

**CITY LIVING NY, INC.  
FINANCIAL STATEMENTS**

**INDEPENDENT ACCOUNTANTS' REVIEW REPORT**

**JUNE 30, 2019**

**CITY LIVING NY, INC.**  
**YEAR ENDED**  
**JUNE 30, 2019**

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## **INDEPENDENT ACCOUNTANTS' REVIEW REPORT**

### **To the Board of Directors of *City Living NY, Inc.***

We have reviewed the accompanying financial statements of City Living NY, Inc. (a nonprofit organization), which comprise the statements of assets, liabilities, and net assets – modified cash basis as of June 30, 2019 and the related statements of revenues, expenses, and other changes in net assets – modified cash basis, functional expenses – modified cash basis, and cash flows – modified cash basis for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting, this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

### **Accountants' Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the modified cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### **Accountants' Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the modified cash basis of accounting.

## **Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

*Schulman Lobel LLP*

Schulman Lobel LLP

New York, New York  
April 29, 2020

**CITY LIVING NY, INC.**  
**STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS - MODIFIED CASH BASIS**  
**JUNE 30, 2019**

<b>Assets</b>	
Cash	\$ 315,497
Inventory	<u>7,689</u>
<b>Total assets</b>	<b><u><u>\$ 323,186</u></u></b>
<b>Liabilities</b>	<b><u>\$ -</u></b>
<b>Net assets</b>	
Net assets without donor restrictions	<u>323,186</u>
<b>Total net assets</b>	<b><u>323,186</u></b>
<b>Total liabilities and net assets</b>	<b><u><u>\$ 323,186</u></u></b>

See independent accountants' review report and notes to the financial statements

**CITY LIVING NY, INC.**  
**STATEMENT OF REVENUES, EXPENSES, AND OTHER CHANGES IN NET ASSETS -**  
**MODIFIED CASH BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<b><u>Without Donor Restrictions</u></b>
<b>Public support and revenues</b>	
Contributions	\$ 317,856
Grants	37,766
Donated goods and services	16,987
Special events (net of direct costs amounting to \$3,397)	<u>20,608</u>
<b>Total public support and revenues</b>	<u>393,217</u>
<b>Expenses</b>	
Program services	160,221
<b>Supporting services</b>	
General and administrative	10,922
Fundraising expenses	<u>4,989</u>
<b>Total supporting services</b>	<u>15,911</u>
<b>Total expenses</b>	<u>176,132</u>
<b>Change in net assets</b>	217,085
<b>Net assets beginning of year</b>	<u>106,101</u>
<b>Net assets end of year</b>	<u><u>\$ 323,186</u></u>

See independent accountants' review report and notes to the financial statements

**CITY LIVING NY, INC.**  
**STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**Cash flows from operating activities**

Change in net assets	\$ 217,085
<b>Adjustments to reconcile change in net assets to net cash provided by operating activities:</b>	
<b>Decrease in assets</b>	
Inventory	<u>2,216</u>
<b>Total adjustments</b>	<u>2,216</u>
<b>Net cash provided by operating activities</b>	<u>219,301</u>
<b>Net increase in cash</b>	219,301
<b>Cash - beginning of year</b>	<u>96,196</u>
<b>Cash - end of year</b>	<u><u>\$ 315,497</u></u>

See independent accountants' review report and notes to the financial statements

**CITY LIVING NY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Supporting Services</u>				<b>Total Expenses</b>
	<u>Program</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total Supporting Services</u>	
Salaries and wages	\$ 75,429	\$ 4,191	\$ 4,191	\$ 8,381	\$ 83,810
Payroll taxes	6,590	366	366	732	7,322
Rent	19,865	1,046	-	1,046	20,911
Professional fees	-	3,215	-	3,215	3,215
Grants to individuals	44,130	-	-	-	44,130
Youth program	3,854	-	-	-	3,854
Payroll processing and other fees	2,312	128	128	257	2,569
Insurance	5,477	304	304	609	6,086
Office expense	2,563	285	-	285	2,848
Dues and subscriptions	-	730	-	730	730
Printing	-	472	-	472	472
Advertising	-	185	-	185	185
	<u>\$ 160,221</u>	<u>\$ 10,922</u>	<u>\$ 4,989</u>	<u>\$ 15,911</u>	<u>\$ 176,132</u>

See independent accountants' review report and notes to the financial statements



**CITY LIVING NY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 1      NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

**Nature of activities**

City Living NY, Inc. was established to empower youth aging out of foster care to successfully transition into adulthood by providing concrete resources, tools, and support services. City Living NY, Inc. provides support by working with young adults to further their educational and career goals and strengthen independent living skills, assisting and monitoring youth to ensure housing stability, and making referrals to community health and social service providers.

City Living NY, Inc. was incorporated on September 17, 2015 in the State of New York. City Living NY, Inc. (the "Organization") is an exempt organization as described in Section 501(c)(3) of the Internal Revenue Code.

