

New Yorkers For Children, Inc.

Financial Report
December 31, 2017

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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, 2017, 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, 2017, 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 19, 2018

New Yorkers For Children, Inc.

**Statement of Financial Position
December 31, 2017**

Assets

Cash and cash equivalents	\$ 2,682,035
Contributions receivable	1,475,713
Investments	2,090,849
Prepaid expenses and other current assets	147,342
Property and equipment, net of accumulated depreciation	14,822
Restricted investments	850,950
Security deposit	29,655

Total assets \$ 7,291,366

Liabilities and Net Assets

Liabilities:

Accounts payable and accrued expenses	\$ 263,347
Grants payable	75,671
Total liabilities	<u><u>339,018</u></u>

Commitments

Net assets:

Unrestricted	2,330,339
Temporarily restricted	3,771,059
Permanently restricted	850,950
Total net assets	<u><u>6,952,348</u></u>

Total liabilities and net assets \$ 7,291,366

See notes to financial statements.

New Yorkers For Children, Inc.

**Statement of Activities
Year Ended December 31, 2017**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and revenue:				
Individual contributions	\$ 77,545	\$ 5,228	\$ -	\$ 82,773
Foundation and business organization contributions	70,925	1,351,621	-	1,422,546
Donated materials and services	312,100	-	-	312,100
Gross special events revenue	1,365,140	251,972	-	1,617,112
Less direct benefits to donors (including \$86,100 of in-kind items)	(446,067)	-	-	(446,067)
Net revenue from special events	919,073	251,972	-	1,171,045
Net realized and unrealized gains on investments	214,663	11,379	-	226,042
Interest and dividend income	34,949	28,017	-	62,966
Net assets released from restrictions	1,719,492	(1,719,492)	-	-
Total support and revenue	3,348,747	(71,275)	-	3,277,472
Expenses:				
Program services	2,194,054	-	-	2,194,054
Management and general	605,409	-	-	605,409
Fundraising	386,467	-	-	386,467
Total expenses	3,185,930	-	-	3,185,930
Change in net assets	162,817	(71,275)	-	91,542
Net assets, beginning of year	2,167,522	3,842,334	850,950	6,860,806
Net assets, end of year	\$ 2,330,339	\$ 3,771,059	\$ 850,950	\$ 6,952,348

See notes to financial statements.

New Yorkers For Children, Inc.

**Statement of Functional Expenses
Year Ended December 31, 2017**

	Program Services	Management and General	Fundraising	Total
Salaries	\$ 269,085	\$ 232,906	\$ 77,441	\$ 579,432
Payroll taxes and employee benefits	61,285	53,051	17,631	131,967
Back to school packages	220,570	-	-	220,570
Bank fees	-	16,574	-	16,574
Database management	-	-	7,977	7,977
Depreciation	642	556	185	1,383
Dues and subscription	-	599	2,716	3,315
Filing fees	-	575	-	575
Indirect event expenses	-	-	40,277	40,277
Insurance	-	8,475	-	8,475
Miscellaneous expenses	1,686	500	-	2,186
Occupancy	70,267	60,825	20,215	151,307
Office expenses	7,280	3,788	2,094	13,162
Printing and postage	2,464	2,133	5,035	9,632
Professional fees	23,780	73,520	201,251	298,551
Program events	29,555	-	-	29,555
Program service consultants	1,125,087	-	-	1,125,087
Program stipends	152,768	-	-	152,768
Program supplies	45,110	-	-	45,110
Program transportation	4,194	-	-	4,194
Program tuition and tutoring	27,244	-	-	27,244
Repairs and maintenance	372	322	107	801
Scholarships	500	-	-	500
Training	-	1,502	-	1,502
Travel	-	806	880	1,686
In-kind services and materials	152,165	149,277	10,658	312,100
Total expenses before direct benefits to donors	2,194,054	605,409	386,467	3,185,930
Cost of direct benefits to donors	-	-	446,067	446,067
Total 2017 expenses	\$ 2,194,054	\$ 605,409	\$ 832,534	\$ 3,631,997

See notes to financial statements.

New Yorkers For Children, Inc.

Statement of Cash Flows
Year Ended December 31, 2017

Cash flows from operating activities:	
Change in net assets	\$ 91,542
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation expense	1,383
Net realized and unrealized gains on investments	(226,042)
Changes in operating assets and liabilities:	
Contributions receivable	479,802
Prepaid expenses	58,949
Security deposit	(275)
Accounts payable and accrued expenses	86,135
Grants payable	(247,966)
Net cash provided by operating activities	<u>243,528</u>
Cash flows from investing activities:	
Purchases of investments	(64,248)
Sales of investments	12,177
Purchases of property and equipment	(16,205)
Net cash used in investing activities	<u>(68,276)</u>
Net increase in cash and cash equivalents	175,252
Cash and cash equivalents:	
Beginning of year	<u>2,506,783</u>
End of year	<u>\$ 2,682,035</u>

See notes to financial statements.

New Yorkers For Children, Inc.

