Council of Senior Centers and Services of New York City, Inc.
(d/b/a LiveOn NY)

Audited Financial Statements

June 30, 2023

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C O N T E N T S

Independent Auditor's Report

To the Board of Directors
Council of Senior Centers and Services of New York City, Inc.
(d/b/a LiveOn NY)

Opinion

We have audited the accompanying financial statements of Council of Senior Centers and Services of New York City, Inc. (d/b/a LiveOn NY) (the "Organization"), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year 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 the Organization as of June 30, 2023, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 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 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit 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 the Organization'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 the Organization'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 audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Summarized Comparative Information

The financial statements of the Organization as of and for the year ended June 30, 2022, were audited by other auditors whose report dated January 27, 2023, expressed an unmodified opinion on those statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects with the audited financial statements from which it was derived.

Sax CPAs LLP

New York, NY
April 19, 2024

Council of Senior Centers and Services of New York City, Inc.
(d/b/a LiveOn NY)

Statement of Financial Position

At June 30, 2023
(With comparative totals at June 30, 2022)

	June 30, 2023	June 30, 2022
ASSETS		
Cash and cash equivalents	$ 203,903	$ 327,239
Government grants receivable	498,647	305,316
Grants receivable	189,401	91,473
Prepaid expenses	-	7,668
Security deposit	45,900	45,900
Operating lease right-of-use asset	380,701	-
Cash restricted for endowment	708	250,000
Investments held for endowment	202,706	180,546
TOTAL ASSETS	**$ 1,521,966**	**$ 1,208,142**
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	$ 94,853	$ 92,622
Refundable advances	10,000	50,000
Deferred rent	-	70,307
Security deposit payable	16,563	16,563
Operating lease liability	436,276	-
Total current liabilities	557,692	229,492
NET ASSETS		
Without donor restrictions	250,723	9,074
With donor restrictions	713,551	969,576
Total net assets	964,274	978,650
TOTAL LIABILITIES AND NET ASSETS	**$ 1,521,966**	**$ 1,208,142**

The attached notes and auditor's report are an integral part of these financial statements.

Council of Senior Centers and Services of New York City, Inc.
(d/b/a LiveOn NY)

Statement of Activities

For the Year Ended June 30, 2023
(With comparative totals for the year ended June 30, 2022)

	Without Donor Restrictions	With Donor Restrictions	Total 6/30/23	Total 6/30/22
PUBLIC SUPPORT AND REVENUE				
Government grants	$ 1,082,483	$ -	$ 1,082,483	$ 921,169
Paycheck Protection Program ("PPP") grant	-		-	190,800
Grants from foundations	90,000	320,000	410,000	535,000
Individual contributions	92,524	-	92,524	75,675
Membership dues	247,373	-	247,373	193,105
Market place initiative income	20,695	-	20,695	19,760
Conference income	89,747	-	89,747	74,291
Rental income	54,418	-	54,418	46,182
Other income	7,610	-	7,610	10,396
Interest income	4	4,057	4,061	3,611
Net assets released from restrictions	598,186	(598,186)	-	-
Total public support and revenues	2,283,040	(274,129)	2,008,911	2,069,989
EXPENSES				
Program services				
Member services	1,117,359	-	1,117,359	1,153,773
Policy and advocacy	411,869	-	411,869	416,461
Total program services	1,529,228	-	1,529,228	1,570,234
Supporting services				
Management and general	269,091	-	269,091	233,260
Fundraising	243,069	-	243,069	220,083
Total supporting services	512,160	-	512,160	453,343
Total expenses	2,041,388	-	2,041,388	2,023,577
Change in net assets from operations	**241,652**	**(274,129)**	**(32,477)**	**46,412**
Non-operating				
Unrealized gain/(loss) in investments	(3)	18,104	18,101	(33,396)
Total non-operating activity	(3)	18,104	18,101	(33,396)
Change in net assets	**241,649**	**(256,025)**	**(14,376)**	**13,016**
NET ASSETS, *beginning of year*	9,074	969,576	978,650	965,634
NET ASSETS, *end of year*	**$ 250,723**	**$ 713,551**	**$ 964,274**	**$ 978,650**

The attached notes and auditor's report are an integral part of these financial statements.

