



NEW YORKERS FOR CHILDREN, INC.

*FINANCIAL STATEMENTS AND INDEPENDENT
AUDITORS' REPORT*

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024



NEW YORKERS FOR CHILDREN, INC.

**FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
New Yorkers For Children, Inc.
New York, NY

Opinion

We have audited the financial statements of New Yorkers For Children, Inc. ("NYFC"), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of NYFC as of December 31, 2025 and 2024 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audits of the Financial Statements section of our report. We are required to be independent of NYFC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about NYFC's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 NYFC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about NYFC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Cerini & Associates LLP

Bohemia, New York
June 11, 2026

NEW YORKERS FOR CHILDREN, INC.

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31,

2025

2024

ASSETS

Current Assets:

Cash and cash equivalents	\$ 4,729,627	\$ 4,760,943
Current portion of contributions and grants receivable.....	1,960,068	1,943,823
Current portion of investments.....	3,371,910	2,529,301
Prepaid expenses and other assets.....	25,839	25,988
Computer inventory.....	67,546	45,518

TOTAL CURRENT ASSETS	10,154,990	9,305,573
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Contributions and grants receivable, net of current portion and present value discount.....	2,817,908	-
Property and equipment, net of accumulated depreciation.....	16,754	19,965
Investments, net of current portion.....	1,061,325	1,254,352
Permanently restricted investments.....	850,950	850,950
Operating lease right-of-use asset.....	169,133	302,799
Security deposit.....	46,649	46,649

TOTAL ASSETS	\$ 15,117,709	\$ 11,780,288
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LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts payable and accrued expenses.....	\$ 505,930	\$ 643,815
Refundable advance.....	15,000	-
Grants payable.....	2,102	17,602
Current portion of operating lease liability.....	147,389	140,994

TOTAL CURRENT LIABILITIES	670,421	802,411
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Operating lease liability, net of current portion.....	37,846	175,506
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TOTAL LIABILITIES	708,267	977,917
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Net Assets:

Net assets without donor restrictions	5,207,417	4,864,052
Net assets with donor restrictions	9,202,025	5,938,319

TOTAL NET ASSETS	14,409,442	10,802,371
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TOTAL LIABILITIES AND NET ASSETS	\$ 15,117,709	\$ 11,780,288
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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, 2025**

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
REVENUE AND SUPPORT			
Individual contributions.....	\$ 45,444	\$ 9,150	\$ 54,594
Foundation and business organization contributions.....	467,604	6,559,829	7,027,433
Government grants.....	70,000	-	70,000
Contributed non-financial assets.....	430,155	-	430,155
Special events, net of direct benefits to donors of \$113,742....	769,112	-	769,112
Net investment income.....	441,785	140,401	582,186
Net assets released from restrictions.....	3,445,674	(3,445,674)	-
TOTAL REVENUE AND SUPPORT	5,669,774	3,263,706	8,933,480
EXPENSES			
Program services.....	3,829,283	-	3,829,283
Management and general.....	825,808	-	825,808
Fundraising.....	671,318	-	671,318
TOTAL EXPENSES	5,326,409	-	5,326,409
CHANGE IN NET ASSETS	343,365	3,263,706	3,607,071
Net assets, beginning of the year.....	4,864,052	5,938,319	10,802,371
Net assets, end of the year.....	\$ 5,207,417	\$ 9,202,025	\$ 14,409,442

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, 2024**

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
REVENUE AND SUPPORT			
Individual contributions.....	\$ 53,227	\$ -	\$ 53,227
Foundation and business organization contributions.....	388,963	1,178,464	1,567,427
Government grant.....	50,000	-	50,000
Contributed non-financial assets.....	270,761	-	270,761
Special events, net of direct benefits to donors of \$157,689....	739,277	-	739,277
Net investment income.....	386,704	80,027	466,731
Net assets released from restrictions.....	4,032,893	(4,032,893)	-
TOTAL REVENUE AND SUPPORT	5,921,825	(2,774,402)	3,147,423
EXPENSES			
Program services.....	4,317,625	-	4,317,625
Management and general.....	863,998	-	863,998
Fundraising.....	280,732	-	280,732
TOTAL EXPENSES	5,462,355	-	5,462,355
CHANGE IN NET ASSETS	459,470	(2,774,402)	(2,314,932)
Net assets, beginning of the year.....	4,404,582	8,712,721	13,117,303
Net assets, end of the year.....	\$ 4,864,052	\$ 5,938,319	\$ 10,802,371