Notes to Financial Statements

Note 1. Organization

Founded in 1996 as the non-profit 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)'s 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 non-profit 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/Guardian Scholars Program 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/Guardian Scholars program began in New York City in September 2006 with 2 students. In 2017 the program expanded with the support of the Doris Duke Charitable Foundation. 18 new scholars were enrolled in the program for a total of 27 scholars in 2017. The scholars attend both CUNY and private schools in New York City. As of December 31, 2017, 3 of the 2017 scholars had graduated.

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 includes a laptop, software, gift cards and metro cards. In 2017, 748 packages were sent out to 589 students in 130 different higher education institutions.

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 education. The fund ensures youth who encounter an unforeseen or unusual financial emergency will be able to continue their education without interruption. In 2017, 72% of the emergency aid was used for tuition-related expense, 22% for housing and 6% for other educational support. 67% of applicants were from CUNY, 20% were from Private, and 13% from SUNY schools. Applicants represented 15 different agencies. The average grant amount awarded in 2017 was \$1,390.

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. In 2017 two full scholarships, of \$10,000 each, were awarded.

The Youth Advisory Board (YAB) works to raise public awareness, shape perceptions of children and youth in foster care, and inspire their peers to become advocates in their communities. The YAB is dedicated to advocating for change in the areas of social policy that have the greatest impact on their transition from care, namely improving and expanding access to affordable housing as well as access to post-secondary opportunities including access to and funding for college.

New Yorkers For Children, Inc.

Notes to Financial Statements

Note 1. Organization (Continued)

Pilot and innovative programs: Through its partnership with ACS, NYFC funds a variety of projects and pilots that spur innovation and provide much-needed resources and services to children of all ages in foster care as well as the child welfare community. In 2017 NYFC funded pilot project in the following area:

YV LifeSet is based on the Youth Villages LifeSet model (YVLifeSet), a program dedicated to improving outcomes for youth aging out of foster care and juvenile justice. NYFC will implement this outcome-focused, intensive time-limited, and well researched approach, which targets young adults ages 17-22 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 its program.

The Technology Workforce Development Program will address the unmet needs of youth from the child welfare system with ambitions in the technology sector. Specifically, the TWD program will:

1. Connect youth 18-24 with an industry recognized credential in the technology sector via a qualified training provider
2. Improve participants ability to navigate the workplace by building workplace resiliency and grit
3. Connect youth to employment or additional post-secondary educational opportunities

NYFC, in partnership with ACS, will engage the community foster care agencies in referring, enrolling, and providing youth participants (ages 18-24) with high-quality technical training programs, professional development opportunities, and wraparound supportive services.

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.

New Yorkers For Children, Inc.

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Revenue recognition: Unconditional contributions 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 statement of activities as net assets released from restrictions.

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.

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 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 10.

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.

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 the significant inputs for which are observable.

Level 3: Instruments the significant inputs for which 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.

New Yorkers For Children, Inc.

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Net asset classification: Unrestricted net assets are not subject to donor-imposed stipulations.

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

Permanently restricted net assets are subject to donor-imposed stipulations that they 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.

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. In addition, NYFC qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) 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 is subject to unrelated business income tax (UBIT), if applicable. For the tax year ended December 31, 2017, NYFC did not owe any UBIT.

Management has evaluated NYFC's tax positions for all open tax years and has concluded that they have 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 those estimates.

Recent accounting pronouncements: In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (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 statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. The new standard is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. NYFC is currently evaluating the impact of the pending adoption of the new standard on the financial statements.

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The amendments in this ASU make improvements to the information provided in financial statements and accompanying notes of not-for-profit entities. The amendments set forth the FASB's improvements to net asset classification requirements and the information presented about a not-for-profit entity's liquidity, financial performance, and cash flows. The ASU will be effective for fiscal years beginning after December 15, 2017. Earlier adoption is permitted. Management has not evaluated the impact of this ASU on the financial statements.

New Yorkers For Children, Inc.

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

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 19, 2018, the date the financial statements were available to be issued.

Note 3. 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	\$ 734,238
In more than one year and less than five years	792,803
	<u>1,527,041</u>
Less discount to present value	(51,328)
Contributions receivable, net	<u>\$ 1,475,713</u>

Note 4. Investments and Fair Value Measurements

Investments are presented in the financial statements at fair value. All investments of NYFC as of December 31, 2017, as shown below, are classified as level 1 in the valuation hierarchy of fair value measurements.

Cash equivalents	\$ 385,225
Exchange traded funds	1,412,939
Mutual funds	1,143,635
Total investments at fair value	<u>\$ 2,941,799</u>

Investment income for the year ended December 31, 2017, consisted of the following:

Interest and dividend income	\$ 62,966
Net realized and unrealized gains	226,042
Total return on investments	<u>\$ 289,008</u>

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

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 (NYSE).

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.

New Yorkers For Children, Inc.

Notes to Financial Statements

Note 5. Property and Equipment

Property and equipment consist of the following as of December 31, 2017:

Computers and other equipment	\$ 17,250
Computer software and website	42,919
	<u>60,169</u>
Less accumulated depreciation	(45,347)
	<u>\$ 14,822</u>

NYFC incurred \$1,383 of depreciation expense in the year ended December 31, 2017.