Council of Senior Centers and Services of New York City, Inc.
(d/b/a LiveOn NY)

Statement of Functional Expenses

For the Year Ended June 30, 2023
(With comparative totals for the year ended June 30, 2022)

	Supporting Services				
	Management and General	Fundraising	Total Supporting Services	Total Expenses 6/30/23	Total Expenses 6/30/22
Salaries	$ 116,646	$ 148,066	$ 264,712	$ 1,055,286	$ 1,035,751
Payroll taxes and employee benefits	31,807	40,375	72,182	287,757	268,806
Occupancy	29,870	29,870	59,740	229,767	198,221
Printing and supplies	3,502	3,502	7,004	26,942	22,862
Telephone	2,408	2,408	4,816	18,520	19,896
Postage and shipping	706	706	1,412	5,427	5,253
Travel	678	678	1,356	5,216	496
Professional fees, legal and accounting	53,784	5,534	59,318	263,059	323,956
Equipment rental and maintenance	3,024	3,024	6,048	23,262	38,878
Insurance	8,231	1,767	9,998	20,058	18,361
Dues and subscriptions	13,902	-	13,902	13,902	13,400
Reservists	-	-	-	44,050	51,888
Meetings and conferences	-	-	-	15,816	2,587
Annual conference	-	7,139	7,139	16,002	4,649
Other expenses	4,533	-	4,533	16,324	18,573
Total expenses	**$ 269,091**	**$ 243,069**	**$ 512,160**	**$ 2,041,388**	**$ 2,023,577**

The attached notes and auditor's report are an integral part of these financial statements.

Council of Senior Centers and Services of New York City, Inc.
(d/b/a LiveOn NY)

Statement of Cash Flows

For the Year Ended June 30, 2023
(With comparative totals for the year ended June 30, 2022)

	June 30, 2023	June 30, 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (14,376)	$ 13,016
Adjustments to reconcile change in net assets to net to net cash used for operating activities:		
Operating lease right-of-use asset and liability	55,575	-
Paycheck Protection Program loan forgiveness	-	(190,800)
Unrealized (gain)/loss on investments	(18,101)	33,396
Changes in assets and liabilities:		
Government grants receivable	(193,331)	(174,480)
Grants receivable	(97,928)	178,838
Prepaid expenses	7,668	26,544
Security deposit	-	15,300
Accounts payable and accrued expenses	2,231	9,823
Refundable advances	(40,000)	14,000
Deferred rent	(70,307)	(12,706)
Total adjustments	(354,193)	(100,085)
Net cash used for operating activities	(368,569)	(87,069)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments including reinvested dividends	(4,059)	(3,589)
Net cash used for investing activities	(4,059)	(3,589)
Net decrease in cash, cash equivalents and restricted cash	**(372,628)**	**(90,658)**
Cash, cash equivalents and restricted cash, *beginning of year*	577,239	667,897
Cash, cash equivalents and restricted cash, end *of year*	**$ 204,611**	**$ 577,239**
Cash, cash equivalents and restricted cash		
Cash and cash equivalents	$ 203,903	$ 327,239
Cash restricted for endowment	708	250,000
Total cash, cash equivalents and restricted cash	**$ 204,611**	**$ 577,239**

The attached notes and auditor's report are an integral part of these financial statements.

Council of Senior Centers and Services of New York City, Inc.
(d/b/a LiveOn NY)

Notes to Financial Statements

June 30, 2023

Note 1 - Organization

The Council of Senior Centers and Services of New York City, Inc. (d/b/a LiveOn NY), (the "Organization") was incorporated as a New York not-for-profit corporation in December 1978 for the purpose of promoting the quality of life, independent living, productivity, and dignity of older adults and their families in New York including, but not limited to, the promotion of the general welfare of senior citizens and the broader New York community.

The Organization is supported primarily through government grants and private donor contributions.

The following are significant programs offered by the Organization:

Membership Services - Net assets not subject to donor-imposed stipulations and may be expended for any purpose in performing the primary objectives of the Organization. The Board may designate assets without restrictions for specific operational purposes from time to time.

