



City Relief, Inc.

**Financial Statements
With Independent Auditor's Report
September 30, 2022**

**Fylstra & Associates, LLC
Certified Public Accountants
Allendale, New Jersey**

City Relief, Inc.

Table of Contents

	Page
Independent Auditor's Report	1
Financial Statements	
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements	6

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
City Relief, Inc.

We have audited the accompanying financial statements of City Relief, Inc. (a nonprofit organization) which comprise the statement of financial position for the year ended September 30, 2022, and the related statements of activities, functional expenses and cash flows for the period 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 of 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 statement 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 City Relief, Inc. for the year ended September 30, 2022, and the changes in its net assets and its cash flows for the period then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited City Relief, Inc.'s 2021 financial statements, and expressed an unmodified audit opinion on those audited financial statements in our report dated April 4, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Allendale, New Jersey
January 25, 2023


Fylstra & Associates, LLC

City Relief, Inc.
Statement of Financial Position
September 30, 2022
With Comparative Totals for 2021

	2022	2021
Assets		
Cash and cash equivalents	\$ 340,624	\$ 806,162
Prepaid expenses	39,090	29,887
Security deposits	6,883	1,400
Property and equipment at cost, net of accumulated depreciation	631,699	649,635
Total assets	\$ 1,018,296	\$ 1,487,084
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 104,370	\$ 82,307
Total liabilities	104,370	82,307
Net Assets		
Without donor restrictions	913,926	1,354,777
With donor restrictions	50,000	50,000
Total net assets	913,926	1,404,777
Total liabilities and net assets	\$ 1,018,296	\$ 1,487,084

See accompanying notes to the financial statements

City Relief, Inc.
Statement of Activities
Year Ended September 30, 2022
With Comparative Totals for 2021

	2022	2021
Public Support and Revenues		
Contributions	\$ 2,644,652	\$ 2,850,591
Grants	518,976	595,567
Donations in-kind	1,722,393	1,621,873
Relief base Income	46,100	21,450
Apparel & gear income	281	835
Other Income	18,348	28,454
Interest income	268	976
Restricted Released	50,000	16,860
PPP Loan Forgiveness		376,432
Total public support and revenues	5,001,018	5,513,038
Expenses		
Program services	4,194,935	3,541,417
Management and general	466,757	999,098
Fund-raising	780,177	523,924
Total expenses	5,441,869	5,064,439
Change in Net Assets without Restrictions	(440,851)	448,599
Change in Net Assets with Restrictions		
Contributions		50,000
Net Assets with Donor Restrictions Released	(50,000)	(16,860)
Increase (Decrease) in Net Assets with Restrictions	(50,000)	33,140
Change in Net Assets	(490,851)	481,739
Net Assets		
Beginning of Year	1,404,777	923,038
End of Year	\$ 913,926	\$ 1,404,777

See accompanying notes to the financial statements

City Relief, Inc.
Statement of Functional Expenses
Year Ended September 30, 2022
With Comparative Totals for 2021

Item of Expense	Program Services	Management and General	Fund- Raising	Total 2022	Total 2021
Salaries	1,616,888	244,259	520,225	\$ 2,381,372	\$ 2,150,218
Payroll taxes	141,986	30,585	38,734	211,305	193,714
Employee benefits	139,246	14,622	64,029	217,897	173,709
Vehicle expenses	26,382			26,382	34,192
Food	326,129			326,129	307,501
Outreach clothing	1,305,550			1,305,550	1,231,758
Operating supplies	35,697			35,697	41,103
Office		4,217		4,217	5,734
Rent	78,004			78,004	17,743
Advertising			660	660	841
Uniforms	2,359			2,359	1,170
Association				-	21,006
Education and training	35,690	224	184	36,098	13,480
Meetings and meals	2,756	6,860	2,348	11,964	7,575
Insurance	68,541			68,541	46,692
Printing	288	-	10,504	10,792	11,162
Repairs and maintenance	53,668	9,758		63,426	64,197
Telephone	12,500	2,147	3,374	18,021	70,133
Volunteer services	144,015			144,015	106,364
Volunteer expense	34,748			34,748	9,583
Transaction processing fees	4,333	5,502	33,592	43,427	55,997
Interest expense				-	25
Website and software	57,234	18,494	14,428	90,156	36,567
Equipment expense	6,492			6,492	3,999
Postage		28	1,715	1,743	4,253
Professional fees		43,407	12,875	56,282	120,401
Travel	142		1,354	1,496	477
Utilities	5,017	11,654		16,671	24,081
Severance Expense		75,000		75,000	169,617
Other fundraising events			76,155	76,155	77,542
Total before depreciation	4,097,665	466,757	780,177	5,344,599	5,000,834
Depreciation	97,270	-	-	97,270	63,605
Total	\$ 4,194,935	466,757	\$ 780,177	\$ 5,441,869	\$ 5,064,439

See accompanying notes to the financial statements.