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, 2025**

	Program Services	Management and General	Fundraising	Total Expenses
Salaries.....	\$ 521,715	\$ 427,554	\$ 140,066	\$ 1,089,335
Payroll taxes and employee benefits.....	145,785	116,504	38,178	300,467
TOTAL SALARIES AND RELATED EXPENSES	667,500	544,058	178,244	1,389,802
Back-to-school packages.....	82,237	-	-	82,237
Grants.....	-	-	-	-
Depreciation.....	1,004	5,930	1,943	8,877
Indirect event expenses.....	-	-	18,109	18,109
Insurance.....	-	21,263	-	21,263
Miscellaneous expenses.....	500	967	-	1,467
Occupancy.....	18,975	112,074	36,726	167,775
Office expenses.....	4,347	22,183	18,746	45,276
Printing and postage.....	69	45	34	148
Professional fees.....	19,190	84,132	91,287	194,609
Program events.....	19,277	-	-	19,277
Program service consultants/sub-grantees.....	2,630,353	-	-	2,630,353
Program stipends.....	222,422	-	-	222,422
Program supplies.....	40,286	-	-	40,286
Transportation.....	5,846	403	-	6,249
Program tuition and tutoring.....	21,956	-	-	21,956
Participant emergency grants.....	22,887	-	-	22,887
Scholarships.....	20,000	-	-	20,000
In-kind services and materials.....	52,434	34,753	326,229	413,416
TOTAL EXPENSES	\$ 3,829,283	\$ 825,808	\$ 671,318	\$ 5,326,409

NEW YORKERS FOR CHILDREN, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Program Services	Management and General	Fundraising	Total Expenses
Salaries.....	\$ 492,297	\$ 389,113	\$ 84,690	\$ 966,100
Payroll taxes and employee benefits.....	129,070	102,718	22,364	254,152
TOTAL SALARIES AND RELATED EXPENSES	621,367	491,831	107,054	1,220,252
Back-to-school packages.....	87,194	-	-	87,194
Grants.....	20,000	-	-	20,000
Depreciation.....	2,002	11,543	2,513	16,058
Indirect event expenses.....	-	-	16,603	16,603
Insurance.....	-	21,035	-	21,035
Miscellaneous expenses.....	1,000	764	-	1,764
Occupancy.....	21,255	122,518	26,675	170,448
Office expenses.....	4,565	44,773	5,237	54,575
Printing and postage.....	280	992	261	1,533
Professional fees.....	20,006	144,579	105,169	269,754
Program events.....	12,661	-	-	12,661
Program service consultants/sub-grantees.....	2,927,829	-	-	2,927,829
Program stipends.....	214,090	-	-	214,090
Program supplies.....	59,222	-	-	59,222
Transportation.....	9,307	258	-	9,565
Program tuition and tutoring.....	39,592	-	-	39,592
Participant emergency grants.....	29,419	-	-	29,419
Scholarships.....	20,000	-	-	20,000
In-kind services and materials.....	227,836	25,705	17,220	270,761
TOTAL EXPENSES	\$ 4,317,625	\$ 863,998	\$ 280,732	\$ 5,462,355

NEW YORKERS FOR CHILDREN, INC.