Policy and Advocacy - The Organization is recognized as the lead New York-based organization representing senior services and aging issues. Our policy and advocacy work focuses on advocating for needed community-based services that allow older adults to age with independence and dignity.

The Organization has been notified by the Internal Revenue Service that it is a not-for-profit organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and has not been determined to be a private foundation.

Note 2 - Summary of Significant Accounting Policies

a. Basis of Accounting

The accompanying financial statements have been prepared using the accrual basis of accounting, which is the process of recognizing revenue and expenses when earned or incurred rather than received or paid.").

b. Recently Adopted Accounting Standards

Effective July 1, 2022, the Organization adopted the Financial Accounting Standards Board's ("FASB") Accounting Standards Update ("ASU") No. 2016-02, *Leases*, which requires lessees to recognize leases on the statement of financial position and disclose key information about leasing arrangements. The Organization elected transition relief that allows entities, in the period of adoption, to present the current period under the FASB's Accounting Standards Codification ("ASC") 842 and the comparative period under FASB ASC 840. It also elected not to reassess at adoption (i) expired or existing contracts to determine whether they are or contain a lease, (ii) the lease classification of any existing leases, or (iii) initial direct costs for existing leases. As a result of implementing FASB ASU No. 2016-02, the Organization recognized right-of-use ("ROU") assets of $578,627 and lease liabilities totaling $650,805 in its statement of financial position as of July 1, 2022. The adoption did not result in a significant effect on amounts reported in the statement of activities for the year ended June 30, 2023.

Note 2 - Summary of Significant Accounting Policies - Continued

c. Basis of Presentation

The Organization reports information regarding its financial position and activities according to the following classes of net assets:

- *Net Assets without Donor Restrictions* - represents those resources for which there are no restrictions by donors as to their use.

- *Net Assets with Donor Restrictions* - relates to contributions of cash and other assets with donor stipulations. Some donor restrictions are temporary in nature; those restrictions will be met by the actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature; whereby, the donor has stipulated the funds be maintained in perpetuity.

d. Revenue Recognition

The Organization follows the requirements of FASB ASC 606 for recognizing revenue from contracts with customers. Market-place initiative income and conference income fall under FASB ASC 606. The Organization analyzes each source of revenue to determine that it has a contract with the customer that identifies both the performance obligation and the transaction price. Revenue is recognized when the performance obligation is completed. Payments received in advance of the completion of the earnings process are reported as refundable advances.

For market-place initiative income, the performance obligation is met when the purchased products have been delivered. Revenue earned in advance of being collected is reflected as an accounts receivable.

For conference income, the performance obligation is met after the conference has taken place. Fees collected in advance of performances are reflected as deferred revenue.

Rental income consists of a lease with a third party for use of its office space under a sub-lease and falls under the scope of FASB ASC 842: *Leases*.

The Organization follows the requirements of the FASB ASC 958-605 for recording contributions. Contributions are recorded at the time a contribution becomes unconditional in nature. Contributions are recorded in one of the classes of net assets described above, depending on the existence and/or nature of any donor-imposed restriction. When a restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions. If donor restricted contributions are satisfied in the same period they are received, they are classified as without donor restrictions.

Grants and contributions may be subject to conditions which are defined as both a barrier to entitlement and a right of return of payments or release from obligations and are recognized as income once the conditions have been substantially met.

Note 2 - Summary of Significant Accounting Policies - Continued

d. Revenue Recognition - Continued

The Organization's government grants are primarily conditional non-exchange transactions and fall under the scope of FASB ASC 958-605. Revenue from these transactions is recognized when qualifying expenditures are incurred, performance related outcomes are achieved, and other conditions under the agreements are met. Payments received in advance of conditions being met are recorded as a government grant advance.

Unconditional promises to give are recorded at net realizable value if expected to be received in less than one year, or at fair value using a risk-adjusted discount rate if expected to be received in greater than one year. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

The Organization receives dues from its members based on a sliding scale of members' operating budgets, which are recognized as revenue when billed. As tangible benefits are not identifiable, membership income is considered a contribution.

