



**City Relief, Inc.**

**Financial Statements  
With Independent Auditor's Report  
September 30, 2021**

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

# City Relief, Inc.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors 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 as of September 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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. as of September 30, 2021, 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 NC City Relief, Inc.'s 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 17, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Allendale, New Jersey  
April 4, 2022

  
Fylstra & Associates, LLC

**City Relief, Inc.**  
**Statement of Financial Position**  
**September 30, 2021**  
**With Comparative Totals for 2020**

	2021	2020
<b>Assets</b>		
Cash and cash equivalents	\$ 806,162	731,131
Prepaid expenses	29,887	1,012
Employee receivable		31,504
Security deposits	1,400	1,400
Property and equipment at cost, net of accumulated depreciation	649,635	584,091
Total assets	\$ 1,487,084	\$ 1,349,138
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 82,307	\$ 49,668
PPP loan		376,432
Total liabilities	82,307	426,100
<b>Net Assets</b>		
Without donor restrictions	1,354,777	906,178
With donor restrictions	50,000	16,860
Total net assets	1,404,777	923,038
Total liabilities and net assets	\$ 1,487,084	\$ 1,349,138

See accompanying notes to the financial statements

**City Relief, Inc.**  
**Statement of Activities**  
**Year Ended September 30, 2021**  
**With Comparative Totals for 2020**

	2021	2020
<b>Public Support and Revenues</b>		
Contributions	\$ 2,850,591	\$ 3,124,837
Grants	595,567	824,400
Donations in-kind	1,621,873	2,470,107
Relief base Income	21,450	63,958
Apparel & gear income	835	580
Other Income	28,454	12,907
Interest income	976	1,703
Restricted Released	16,860	156,250
PPP Loan Forgiveness	376,432	
Total public support and revenues	<u>5,513,038</u>	<u>6,654,742</u>
<b>Expenses</b>		
Program services	3,541,417	4,519,206
Management and general	999,098	680,248
Fund-raising	523,924	603,805
Total expenses	<u>5,064,439</u>	<u>5,803,259</u>
<b>Change in Net Assets without Restrictions</b>	448,599	851,483
<b>Change in Net Assets with Restrictions</b>		
Contributions	50,000	16,860
Net Assets with Donor Restrictions Released	(16,860)	(156,250)
Increase (Decrease) in Net Assets with Restrictions	<u>33,140</u>	<u>(139,390)</u>
<b>Change in Net Assets</b>	481,739	712,093
<b>Net Assets</b>		
Beginning of Year	<u>923,038</u>	<u>210,945</u>
End of Year	<u>\$ 1,404,777</u>	<u>\$ 923,038</u>

See accompanying notes to the financial statements



**City Relief, Inc.**  
**Statement of Functional Expenses**  
**Year Ended September 30, 2021**  
**With Comparative Totals for 2020**

Item of Expense	Program Services	Management and General	Fund- Raising	Total 2021	Total 2020
Salaries	1,245,313	598,356	306,549	\$ 2,150,218	\$ 2,084,492
Payroll taxes	112,191	53,906	27,617	193,714	164,749
Employee benefits	100,605	48,339	24,765	173,709	225,794
Vehicle expenses	34,192	-	-	34,192	80,942
Food	307,501	-	-	307,501	439,411
Outreach clothing	1,231,758	-	-	1,231,758	1,929,655
Operating supplies	41,103	-	-	41,103	142,833
Office	-	5,734	-	5,734	3,172
Rent	17,743	-	-	17,743	55,925
Advertising	-	-	841	841	15,339
Uniforms	1,170	-	-	1,170	3,116
Association	21,006	-	-	21,006	15,941
Education and training	6,941	3,335	3,204	13,480	24,209
Meetings and meals	4,387	2,108	1,080	7,575	6,723
Insurance	46,692	-	-	46,692	37,991
Printing	931	205	10,026	11,162	14,199
Repairs and maintenance	58,727	5,470	-	64,197	5,596
Telephone	37,249	20,448	12,436	70,133	30,685
Volunteer services	106,364	-	-	106,364	180,551
Volunteer expense	9,583	-	-	9,583	14,318
Credit card fees	2,657	-	-	2,657	32,447
Interest expense	25	-	-	25	11,376
Data processing	53,340	-	-	53,340	4,318
Website and software	21,178	10,176	5,213	36,567	63,067
Equipment expense	3,999	-	-	3,999	3,696
Postage	-	79	4,174	4,253	7,798
Professional fees	-	70,401	50,000	120,401	81,130
Travel	-	-	477	477	1,647
Utilities	13,157	10,924	-	24,081	20,369
Severance Expense	-	169,617	-	169,617	-
Other fundraising events	-	-	77,542	77,542	36,619
Total before depreciation	3,477,812	999,098	523,924	5,000,834	5,738,108
Depreciation	63,605	-	-	63,605	65,151
<b>Total</b>	<b>\$ 3,541,417</b>	<b>\$ 999,098</b>	<b>\$ 523,924</b>	<b>\$ 5,064,439</b>	<b>\$ 5,803,259</b>