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,**

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets.....	\$ 3,607,071	\$ (2,314,932)
<u>Adjustments to reconcile change in net assets to net cash provided by/(used in) operating activities:</u>		
Depreciation expense.....	8,877	16,058
Net unrealized gains on investments.....	(331,443)	(177,619)
Right-of-use asset amortization.....	133,666	132,259
<u>Change in operating assets and liabilities:</u>		
Contributions and grants receivable.....	(2,834,153)	1,388,057
Prepaid expenses and other assets.....	149	52,871
Computer inventory.....	(22,028)	(45,518)
Accounts payable and accrued expenses.....	(137,885)	(210,825)
Refundable advance.....	15,000	-
Funds held for others.....	-	(500,000)
Grants payable.....	(15,500)	17,125
Operating lease liability.....	(131,265)	(150,140)
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	292,489	(1,792,664)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments.....	(339,604)	(1,299,068)
Sales of investments.....	21,465	406,416
Purchases of property and equipment.....	(5,666)	-
NET CASH USED IN INVESTING ACTIVITIES	(323,805)	(892,652)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(31,316)	(2,685,316)
Cash and cash equivalents, beginning of year.....	4,760,943	7,446,259
Cash and cash equivalents, end of year.....	<u><u>\$ 4,729,627</u></u>	<u><u>\$ 4,760,943</u></u>

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

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of New Yorkers For Children, Inc. (“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 (“U.S. GAAP”) and have been consistently applied in the preparation of the financial statements.

Nature of Operations: Founded in 1996 as the nonprofit partner to the Administration for Children’s Services (“ACS”), 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.

The Nick’s Scholars Program (formerly Guardian Scholars): The Nick’s 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 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.

The Charles Evans Emergency Education Fund: The Charles Evans Emergency Education Fund assists youth, ages 21 to 27, who were formerly involved in the foster care system in NYC, 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 In-Care Emergency Fund: 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 Spirit Awards: The Spirit Awards are one-time scholarships awarded each year to young people from NYC 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.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Nature of Operations (*continued*):

The Youth Advisory Board: The Youth Advisory Board is a peer leadership development initiative that engages youth in foster care who come together to create community, fight stigma, and advocate for change in areas that have the greatest impact on their transition from foster care – improving and expanding access to affordable housing, finding a pathway to post-secondary experiences, and securing funding for college.

LifeSet: LifeSet is based on the Youth Villages LifeSet model, a program dedicated to improving outcomes for youth aging out of foster care and juvenile justice. Four foster care agencies implement 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 who find themselves needing the necessary skills and resources to move forward to their fullest potential. NYFC no longer supports LifeSet program implementation and is now focused solely on supporting the LifeSet Evaluation, conducted by a research team at Duke University. This multi-year study examines key outcomes for youth transitioning out of foster care in NYC, including well-being, education, employment, and legal system involvement. In 2024, the evaluation’s scope was refined to better align with implementation realities, centering the study on youth resilience and the transition to independent adulthood. NYFC provides operational support, including coordination across partners at the foster care agencies and facilitation of data collection. Findings will guide future program design and policy for youth aging out of foster care.

The NYC Small Grants Program: The NYC Small Grants Program provides subgrants to eight smaller organizations who are carrying out direct service, policy change, or research work in key areas including mental health, caregiver support, education and career development, and support for victims of sex trafficking. NYFC provides these organizations with targeted financial and technical support to grow their services offerings, and in doing so, enrich the quality of public services across NYC for youth and families.

The Post-Permanency Support Program (“PPSP”): PPSP provides essential post-adoption/guardianship services to families, improving outcomes for children. Through three qualified providers, the PPSP provides 80-100 families annually with a range of services, including adoption/guardianship-competent programming, trauma-informed care, peer-to-peer support groups, mentorship opportunities, a variety of workshops, and more.

Cohort Connection Program (“CCP”): CCP is designed to address the problem of low graduation and persistence rates among youth aging out of foster care who are attending college by adapting the highly effective one-on-one approach of our Nick’s Scholars program to group-focused support. Combining group-based work with the programmatic elements of Nick’s Scholars, Cohort Connection aims to dramatically expand access to graduation-related support services for youth in foster care while maintaining outstanding effectiveness.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Income Taxes: NYFC is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code (“IRC”). NYFC is also exempt from state and local taxes. NYFC has been classified as a corporation that is not a private foundation under Section 509(a) and has been designated as a publicly supported organization under section 170(b)(1)(A)(vi). Contributions to NYFC are tax-deductible within the limitations prescribed by the IRC. NYFC’s management has evaluated for uncertain tax positions and determined that there were no uncertain tax positions for 2025 and 2024.