Note 6. Temporarily Restricted Net Assets

Temporarily restricted net assets were available for the following purposes as of December 31, 2017:

Child Protection	\$ 4
LGBTQ	585
High School Goal Weekend	1,650
Children's Center	543
Dave Thomas Adoption Fund	351
Wednesday's Child	8,584
Brownstone Foundation	1,663
No Time to Wait and Time-Restricted	67,500
Falconwood	18,277
Center for Study of Social Programs	4,255
Division of Youth and Family Justice	667
Early Head Start	79,100
Home Away from Home Initiative - Hilton and Time-Restricted	482,500
Latino Heritage	202
School Supplies Fund	55
Rotary Club - Program Gift Cards	500
Early Childhood Partners Fund	77,420
Other ACS Events	1,183
Youth Homelessness	150,000
College Success Initiative	1,995
Guardian Scholars Program	380,827
Back to School Package Program	294,056
Youth Advisory Board	17,169
Wrap to Rap	2,690
Emergency Education	222,316
Spirit Award	37,680
Educational Endowment *	103,022
Nick's Scholars and Time-Restricted	1,013,948
YV Lifeset Initiative	696,370
Technology Workforce Program	105,947
Total	<u>\$ 3,771,059</u>

* Includes investment returns of \$39,396 for the year ended December 31, 2017.

New Yorkers For Children, Inc.

Notes to Financial Statements

Note 6. Temporarily Restricted Net Assets (Continued)

Temporarily restricted net assets were released from restrictions during the year ended December 31, 2017 by incurring expenses satisfying the restricted purposes, passage of time or occurrence of other events, as follows:

LGBTQ	\$	717
High School Goal Weekend		2,794
Wednesday's Child		16,169
Wendy's Wonderful Kids		28,867
No Time to Wait - 2016 Time Restricted		60,000
No Time to Wait - 2017 Time Restricted		202,500
Falconwood		10,000
Center for Study of Social Programs		33,388
Home Away from Home Initiative		40,000
Early Head Start		16,100
Home Away from Home Initiative - Hilton		652,500
Family Time		84,000
School Supplies Fund		4,945
Interagency Foster Care Task Force		30,000
Early Childhood Partners Fund		27,000
Other ACS Events		2,762
Guardian Scholars Program		103,842
Back to School Package Program		225,570
Youth Advisory Board		1,812
Wrap to Rap		2,381
Emergency Education		32,263
Atavarez Fund		2,117
Spirit Award		1,082
Educational Endowment		500
Nick's Scholars		126,625
Technology Workforce Program		11,308
Revolving Fund		250
Total	\$	<u>1,719,492</u>

Note 7. 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 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 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.

New Yorkers For Children, Inc.

Notes to Financial Statements

Note 7. Endowment (Continued)

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, 2017.

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. The spending amount is based on needs and funding availability. As of December 31, 2017, any unspent donor-restricted investment income was added to the temporarily restricted balance of the net assets.

During the year ended December 31, 2017, NYFC had the following endowment-related activities:

	Temporarily Restricted	Permanently Restricted	Total
Endowment funds, beginning of year	\$ 64,126	\$ 850,950	\$ 915,076
Investment income	28,017	-	28,017
Net appreciation	11,379	-	11,379
Releases from restrictions	(500)	-	(500)
Endowment funds, end of year	<u>\$ 103,022</u>	<u>\$ 850,950</u>	<u>\$ 953,972</u>

Note 8. 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, 2017, totaled \$125,675. Rent expense is included in occupancy in the statement of functional expenses.

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

2018	\$ 129,445
2019	133,328
2020	90,646
	<u>\$ 353,419</u>

New Yorkers For Children, Inc.

Notes to Financial Statements

Note 9. 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, 2017, all of NYFC's cash balances were insured.

Approximately 67% of total contributions revenue recognized during the year ended December 31, 2017, were attributed to four donors, and approximately 84% of contributions receivable as of December 31, 2017, were attributed to three donors.

Note 10. 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, are as follows for the year ended December 31, 2017:

Direct benefit to donors - gift bags	\$ 86,100
Program expense	152,165
Management and general	149,277
Indirect event expense	10,658
	<u>\$ 398,200</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 year ended December 31, 2017, was \$24,590.

Note 11. Lines of Credit

Pursuant to an agreement with Amazon.com, NYFC has available a \$9,000 unsecured line of credit. There was no amount outstanding on the line as of December 31, 2017. A finance charge is payable monthly on outstanding balances at an interest rate of 2% as of December 31, 2017.

Pursuant to an agreement with Dell Business Credit, NYFC has available a \$165,000 unsecured line of credit. There was no amount outstanding on the line as of December 31, 2017. Interest is payable monthly on outstanding balances at an interest rate of 22.99% as of December 31, 2017.

Note 12. Related Party Transactions

NYFC's president of the board of directors also served as a first deputy commissioner at ACS during the year ended December 31, 2017. Effective January 30, 2018, NYFC elected the commissioner at ACS to serve as NYFC's new president of the board of directors.

NYFC received pro bono legal services from a member of the board of directors during the year ended December 31, 2017.