Management assesses the collectability of all outstanding receivables based upon historical trends and experience with donors and grantors. Based on that review, management has concluded that all receivables are expected to be collected within one year. As such, no allowance for uncollectible accounts was deemed necessary at June 30, 2023 and 2022.

e. Cash and Cash Equivalents

The Organization considers all liquid investments with an initial maturity of three months or less to be cash and cash equivalents, except for cash held with an investment custodian for long-term purposes.

f. Concentration of Credit Risk

Financial instruments that potentially subject the Organization to a concentration of credit risk consist of cash, money market accounts, and investment securities which are placed with financial institutions that management deems to be creditworthy. At times, balances may exceed federal limits. At year end and at various times throughout the year, balances were in excess of insured amounts. The Organization has not experienced any losses from these accounts due to bank failure.

g. Fixed Assets

Leasehold improvements, equipment, and furniture that exceed pre-determined amounts and that have a useful life of greater than one year are recorded at cost or if donated, at the estimated fair value at donation. Depreciation is computed using the straight-line method over the estimated useful life of the respective assets, as follows:

Office equipment - *3 years*
Furniture and fixtures - *7 years*
Leasehold improvements - *Shorter of lease term or economic life*

Note 2 - Summary of Significant Accounting Policies - Continued

h. Investments

Investments are recorded at fair value which is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date. Realized and unrealized gains and losses are reflected in the statement of activities.

The fair value of investments is subject to fluctuation. Management believes the investment policy is prudent for its long-term welfare. The portfolio is diversified with the goal of being able to obtain the long-term objectives of the Organization without taking on risks they feel are imprudent.

i. Leases

The Organization determines if an arrangement is or contains a lease at inception. Leases are included in ROU assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. The change in operating lease ROU asset and liability on the statement of cash flows includes the amortization of the ROU asset and cash payments for leases offset by the accretion of the discounted lease liability. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization does not report ROU assets and leases liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option.

j. In-Kind and Donated Services

Donated services are recognized in circumstances where those services create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided in-kind.

Many volunteers, including board members, provide services in support of the Organization's mission. Those services have not been recognized on the financial statements because they do not meet the criteria outlined above.

k. Management Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

l. Functional Expenses

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

Note 2 - Summary of Significant Accounting Policies - Continued

l. Functional Expenses - Continued

The following costs are allocated by time and effort:

- Salaries
- Payroll taxes and employee benefits
- Occupancy
- Printing and supplies
- Telephone
- Postage and shipping
- Travel
- Equipment rental and maintenance
- Depreciation
- Insurance
- Utilities

All other expenses have been charged directly to the applicable program or supporting services.

m. Advertising Costs

Advertising costs are expensed as incurred.

n. Prior Year Comparative Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2022, from which the summarized information was derived.

o. Accounting for Uncertainty of Income Taxes

The Organization does not believe its financial statements include any material, uncertain tax positions. Tax filings for periods ending June 30, 2020 and later are subject to examination by applicable taxing authorities.

Note 3 - Investments

Investments are reflected at fair value. Accounting standards have established a fair value hierarchy giving the highest priority to quoted market prices in active markets and the lowest priority to unobservable data.

Note 3 - Investments - Continued

The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

All investments are level 1 securities and can be summarized as follows:

	June 30,	
	2023	2022
Exchange traded funds	$ 9,218	$ 175,386
Cash	193,488	5,160
Total	$ 202,706	$ 180,546

Level 1 securities are valued at the closing price reported on the active market they are traded on. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurements.

Note 4 - Operating Lease Right-of-Use Asset and Operating Lease Liability

The Organization evaluated one contract to determine if it met the criteria of a lease. The Organization leases office space in New York, NY under a non-cancelable lease which expires on April 30, 2025. This has been determined to be an operating lease. The terms under the lease do not include any extension options.

The ROU assets represent the Organization’s right to use the underlying asset for the lease term, and the lease liabilities represent the Organization’s obligation to make lease payments arising from this lease. The ROU assets and lease liabilities were calculated based on the present value of future lease payments over the lease terms. The Organization has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments. The weighted-average discount rate applied to calculate lease liabilities and the weighted average lease term as of June 30, 2023 was 3.01% and 1.84 years, respectively.

For the year ended June 30, 2023, total operating lease cost was $214,068. There were no short-term lease costs during the year ended June 30, 2023.