NYFC is supported by donations from the general public. NYFC files an IRS Form 990 and respective state and local tax returns. These tax returns are subject to review and examination by federal, state, and local authorities. Management of NYFC believes that NYFC has registered in all states where its activities require it to be registered.

Financial Statements Presentation: NYFC is required to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed stipulations and may be expended for any purpose in performing the primary objectives of NYFC.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of NYFC or by the passage of time. Other donor restrictions may be perpetual in nature, whereby donors may stipulate that the funds be maintained in perpetuity. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

NEW YORKERS FOR CHILDREN, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Cash and Cash Equivalents: NYFC considers all highly liquid financial instruments with original maturities of three months or less from the date of purchase to be cash equivalents. Cash and cash equivalents that are part of the investment portfolio are considered investments.

Contributions and Grants Receivable: NYFC considers contributions and grants 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 unlikely. Contributions and grants receivable that are expected to be collected within one year are recorded at net realizable value. Contributions and grants 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 to which promises are received. Amortization of the discounts is included in contribution revenue.

Contributions and grants receivable are expected to be collected as follows for the years ending December 31,:

2026.....	\$	1,960,068
2027.....		1,310,000
2028.....		1,000,000
2029.....		800,000
Total.....		5,070,068
Less: Present value discount.....		(292,092)
Total contributions and grants receivable, net.....	\$	<u>4,777,976</u>

Investments: Investments are stated at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value hierarchy is used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring the most observable inputs to be used when available. The fair value hierarchy is categorized into three levels. See Note 2.

Computer Inventory: Computer inventory consists of computers and other technology equipment held for distribution to program participants. Contributed inventory is recognized at fair market value at the time of donation. Purchased inventory is stated at the lower of cost or net realizable value. Computer inventory which has been donated is expensed as in-kind services and materials when distributed to program participants. Computer inventory which has been purchased is expensed to program supplies when distributed to participants. As of December 31, 2025 computer inventory totaled \$67,546, of which \$16,739 was donated, but not yet distributed. As of December 31, 2024 computer inventory totaled \$45,518, none of which was donated.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Property and Equipment: Property and equipment are stated at cost, except for contributed assets, which are recorded at fair value at the time of 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 basis over the assets' estimated useful lives, ranging from three to five years.

Operating Lease: In accordance with Accounting Standards Codification ("ASC") 842, *Leases*, for its operating lease, NYFC recognized a right-of-use asset and lease liability at the commencement date. The operating lease liability is calculated based on the present value of the lease payments not yet paid, discounted using an appropriate discount rate at the commencement date. The operating right-of-use asset is initially equal to the operating lease liability plus any initial direct costs and prepaid lease payments less any lease incentives received.

Under this approach, amortization of the operating right-of-use asset is charged to occupancy expenses, which is recorded on the straight-line basis over the term of the lease, unless another systematic and rational basis is more representative of the time pattern in which use benefit is derived from the leased property, in which case that basis will be used.

The operating lease liability for the operating lease at any given time is calculated as the present value of the rent payments not yet paid, discounted by using the rate that was established on the lease commencement date. The operating right-of-use asset, at any given time, is measured as the operating right-of-use asset balance at the beginning of the period, adjusted by the current-period right-of-use asset amortization, which is calculated as the current-period lease cost adjusted by the lease liability accretion to the then outstanding lease balance.

Changes in the present value discount on the operating lease is charged to the respective lease expense based upon the nature of the operating right-of-use asset that gave rise to the discount.

See Note 5 for additional details on this operating lease.

Individual Contributions and Foundation and Business Organization Contributions: Individual contributions and foundation and business organization contributions are recognized when donors make promises to give to NYFC that are, in substance, unconditional. At the time such promises are made, contributions receivable are recorded. Contributions that are restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions and grants are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. Conditional contributions received are recognized as deferred revenue until donor-imposed conditions are met, at which time the contributions are recognized.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Government Grants: Government grants are recognized up to contracted levels when eligible costs are incurred, or services provided. A receivable is recognized to the extent government grants exceed cash advances. Conversely, deferred revenue is recognized when cash advances exceed support earned. Government grants are restricted as to the use specified in the grant agreement.