City Relief, Inc.
Statement of Cash Flows
Year Ended September 30, 2022
With Comparative Totals for 2021

	2022	2021
Cash Flows from Operating Activities		
Change in net assets	\$ (490,851)	481,739
Adjustments to reconcile net change in net assets to net cash provided by operating activities:		
Depreciation	97,270	63,605
PPP Loan Forgiveness		(376,432)
Changes in operating assets and liabilities:		
Prepaid expenses	(9,203)	(29,887)
Security deposits	(5,483)	
Receivables		32,485
Accounts payable and accrued expenses	22,063	32,639
Net cash provided by (applied to) operating activities	<u>(386,204)</u>	<u>204,149</u>
Cash Flows from Investing Activities		
Purchase of property and equipment	<u>(79,334)</u>	<u>(129,118)</u>
Net cash provided by (applied to) investing activities	<u>(79,334)</u>	<u>(129,118)</u>
Net Increase (Decrease) in Cash	(465,538)	75,031
Cash and Cash Equivalents		
Beginning of year	<u>806,162</u>	<u>731,131</u>
End of year	<u>\$ 340,624</u>	<u>\$ 806,162</u>
Supplemental Disclosure		
Interest paid	<u>\$ -</u>	<u>\$ 25</u>

See accompanying notes to the financial statements

City Relief, Inc.
Notes to Financial Statements
September 30, 2022

1. Nature of Activities:

Organization - Founded in 1989 on the simple premise that all human beings have unsurpassable worth, City Relief provides emergency food relief, socks, toiletries, masks, access to care, and care coordination/referral services as an accredited New York City HRA provider and a member of the Passaic County Continuum of Care. City Relief's pioneering approach has always been to go to economically disadvantaged communities, typically where unhoused individuals are already congregating, and provide fresh, hot, nutritious meals and essential care items as a means of building relationships, creating individualized action plans including connections for individuals in need to programs that can help them, and offering holistic support and encouragement along the way that yields improvements in overall quality of life and wellbeing. City Relief's long-term vision is to create a reality where every individual experiencing homelessness and economic insecurity in the NYC Metro area knows their value, has access to the resources they need to thrive physically, mentally, socially, and spiritually and has hope for a better future.

2. Summary of Significant Accounting Policies:

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions.

Net Assets Without Donor Restriction - Net assets that are not subject to or are no longer subject to donor imposed stipulations.

Net Assets With Donor Restrictions - Net assets whose use is limited by donor imposed time and/or purpose restrictions.

Revenue Recognition - The financial statements are prepared on the accrual basis of accounting, whereby income is recorded when earned and expenses when incurred.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes - The Organization is a not-for-profit organization exempt from federal and state income taxes under section 501(c)(3) of the Internal Revenue Code. There is, therefore, no provision for income taxes in these financial statements. Annually, the Organization files Form 990, Return of Organizations Exempt from Income Tax with the Internal Revenue Service. This form is open for public inspection. The Organization believes that it has appropriate support for all tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. Tax returns are open for examination by the Internal Revenue Service for three years after filing. Returns for this year and the last three years remain open.

City Relief, Inc.
Notes to Financial Statements
September 30, 2022

2. Summary of Significant Accounting Policies (continued):

Cash and Cash Equivalents - The Organization considers all cash on hand and in the bank, money market funds, and certificates of deposit with an original maturity of less than three months to be cash equivalents.

Contributions - Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Property and Equipment - Property and equipment over \$5,000 are recorded at cost or if donated as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated assets to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method over the estimated useful lives of the various assets.

Subsequent Events - The Organization has evaluated subsequent events for potential recognition or disclosure through January 25, 2023, the date the financial statements were available to be issued.

3. Property and Equipment:

Property and equipment is summarized as follows:

	<u>2022</u>	<u>2021</u>
Land	\$ 61,080	\$ 61,080
Building	281,046	281,046
Leasehold improvements	457,484	457,484
Furniture & fixtures	20,307	20,307
Office equipment	13,378	13,378
Computer equipment	110,182	101,254
Machinery & equipment	81,950	77,014
Vehicles	619,130	553,660
	<u>1,644,557</u>	<u>1,565,223</u>
Less accumulated depreciation	1,012,858	915,589
	<u>\$ 631,699</u>	<u>\$ 649,634</u>

City Relief, Inc.
Notes to Financial Statements
September 30, 2022

4. Bank Line of Credit:

The Organization has an operating line-of-credit arrangement with an area bank, with interest at the prime rate plus 1.00%. The line-of credit limit is \$300,000 with zero outstanding balance as of September 30, 2022.

5. Functional Allocation of Expenses

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

6. Liquidity and Availability of Financial Assets

The Organization's primary sources of revenue are contributions and foundation grants. It monitors its liquidity so that it is able to meet all operating needs. It has the following financial assets that could readily be made available within one year of the balance sheet date to fund expenses without limitations.

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 340,624	\$ 806,162
Security deposits	6,883	1,400
	<u>\$ 347,507</u>	<u>\$ 807,562</u>

7. Employee Retirement Plan

In fiscal year 2022, the Organization began sponsoring a SIMPLE IRA retirement plan to all eligible employees, as defined. The assets are held for each employee in an individual account maintained by a financial institution. The Organization currently matches employee contributions dollar-for-dollar up to 1% of each participating employee's compensation. The Organization contributed \$13,163 in matching contributions for the fiscal year ending September 30, 2022. The employee contributions and matching contributions are 100% vested at all times.