Cash paid for operating leases for the year ended June 30, 2023 was $230,671. There were no noncash investing and financing transactions related to leasing other than the transition entry described in Note 2b.

Note 4 - Operating Lease Right-of-Use Asset and Operating Lease Liability - Continued

The aggregate future minimum lease payments due under these operating leases as of June 30, 2023 are as follows:

Year ending June 30,	
2024	$ 241,872
2025	206,160
Total	448,032
Less: present value discount at 3.01%	(11,756)
Total	$ 436,276

Note 5 - Paycheck Protection Program

During the year ended June 30, 2021, the Organization obtained a loan from the Small Business Administration (“SBA”) in the amount of $190,800 through the Paycheck Protection Program (“PPP”). Terms of the loan indicated that if certain conditions were met, which included maintaining average work forces during periods subsequent to receipt of the loan funds that were greater than pre-determined historical periods, that the loan, or a portion thereof, would be forgiven. The Organization accounts for the PPP loan as a contribution in accordance with FASB ASC 958-605. The conditions for forgiveness on this loan were met during the year ended June 30, 2022 and the full amount was recognized as revenue during the year then ended. On January 5, 2022, the loan was forgiven by the SBA.

Note 6 - Net Assets with Donor Restrictions

During the years ended June 30, 2023 and 2022, net assets released from restriction were spent as follows:

	June 30,	
	2023	2022
Programs		
Aging Policy Agenda	$ -	$ 314,308
Tech support	-	10,000
Homelessness Prevention	60,483	-
Purchase of equipment, software, & furnishings	5,000	-
Reframing Aging in NYC	123,429	67,055
Pandemic Response	-	12,495
Improvements: City Aging Services System	293,653	56,347
Encore Fellowship: Reframing Aging in NYC	24,277	10,958
Total programs	506,842	471,163
Total time restricted	91,344	83,770
Total	$ 598,186	$ 554,933

Note 6 - Net Assets with Donor Restrictions - Continued

The following summarizes the nature of net assets with donor restrictions:

	June 30, 2023	June 30, 2022
Programs		
Purchase of equipment, software, & furnishings	$ 5,000	$ 5,000
Aging Policy Agenda	2,355	2,355
Homelessness Prevention	139,517	-
Reframing Aging in NYC	64,207	117,636
Improvements: City Aging Services System	-	293,653
Encore Fellowship: Reframing Aging in NYC	4,765	29,042
Total program restricted	215,844	447,686
Total time restricted	45,000	91,344
Restricted for endowment		
Endowment funds-corpus	370,000	370,000
Endowment funds-earnings	82,707	60,546
Total restricted for endowment	452,707	430,546
Total	$ 713,551	$ 969,576

Note 7 - Net Assets with Donor Restrictions - Endowment Funds

The Organization's endowment consists of specific donor restricted funds to be held in perpetuity. The balances were as follows at June 30, 2023 and 2022:

Andrew Freedman Fund	$ 100,000
The Corey Foundation	170,000
Various individuals	100,000
Total	$ 370,000

Interpretation of Relevant Law

The Organization follows the New York Prudent Management of Institutional Funds Act ("NYPMIFA"). The Board of Directors of the Organization has interpreted NYPMIFA as requiring certain amounts to be retained permanently. Absent explicit donor stipulations to the contrary, the Organization will preserve the fair value of the original gift as of the gift date for all donor-restricted endowment funds. However, under certain circumstances, the Organization has the right to appropriate for expenditure the fair value of the original gift in a manner consistent with the standard of prudence specifically prescribed by NYPMIFA.

As a result of this interpretation, the Organization classifies as endowment corpus (a) the original value of gifts donated to the donor restricted endowment, (b) the original value of subsequent gifts to the donor restricted endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

Note 7 - Net Assets with Donor Restrictions - Endowment Funds - Continued

When endowment funds have earnings in excess of amounts that need to be retained as part of the corpus, their earnings are restricted until the board appropriates for expenditures, therefore, they have been classified in the class of net assets with donor restrictions.