Contributed Non-Financial Assets: NYFC benefits from contributed materials and services attributable to special events, programs, and administrative support. Noncash contributions are recorded at their estimated fair values at the time of contribution. See Note 7. NYFC receives contributed services from 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.

Special Events: On occasion, NYFC holds fundraising events to provide additional support for its operations. Revenue from these events is recognized at the time each event takes place. Costs incurred for which donors receive direct benefits have been offset against the special event revenue in the accompanying statements of activities. Other costs related to events for which donors do not receive direct benefits are included within fundraising costs on the statements of activities and functional expenses.

NYFC adheres to Accounting Standards Update ("ASU") 2014-09: *Revenue from Contracts with Customers*, and all subsequent amendments to the ASU (collectively, "ASC 606"), which (i) creates a single framework for recognizing revenue from contracts with customers that fall within its scope and (ii) revise when it is appropriate to recognize a gain (loss) from the transfer of non-financial assets. NYFC's special events fall within the scope of ASC 606 and are recognized as NYFC satisfies its obligations to its consumers.

Functional Expenses: The costs of providing services have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated by management among the program services, management and general, and fundraising categories. Most costs incurred are directly assignable to these categories. Those costs that cannot be directly assigned are allocated based upon reasonable allocation methodologies, the most significant of which are:

- Salaries are allocated based on estimates of time spent.
- Payroll taxes and employee benefits are allocated based upon the salary allocations.
- Occupancy costs are allocated based upon the salary allocations.
- Professional fees which cannot be directly allocated are allocated based upon the salary allocations.
- In-kind services and materials are allocated based on the purposes of the services and materials provided.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Subsequent Events: NYFC has evaluated events and transactions that occurred between January 1, 2026 and June 11, 2026, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements. See Note 11.

NOTE 2 – INVESTMENTS

The fair values of NYFC’s investments by major security type are as follows at December 31,:

	2025	2024
Cash equivalents	\$ 440,347	\$ 87,821
Exchange traded funds.....	2,451,317	2,136,938
Mutual funds	2,392,521	2,409,844
Total investments	\$ 5,284,185	\$ 4,634,603

NYFC presents investments in the statements of financial position at fair value. A fair value hierarchy has been established based on the observability of inputs to the evaluation of an asset or liability as of the measurable date. The three-level 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 levels (Level 1, 2, and 3):

- Level 1 instruments are valued using observable inputs that reflect quoted prices for identical assets or liabilities in active markets that NYFC has the ability to access at the measurement date. Level 1 assets include highly-liquid U.S. Treasury securities and exchange-traded equity securities.
- Level 2 instruments are valued using observable inputs, other than quoted prices included in Level 1, for the asset or liability or prices for similar assets and liabilities. Most debt securities and some preferred stocks are model-priced by vendors using observable inputs and are classified within Level 2. Also included in the Level 2 category are derivative instruments that are priced using models with observable market inputs, including interest rates, foreign currency, and certain credit swap contracts.
- Level 3 instruments are valued using valuations that are derived from techniques in which one or more of the significant inputs are unobservable (including assumptions about risk). Level 3 securities include less liquid securities such as highly structured and/or lower quality, asset-backed securities (“ABS”) and commercial mortgage-backed securities (“CMBS”), including ABS backed by sub-prime loans, and private placement debt and equity securities. Because Level 3 fair values, by their nature, contain unobservable market inputs as there is no observable market for these assets and liabilities, considerable judgment is used to determine the Level 3 fair values. Level 3 fair values represent NYFC’s best estimate of an amount that could be realized in a current market exchange absent actual market exchanges.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

NOTE 2 - INVESTMENTS (continued)

All investments held by NYFC are considered level 1 investments because they are regularly traded and have quoted prices in active markets. The cash equivalents carrying amount approximates 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.

