in net assets	434,562	(1,330,720)	(896,158)
Net assets:			
Beginning of year	2,254,677	5,607,158	7,861,835
End of year	$ 2,689,239	$ 4,276,438	$ 6,965,677

See notes to financial statements.

New Yorkers For Children, Inc.

Statement of Functional Expenses
Year Ended December 31, 2019

	Program Services	Management and General	Fundraising	Total
Salaries	$ 365,103	$ 258,636	$ 31,263	$ 655,002
Payroll taxes and employee benefits	97,130	68,478	8,271	173,879
Back-to-School packages	146,062	-	-	146,062
Depreciation	11,513	1,670	202	13,385
Indirect event expenses	-	-	14,549	14,549
Insurance	-	8,887	-	8,887
Miscellaneous expenses	13,052	629	-	13,681
Occupancy	72,480	83,723	10,112	166,315
Office expenses	7,542	20,766	3,197	31,505
Printing and postage	1,001	925	5,881	7,807
Professional fees	23,356	67,859	88,745	179,960
Program events	22,237	-	-	22,237
Program service consultants	1,600,988	-	-	1,600,988
Program stipends	162,088	-	-	162,088
Program supplies	54,389	-	-	54,389
Program transportation	2,201	437	62	2,700
Program tuition and tutoring	83,468	-	-	83,468
Scholarships	33,500	-	-	33,500
In-kind services and materials	46,448	55,541	13,200	115,189
Total expenses before direct benefits to donors	2,742,558	567,551	175,482	3,485,591
Cost of direct benefits to donors	-	-	186,589	186,589
Total 2019 expenses	$ 2,742,558	$ 567,551	$ 362,071	$ 3,672,180

See notes to financial statements.

New Yorkers For Children, Inc.

Statement of Cash Flows
Year Ended December 31, 2019

Cash flows from operating activities:		
Change in net assets	$	(896,158)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation expense		13,385
Net realized and unrealized gains on investments		(290,805)
Changes in operating assets and liabilities:		
Contributions receivable		857,568
Prepaid expenses		74,425
Accounts payable and accrued expenses		(86,585)
Refundable advance		(84,748)
Grants payable		(6,906)
Net cash used in operating activities		(419,824)
Cash flows from investing activities:		
Purchases of investments		(75,731)
Sales of investments		215,166
Net cash provided by investing activities		139,435
Net decrease in cash and cash equivalents		(280,389)
Cash and cash equivalents:		
Beginning of year		2,582,336
End of year	$	2,301,947

See notes to financial statements.

Note 1. Organization

Founded in 1996 as the nonprofit partner to the Administration for Children's Services (ACS), New Yorkers For Children, Inc. (NYFC) protects, ensures and promotes the safety and well-being of New York City (NYC) children and families with an emphasis on youth in foster care.

To achieve the highest impact for young people transitioning out of foster care, NYFC strategically partners with ACS and many nonprofit organizations in NYC 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.

Scholarships and support: NYFC has several signature initiatives, summarized below, to meet the needs of youth in NYC foster care and to promote education and youth development. These initiatives include:

The Nick's Scholars Program (formerly Guardian Scholars) is a scholarship for college-enrolled youth in foster care that provides essential wraparound services in the form of financial, academic and emotional support to help students succeed in college. The Nick's Scholars program began in New York City in September 2006 with two students. In 2017, the program expanded with the support of the Doris Duke Charitable Foundation. In 2019, 5 new scholars were enrolled in the program with a total of 27 scholars participating in the program during 2019. Scholars continue to attend both City University of New York (CUNY), State University of New York (SUNY) and private schools throughout New York. As of December 2019, three have graduated and three scholars withdrew from the 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 around $750 and includes a laptop, software and gift cards. In 2019, 582 packages were sent out to 498 students in 103 different higher education institutions.

The Charles Evans Emergency Education Fund assists youth, ages 21 to 27, who were formerly involved in the foster care system in New York City, in completing or furthering their education. This fund ensures youth who encounter an unforeseen or unusual financial emergency will be able to continue their education without interruption. The average grant amount awarded in 2019 was $1,340. A total of 75% of awards were for tuition assistance, 20% for housing and 5% for books, school supplies and other. A total of 62% of awards were from CUNY, 21% from private, 10% from SUNY schools, 3.5% from out of state public schools and 3.5% from vocational programs. Applicants represented 13 different foster care agencies.

The In-Care Emergency Fund assists youth under the care of NYC's foster care system in completing or furthering their education. In 2018, this fund was created through the generous support of an anonymous donor. This fund ensures youth who encounter an unforeseen or unusual financial emergency will be able to continue their education without interruption. The average grant amount awarded in 2019 was $1,512. A total of 86% of awards were for tuition assistance and 11% for housing and 3% for other. A total of 52% of award recipients were from CUNY, 17% from private and 31% from SUNY schools. Recipients represented 15 different foster care agencies.