Spending Policies

In accordance with NYPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund;
(2) The purposes of the Organization and the donor-restricted endowment fund;
(3) General economic conditions;
(4) The possible effect of inflation and deflation;
(5) The expected total return from income and the appreciation of investments;
(6) Other resources of the Organization;
(7) The investment policies of the Organization;
(8) Where appropriate and circumstances would otherwise warrant, alternatives to expenditure of the endowment fund, giving due consideration to the effect that such alternatives may have on the Organization.

Andrew Freedman Fund

The Organization has the right to withdraw up to $10,000 for general operations in a calendar year at the discretion of the Board of Directors. No withdrawals were made in 2023 or 2022.

Other Donor Restricted Endowment Funds

The Organization makes an appropriation annually, when deemed prudent, for other endowment funds to use in operations and includes in the annual budget.

Changes in investments and investments held for endowment are as follows:

	June 30, 2023			
	Borrowings	Endowment Earnings	Endowment Corpus	Total
Beginning of year	$ -	$ 60,546	$ 370,000	$ 430,546
Appropriated for borrowings	(249,293)	-	-	(249,293)
Interest and dividend income	-	4,057	-	4,057
Unrealized loss	-	18,104	-	18,104
End of year	$ (249,293)	$ 82,707	$ 370,000	$ 203,414

	June 30, 2022			
	Borrowings	Endowment Earnings	Endowment Corpus	Total
Beginning of year	$ -	$ 90,354	$ 370,000	$ 460,354
Interest and dividend income	-	3,588	-	3,588
Unrealized gain	-	(33,396)	-	(33,396)
End of year	$ -	$ 60,546	$ 370,000	$ 430,546

Note 7 - Net Assets with Donor Restrictions - Endowment Funds - Continued

Endowment Investment Policies

The Organization has adopted an investment policy for endowment assets that relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Funds with Deficiencies

From time-to-time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or NYPMIFA requires the Organization to retain as a fund of perpetual duration. During the year ended June 30, 2023, the Organization used a portion of these restricted funds to support general operations as a result of delayed payments of government grants on cost reimbursement contracts. As a result, the balance of investments is below the original corpus and accumulated earnings by $249,293 as of June 30, 2023. The Organization plans on replenishing endowment balance upon payment of government grants receivables, including a $50,000 payment into the endowment on March 7, 2024. There were no such deficiencies at June 30, 2022.

Note 8 - Commitments and Contingencies

The Organization has a sublease agreement for a portion of its premises with another not-for-profit agency. The sublease runs from May 1, 2015 through April 30, 2025. On August 30, 2021, the lease was amended to provide for certain rental abatements between September 1, 2021 and April 30, 2023. Rental income from this agreement, including additional charges, for the year ended June 30, 2023, and 2022, was $54,418 and $46,182, respectively.

The following represents the future amounts expected to be received:

Year ending June 30,		
2024	$	49,644
2025		41,370
Total	$	91,014

Note 9 - Retirement Plan

The Organization sponsors a tax deferred 401(k) retirement plan. Employees are eligible to participate after they complete twelve months of service. The employer contributions are at the discretion of the Board of Directors and are based upon a fixed rate of employee's salary. The total amount contributed was $77,131 and $72,708 at June 30, 2023 and 2022, respectively.

Note 10 - Availability and Liquidity

The Organization maintains cash on hand to be available for its general expenditures, liabilities, and other obligations for on-going operations. The Organization operates its programs within a board approved budget. As part of its liquidity management, the Organization relies on grants and contributions to fund its operations. The Organization's endowment funds are held for long term purposes and consist of donor-restricted endowments. Therefore, these assets are not considered available for general expenditures.

The following reflects the Organization's financial assets at June 30, 2023 that are available to meet cash needs for general expenditures within one year:

Financial assets at year-end:		
Cash and cash equivalents	$ 203,903	
Government grants receivable	498,647	
Grants receivable	189,401	
Total		$ 891,951
Less amounts not available to be used within one year:		
Contributions with purpose restrictions		(215,844)
Financial assets available to meet cash needs for general expenditures within one year		$ 676,107

Note 11 - Subsequent Events

Subsequent events have been evaluated through April 19, 2024, the date the financial statements were available to be issued. There were no material events that have occurred that require adjustment to, or disclosure to the financial statements.