Investment income consists of the following for the years ended December 31,:

	2025	2024
Interest and dividend income	\$ 250,743	\$ 289,112
Unrealized gains	331,443	177,619
Total	<u>\$ 582,186</u>	<u>\$ 466,731</u>

NYFC's 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 that such changes could affect the amounts reported in the statements of financial position.

NOTE 3 - 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 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 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 requires NYFC to retain as a fund of perpetual duration. There were no such deficiencies as of December 31, 2025 and 2024.

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.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

NOTE 3 – ENDOWMENT (continued)

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 principle 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 donors, which is allowable under the donor guidelines. The spending amount is based on needs and funding availability. As of December 31, 2025 and 2024, any unspent donor-restricted investment income was added to net assets with donor restrictions.

During the year ended December 31, 2025, NYFC had the following endowment-related activities:

	With Donor Restrictions Perpetual in Nature	With Donor Restrictions Accumulated Earnings	Total
Endowment funds, beginning of year.....	\$ 850,950	\$ 440,579	\$ 1,291,529
Net investment income.....	-	140,401	140,401
Releases from restrictions.....	-	(5,000)	(5,000)
Endowment funds, end of year	<u>\$ 850,950</u>	<u>\$ 575,980</u>	<u>\$ 1,426,930</u>

During the year ended December 31, 2024, NYFC had the following endowment-related activities:

	With Donor Restrictions Perpetual in Nature	With Donor Restrictions Accumulated Earnings	Total
Endowment funds, beginning of year.....	\$ 850,950	\$ 365,552	\$ 1,216,502
Net investment income.....	-	80,027	80,027
Releases from restrictions.....	-	(5,000)	(5,000)
Endowment funds, end of year	<u>\$ 850,950</u>	<u>\$ 440,579</u>	<u>\$ 1,291,529</u>

NEW YORKERS FOR CHILDREN, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

NOTE 4 - NET ASSETS WITH DONOR RESTRICTIONS

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

	2025	2024
Subject to expenditure for future periods and specific purposes:		
ACS grants under NYFC's management.....	\$ 2,939,666	\$ 2,065,499
NYFC grants.....	4,835,429	2,581,291
Total future periods and specific purposes.....	7,775,095	4,646,790
Endowment:		
Perpetual in nature	850,950	850,950
Accumulated endowment income restricted for the educational needs of youth in foster care	575,980	440,579
Total endowment.....	1,426,930	1,291,529
Total net assets with donor restrictions.....	\$ 9,202,025	\$ 5,938,319

NYFC reports all additions to net assets with donor restrictions which were released in the same year as without donor restrictions. During the years ended December 31, 2025 and 2024, NYFC had \$465,402 and \$295,056 of additions to net assets with donor restrictions, respectively, which were also released.

Net assets with donor restrictions consisted of the following as of December 31,:

	2025	2024
Cash and cash equivalents.....	\$ 3,057,187	\$ 2,904,790
Contributions and grants receivable	4,717,908	1,742,000
Investments.....	575,980	440,579
Investments, perpetual in nature.....	850,950	850,950
Total net assets with donor restrictions	\$ 9,202,025	\$ 5,938,319

NOTE 5 - OPERATING LEASE

In March 2022, NYFC entered into a lease agreement for office space in NYC commencing April 1, 2022 through March 31, 2027. The lease calls for monthly payments of \$11,344 with certain rent concessions at the beginning of the lease and annual escalations of 3% through the expiration date.

The components of lease costs are included in occupancy expenses in the accompanying statements of functional expenses and totaled \$155,584 and \$157,343 for the years ended December 31, 2025 and 2024, respectively.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

NOTE 5 – OPERATING LEASE (continued)

The following is a maturity analysis of the annual undiscounted cash flows of the operating lease liability for the years ending December 31,:

2026	\$	149,193
2027		37,563
Total lease payments		186,756
Less: present value discount		(1,521)
Present value	\$	<u>185,235</u>

Operating cash flows from the operating lease totaled \$145,263 and \$142,141 for the years ended December 31, 2025 and 2024, respectively.

The remaining lease term (in months) and discount rate for the above-mentioned lease were as follows for the years ended December 31,:

	<u>2025</u>	<u>2024</u>
Remaining lease term	15	27
Discount rate.....	1.71%	1.71%

NYFC applied the risk-free discount rate, based on the U.S. Treasury rate at the lease commencement date.