The Spirit Awards are one-time scholarships awarded each year to young people in foster care who are succeeding in college. The recipients are young people who have demonstrated outstanding leadership skills, a commitment to community, and the determination and ability to overcome barriers to academic success. In 2019, two scholarships were awarded totaling $15,000 to two college upperclassmen involved in NYC foster care. One award was funded through the NYFC educational endowment.

Note 1. Organization (Continued)

YVLifeSet is based on the Youth Villages LifeSet model, a program dedicated to improving outcomes for youth aging out of foster care and juvenile justice. NYFC implements this outcome-focused, intensive time-limited and well-researched approach, which targets young adults ages 17 to 22 who have been involved in the foster care, juvenile justice and/or mental health systems as young adults and who find themselves needing the necessary skills and resources to move forward to their fullest potential. By testing the effectiveness of the YVLifeSet model in linking eligible youth to much needed benefits and services, and its impact on helping youth transition successfully into adulthood, NYFC and ACS will be able to determine the feasibility and scalability of the model within New York City and potentially replicate the program. In 2018, NYFC selected two foster care agencies to implement this model through a competitive RFP. Children's Aid will operate the program throughout all three years of the initiative while NY Foundling will begin programming in 2019. By the end of 2019, 75 youth were served in the program at Children's Aid and 52 youth were served in the program at NY Foundling.

Note 2. Summary of Significant Accounting Policies

Basis of presentation: The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

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.

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 remote. Contributions receivable that are expected to be collected within one year are recorded at net realizable value. Contributions receivable that are expected to be collected in future years are recorded at present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which promises are received. Amortization of the discounts is included in contribution revenue.

Revenue recognition: Unconditional contributions are recognized when received. Restricted contributions are recorded as restricted support and net assets with donor restrictions if they are received with donor stipulations that limit the use of the contributed assets. When a donor or sponsor restriction expires (i.e., when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as net assets released from restrictions in the statement of activities.

Contributions having restrictions which are met in the period they are received are reported as net assets without donor restrictions in the statement of financial position.

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 statement of activities. Other costs related to the event for which the donor does not receive a direct benefit are included within indirect event expenses in the statement 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 11.

Note 2. Summary of Significant Accounting Policies (Continued)

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

Investments: NYFC measures its investments at fair value. 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 for which the significant inputs are observable.

Level 3: Instruments for which the significant inputs are unobservable.

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, ranging from three to five years.

Net asset classification: Net assets, revenues, gains and losses are classified based on the existence and/or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions: Net assets which are available for use in general operations and not subject to donor restrictions.

Net assets with donor restrictions: Net assets which are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires (i.e., when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled or both).

Grant expense: Grants are recorded as an expense and a payable when grants are approved and communicated to the grantees. All grants payable are expected to be paid within the following year.

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.

Income tax status: NYFC is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC). In addition, NYFC qualifies for the charitable contribution deduction under IRC Section 170(b)(1)(A)(vi) and has been classified as an organization other than a private foundation under IRC Section 509(a)(2). NYFC is also exempt from state and local taxes. NYFC is subject to unrelated business income tax (UBIT), if applicable. For the tax year ended December 31, 2019, NYFC did not owe any UBIT.

Note 2. Summary of Significant Accounting Policies (Continued)

Management has evaluated NYFC's tax positions for all open tax years and has concluded that it has taken no uncertain tax positions that would require adjustment or disclosure to the accompanying financial statements.

Accounting 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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from these estimates.

Recently adopted accounting pronouncement: In August 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. The guidance in this ASU provides a framework for determining whether a transaction should be accounted for as an exchange transaction or as a contribution. The guidance also helps determine whether a contribution is conditional and better distinguishes a donor-imposed condition from a donor-imposed restriction. The new standard is effective for annual reporting periods beginning after June 15, 2018. NYFC adopted the guidance in this standard in the current year using modified prospective basis. The amendments in the ASU were applied only to the portion of revenue not yet recognized before the effective date and did not have a material impact on the financial statements.

Recent accounting pronouncements: In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet 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 income statement. In March 2019, the FASB issued ASU 2019-01, *Leases (Topic 842) Codification Improvements*, which exempts entities from having to provide the interim disclosures required by Accounting Standard Codification (ASC) 250-10-50-3 in the fiscal year in which a company adopts the new leases standard. In June 2020, the FASB issued ASU 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842) Effective Dates for Certain Entities*, which defers the effective date of ASU 2016-02 for NYFC to fiscal years beginning after December 15, 2021. Early adoption is permitted. NYFC is currently evaluating the impact of pending adoption of the new standard on the financial statements.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement*, which modifies the disclosure requirements for fair value measurements by removing, modifying or adding certain disclosures. The guidance is effective for fiscal years beginning after December 15, 2019. The adoption of ASU 2018-13 is not expected to have a material impact on the financial statements.