See accompanying notes to the financial statements.

**City Relief, Inc.**  
**Statement of Cash Flows**  
**Year Ended September 30, 2021**  
**With Comparative Totals for 2020**

	2021	2020
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 481,739	\$ 712,093
Adjustments to reconcile net change in net assets to net cash provided by operating activities:		
Depreciation	63,605	65,151
PPP Loan Forgiveness	(376,432)	
Changes in operating assets and liabilities:		
Prepaid expenses	(29,887)	
Receivables	32,485	488
Accounts payable and accrued expenses	32,639	(68,959)
Net cash provided by (applied to) operating activities	<u>204,149</u>	<u>708,773</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of property and equipment	(129,118)	(184,052)
Net cash provided by (applied to) investing activities	<u>(129,118)</u>	<u>(184,052)</u>
<b>Cash Flows from Financing Activities</b>		
Increase (decrease) in bank line of credit		(296,841)
Proceeds from PPP loan		376,432
Net cash provided by (applied to) financing activities	<u>-</u>	<u>79,591</u>
<b>Net Increase (Decrease) in Cash</b>	75,031	604,312
<b>Cash and Cash Equivalents</b>		
Beginning of year	<u>731,131</u>	<u>126,819</u>
End of year	<u>\$ 806,162</u>	<u>\$ 731,131</u>
<b>Supplemental Disclosure</b>		
Interest paid	<u>\$ 25</u>	<u>\$ 11,376</u>

See accompanying notes to the financial statements

**City Relief, Inc.**  
**Notes to Financial Statements**  
**September 30, 2021**

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**1. Nature of Activities:**

**Organization** - City Relief, Inc. Founded 33 years ago on the simple premise that all human beings have unsurpassable worth, City Relief provides emergency food relief, socks, toiletries, masks, access to care, and case management/referral services as an accredited New York City HRA provider and a member of the Passaic Community 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, linking 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 & 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, 2021**

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**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 April 4, 2022, the date the financial statements were available to be issued. On February 16, 2022 the Organization entered into a severance agreement with the COO to be paid \$75,000 through September 30, 2022.

**3. Property and Equipment:**

Property and equipment is summarized as follows:

	<u>2021</u>	<u>2020</u>
Land	\$ 61,080	\$ 61,080
Building	281,046	244,319
Leasehold improvements	457,484	457,484
Furniture & fixtures	20,307	20,307
Office equipment	13,378	13,378
Computer equipment	101,254	99,885
Machinery & equipment	77,014	43,483
Vehicles	553,660	533,660
	<u>1,565,223</u>	<u>1,473,596</u>
Less accumulated depreciation	915,589	889,505
	<u>\$ 649,634</u>	<u>\$ 584,091</u>

**City Relief, Inc.**  
**Notes to Financial Statements**  
**September 30, 2021**

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**4. PPP Loan:**

The Organization has been granted full forgiveness of their first loan from the SBA. The Organization accounts for the forgiveness as support and revenue in their statement of activities.

**5. 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, 2021.

**6. 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.

**7. Liquidity and Availability of Financial Assets**

The Organization's primary sources of revenue are contributions and foundation grants. They monitor their liquidity so they are able to meet all operating needs. They have the following financial assets that could readily be made available within one year of the balance sheet date to fund expenses without limitations.

	2021	2020
Cash and cash equivalents	\$ 806,162	\$ 731,131
Contributions receivable	29,887	1,012
Employee receivable	-	31,504
Security deposits	1,400	1,400
	<u>\$ 837,449</u>	<u>\$ 765,047</u>