NOTE 6 – CONCENTRATIONS OF RISK

NYFC maintains cash and investments in what it believes to be quality financial institutions which are insured by the Federal Deposit Insurance Corporation (“FDIC”) and the Securities Investor Protection Corporation (“SIPC”). NYFC has not incurred any losses in such accounts to date. From time to time, NYFC has investments and cash on deposit with financial institutions that are in excess of FDIC and SIPC limits.

During the years ended December 31, 2025 and 2024, approximately 67% and 20% of total revenue recognized was attributed to two and one donors, respectively. As of December 31, 2025 and 2024, approximately 99% and 90% of NYFC’s receivables were attributed to two and one donors, respectively.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 7 – CONTRIBUTED NON-FINANCIAL ASSETS

NYFC received the following contributed non-financial assets during the years ended December 31,:

	2025	2024
Professional legal services.....	\$ 34,753	\$ 25,705
Materials and services for fundraising and programs.....	395,402	245,056
Total contributed non-financial assets	<u>\$ 430,155</u>	<u>\$ 270,761</u>

Contributed non-financial assets are recognized as such at their estimated fair value if they create or enhance non-financial assets or they require specialized skills that would need to be purchased if they were not donated. Donated legal services received by NYFC are recorded as contributed non-financial assets revenue with a corresponding increase to in-kind services and materials within management and general expenses in the accompanying statements of functional expenses. NYFC values the donated professional legal services based on hourly rates charged for such services.

Donated materials and services received by NYFC are recorded as contributed non-financial assets revenue with a corresponding increase to in-kind services and materials within program services and fundraising in the accompanying statements of functional expenses. NYFC values the donated materials based on retail prices of similar products and donated services based on prices charged for such services.

Donated materials held for distribution are recognized as contributed non-financial asset income and inventory at the time of donation and recognized as in-kind services and materials expense when distributed. During the year ended December 31, 2025, NYFC received \$22,499 of donated materials held for distribution, of which \$5,760 was distributed to program participants. The remaining \$16,739 was recognized as computer inventory as of December 31, 2025. All donor-imposed restrictions on contributed non-financial, excluding the donated materials included in computer inventory at December 31, 2025, have been released from restrictions during the years ended December 31, 2025 and 2024.

NOTE 8 – EMPLOYEE BENEFIT PLAN

NYFC has a defined contribution 403(b) retirement plan for eligible employees. All 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.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 8 – EMPLOYEE BENEFIT PLAN (continued)

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 employer contribution expenses for the years ended December 31, 2025 and 2024 were \$51,606 and \$37,550, respectively.

NOTE 9 – RELATED PARTY TRANSACTIONS

One member of NYFC's Board of Directors was also an executive employee of ACS.

NYFC received pro bono legal services from a law firm during the years ended December 31, 2025 and 2024. One Board member was a partner at this firm as of December 31, 2025 and 2024.

NOTE 10 – AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at December 31,:

	2025	2024
Cash and cash equivalents	\$ 4,729,627	\$ 4,760,943
Contributions and grants receivable.....	4,777,976	1,943,823
Investments	5,284,185	4,634,603
Total financial assets	14,791,788	11,339,369
Less: net assets with donor restrictions	(9,202,025)	(5,938,319)
Financial assets available to meet general expenditures over the next twelve months.....	<u>\$ 5,589,763</u>	<u>\$ 5,401,050</u>

NYFC has a policy to maintain liquid assets to meet 50% of annual general operating expenditures, which include any management and general expenses, as well as fundraising expenses for the upcoming year (and exclude donor-restricted funds and donor-restricted grant expenses) (approximately \$2,452,000).

NOTE 11 – SUBSEQUENT EVENT

On May 10, 2026, NYFC received an unconditional contribution from a foundation for \$500,000. The contribution is considered time restricted and covers the period March 1, 2026 through February 29, 2028. \$315,000 was received at the signing of the grant agreement and \$185,000 is to be received in March 2027.