Subsequent events: NYFC evaluated subsequent events occurring after the date of the financial statements to consider whether or not the impact of such events needs to be reflected and/or disclosed in the financial statements. Such evaluation was performed through June 18, 2020, the date the financial statements were available to be issued.

Note 3. Liquidity and Availability of Resources

The following represents NYFC's available financial assets as of December 31, 2019, to meet general expenditures over the next 12 months.

Financial assets at December 31, 2019:		
Cash and cash equivalents	$	891,272
Contributions receivable		49,999
Investments		1,488,439
Total financial assets at December 31, 2019	$	2,429,710

NYFC has a policy to maintain liquid assets to meet 50% of annual general operating expenditures, which include any administrative and general expenses, as well as fundraising expenses for the upcoming year (and exclude donor-restricted funds and donor-restricted grant expenses).

NYFC has various sources of liquidity at its disposal to meet its current general operating expenditures. These liquid assets include cash and cash equivalents, contribution income in receivables due in less than one year and investments convertible to cash in the next 12 months. NYFC's management team and the Finance and Investment Committee of its Board of Directors meet on a quarterly basis to monitor liquidity required to meet its operating needs and to review the financial health of the organization.

Note 4. Contributions Receivable

Unconditional contributions receivable have been recorded in the accompanying financial statements at their estimated realizable value. Receivables that are payable over a year have been discounted to their present value.

Amounts due:		
Within one year or less	$	1,458,609
In more than one year and less than five years		495,274
		1,953,883
Less discount to present value		(30,426)
Contributions receivable, net	$	1,923,457

As of December 31, 2019, NYFC had an outstanding unrecorded conditional government grant of $171,801. NYFC will recognize the revenue over the remaining grant period when the conditions for recognizing the revenue are met.

Note 5. Investments and Fair Value Measurements

Investments are presented in the financial statements at fair value. All investments of NYFC as of December 31, 2019, as shown below, are classified as Level 1 in the valuation hierarchy of fair value measurements.

Cash equivalents	$	406,632
Exchange traded funds		1,297,519
Mutual funds		1,169,018
Total investments at fair value	$	2,873,169

Cash equivalents carrying amount approximates fair value because the instruments are liquid in nature.

Note 5. Investments and Fair Value Measurements (Continued)

Exchange-traded funds are stated at the last reported sales or trade price on the day of valuation.

Mutual funds are stated at net asset value (NAV). NAV is calculated each business day as of the close of regular trading on the New York Stock Exchange.

NYFC invests in exchange-traded funds 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 statement of financial position.

Note 6. Property and Equipment

Property and equipment consist of the following as of December 31, 2019:

Computers and other equipment	$	17,250
Computer software and website		66,869
		84,119
Less accumulated depreciation		(63,308)
	$	20,811

NYFC incurred $13,385 of depreciation expense in the year ended December 31, 2019.

Note 7. Net Assets With Donor Restrictions

Net assets with donor restrictions were restricted for the following purposes as of December 31, 2019:

	Balance
Subject to expenditure for specific purpose:	
High School Goal Weekend	$ 1,650
Wednesday's Child	434
Division of Youth and Family Justice	547
Latino Heritage	736
LGBTQ Population Survey	128,022
Home Away from Home Initiative – YR2	1,110
LGBTQ Population Survey – RH	25,000
STEM Education YR 2	1,561
Beyond Foster Care	100,000
Children's Center 2019	3,000
Fiscal Models II	228,696
Youth Support Fund	8,000
Guardian Scholars Program	256,025
Back-to-School Package Program	68,089
Youth Advisory Board	10,587
Wrap 2 Rap	926
Emergency Education	132,123
Spirit Award	5,472
Nick's Scholars (DDCF) and Time-Restricted	562,378
YVLifeSet Initiative	1,599,331
Foster Care Emergency Fund	38,204
Nick's Scholars (Other)	75,795
Financial Empowerment Fund	255
Network to Success	200
Valery Fund	15,445
	3,263,586
Endowment:	
Perpetual in nature	850,950
Accumulated endowment income restricted for the educational needs of youth in foster care	161,902
	1,012,852
Total net assets with donor restrictions	$ 4,276,438

Note 7. Net Assets With Donor Restrictions (Continued)

Net assets with donor restrictions were released from restrictions during the year ended December 31, 2019, by incurring expenses satisfying the restricted purposes, passage of time or occurrence of other events are as follows:

	Releases
Wednesday's Child	$ 237
Center for Study of Social Programs	5
Early Head Start	18,380
Latino Heritage	1,897
Other ACS Events	4
LGBTQ Population Survey	22,378
Disrupting Intergenerational Inequality	100,000
Columbia Workplace Center	25,000
Home Away from Home Initiative – YR2	348,890
Foster Care Tech Grant	75,750
Fund For Early Learning	359
Fiscal Models	172,000
STEM Education YR 2	23,439
Guardian Scholars Program	57,543
Back-to-School Package Program	149,418
Youth Advisory Board	1,687
Wrap 2 Rap	1,774
Emergency Education	45,240
Spirit Award	12,751
Nick's Scholars (DDCF)	266,580
YVLife Set Initiative	661,547
Technology Workforce Program	630
Foster Care Emergency Fund	41,656
Mentoring Planning Grant	35,000
Nick's Scholars (Other)	14,642
Financial Empowerment Fund	24,745
Marie Marcus Scholarship	5,000
	$ 2,106,552

Note 8. 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.

Note 8. Endowment (Continued)

NYFC's endowment consists of two individual donor-restricted funds 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 retains in perpetuity the original value of the gifts donated.

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, 2019.

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 original donor-restricted gift amounts and amounts required to be held in perpetuity by the donor, which is allowable under the donor guidelines. The spending amount is based on needs and funding availability. As of December 31, 2019, any unspent donor-restricted investment income was added to net assets with donor restrictions.

During the year ended December 31, 2019, NYFC had the following endowment-related activities:

	With Donor Restrictions
Endowment funds, beginning of year	$ 878,100
Net investment gain	139,752
Releases from restrictions	(5,000)
Endowment funds, end of year	$ 1,012,852

Note 9. Lease Commitments

In 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 year ended December 31, 2019, totaled $133,328. Rent expense is included in occupancy in the statement of functional expenses.

Note 9. Lease Commitments (Continued)

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

2020	$	90,646
	$	90,646

Note 10. Concentrations of Credit Risk and Support

NYFC maintains its cash balances in a high quality financial institution and utilizes Liquid Insured Deposits to increase its Federal Deposit Insurance Corporation protection to $2,500,000. As of December 31, 2019, all of NYFC's cash balances were insured.

Approximately 46% of total contributions revenue recognized during the year ended December 31, 2019, were attributed to two donors, and approximately 79% of contributions receivable as of December 31, 2019, were attributed to two donors.

Note 11. In-Kind Services and Materials

The estimated fair value of in-kind services and materials received by NYFC, by purpose, is as follows for the year ended December 31, 2019:

Program expense	$	46,448
Management and general		55,541
Indirect event expense		13,200
	$	115,189

Note 12. Functional Allocation of Expenses

Certain expenses are attributable to more than one program or supporting function. The following expenses are allocated consistently based on salary expenses. Salary expense allocation is supported by the employees' timesheets.

- Payroll taxes and employee benefits
- Depreciation
- Occupancy costs
- Office expenses

Note 13. 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 IRC. 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 year ended December 31, 2019, was $30,049.

Note 14. Lines of Credit

Pursuant to an agreement with Amazon.com, NYFC has a $9,000 unsecured line of credit available. There was no amount outstanding on the line of credit as of December 31, 2019. A finance charge is payable monthly on outstanding balances at an interest rate of 2% as of December 31, 2019.

Pursuant to an agreement with Dell Business Credit, NYFC has a $165,000 unsecured line of credit available. There was no amount outstanding on the line of credit as of December 31, 2018. Interest is payable monthly on outstanding balances at an interest rate of 22.99% as of December 31, 2019.

Note 15. Related Party Transactions

NYFC's two members of the Board of Directors were also the executive employees of ACS during the year ended December 31, 2019.

NYFC received pro bono legal services from two members of the Board of Directors during the year ended December 31, 2019.

Note 16. Subsequent Events

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a Public Health Emergency of International Concern and on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate the spread of it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which NYFC operates. On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted to amongst other provisions, provide emergency assistance for individuals, families and businesses affected by the coronavirus pandemic. The extent of the impact of COVID-19 on NYFC's future operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, and is uncertain and cannot be determined at this time.

In May 2020, NYFC received approximately $151,500 in funding from the U.S. Small Business Administration (SBA) under the Paycheck Protection Program (PPP) established by the CARES Act. The loan, or a portion thereof, is eligible for forgiveness by the SBA if the qualifying entity meets certain conditions. Whether an entity qualifies for a PPP loan, and whether it meets the necessary conditions for forgiveness, requires careful consideration of the PPP requirements and the individual entity's facts and circumstances. As guidance requires funds are spent prior to forgiveness, NYFC has not applied for loan forgiveness as of June 18, 2020. The loan will be accounted for in accordance with ASC Subtopic 958-605 as a conditional contribution, in line with FASB guidance for treatment of PPP loans made to nonprofit entities where loan forgiveness is expected.