**Basis of accounting**

The financial statements of the Organization have been prepared on the modified cash basis of accounting. Revenue is recorded when received rather than when earned and expenses are recorded when payments are made rather than when the obligations are incurred. Consequently, revenue and expenses are recognized in the determination of the change in net assets in different reporting periods than if the financial statements were prepared in conformity with accounting principles generally accepted in the United States. The cash basis of accounting has been modified for the capitalization of inventory rather than being recorded as an expense upon being purchased and recording of donated goods and services in revenue and expenses.

**Financial statement presentation**

The classification of an organization's net assets and its revenues and expenses is based on the existence or absence of donor-imposed restrictions. The amounts are required to be classified as one of two classes of net assets; as those with and without donor-imposed restrictions. Net assets are required to be displayed in a statement of assets, liabilities and net assets. The amounts of change in each of the classes of net assets are required to be displayed in a statement of revenues, expenses, and other changes in net assets.

The two classes are defined as follows:

With donor restrictions – Net assets resulting from contributions and other inflows of assets which are used by the Organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled or removed by actions of the Board of Directors pursuant to those stipulations, including contributions to be used for specific purposes or as specified by the donor. When stipulations are fulfilled, such net assets are reclassified to those without donor restrictions and reported in the statement of revenues, expenses and other changes in net assets as releases from restrictions.

**CITY LIVING NY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 1      NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**  
**(continued)**

Without donor restrictions – The part of net assets that is available for use in general operations and not subject to donor-imposed restrictions or stipulations.

The Organization follows the guidance under FASB Accounting Standards Codification (ASC) 958-605-45-4A whereby contributions with donor restrictions that are met in the same reporting period as the revenue will be recognized as support within net assets without donor imposed restrictions provided that the Organization has a similar policy for reporting gains/(losses) and other income, reports consistently from period to period and discloses its accounting policy.

**Inventory**

Inventory is stated at the lower of cost or market determined by the first-in first-out method.

**Contributed services**

Many individuals volunteer their time and perform a variety of tasks to assist the Organization with its related programs. Donated services are recognized when the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Certain volunteer services are not recognized, as contributions in the financial statements since the recognition requirements were not met. Therefore, the Organization does not recognize for accounting purposes the financial value provided by volunteers, who perform their services without compensation.

**Contributions**

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions depending on the existence or nature of any donor restrictions. When a donor restriction expires, that is, when the stipulated time or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of revenues, expenses and other changes in net assets as net assets released from restrictions.

**Functional allocation of expenses**

Expenses are classified to the program or supporting services category for which they were incurred and are summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated between program and supporting services in reasonable ratios determined by management.

Program Services – includes the functions related to establishing, developing and promoting all aspects of the Organization’s mission.

**CITY LIVING NY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 1      NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**  
**(continued)**

**Functional allocation of expenses (continued)**

General and Administrative – involves the direction of the overall affairs of the Organization which includes accounting, personnel, administration and related areas.

Fundraising - involves the development of funding sources to aid the Organization in the raising of funds for its programs.

The financial statements may report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses which are allocated on the basis of time and effort include salaries and wages, payroll taxes, rent, insurance, payroll processing and other fees, and office expenses.

**Income taxes**

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

The Organization may be subject to excise taxes if it engages in certain activities not directly related to the Organization's tax-exempt purpose. For the year ended June 30, 2019 the Organization has not engaged in any activities that may be subject to an excise tax and has no plan to do such.

The Organization records a liability for uncertain tax positions when it is probable that a loss has been incurred and the amount can be reasonably estimated. The Organization continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings. The federal and state tax returns for the years ended June 30, 2016, 2017, 2018 and 2019 are subject to examination by the taxing agencies.

As of June 30, 2019, management has determined that there are no significant uncertain tax positions requiring recognition in the Organization's financial statements.

**NOTE 2      CONTRIBUTIONS**

The Organization received contributions totaling \$317,856 for the year ended June 30, 2019. Of this amount, approximately \$200,000 was received from one crowdsourcing organization.

**NOTE 3      DONATED GOODS AND SERVICES**

Donated goods and services amounting to \$16,987 is comprised of donated auction items, graphic design services, storage rental fees, household items and administrative salaries.

**CITY LIVING NY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 4      NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are recorded as contributions. Amounts restricted include purpose restrictions wherein donors have specified the purpose for which the contributions are to be spent or time restrictions are imposed or implied by the nature of the gift. For the year ended June 30, 2019, the Organization did not have any net assets with donor restrictions.

**NOTE 5      AVAILABLE RESOURCES AND LIQUIDITY**

The Organization regularly monitors liquidity to meet its operating needs and other commitments. The Organization has access to liquidity in the form of cash.

For purposes of analyzing resources available to meet general expenditures over a twelve-month period, the Organization considers all expenditures related to its activities as well as the conduct of services undertaken to support those activities to be general expenditures.

Financial assets available for general expenditure, without donor or other restrictions limiting its use, within one year of the statement of assets, liabilities, and net assets date, comprise the following:

Cash	\$ 315,497
Inventory	<u>7,689</u>
Total	<u>\$ 323,186</u>

**NOTE 6      CONCENTRATION OF CREDIT RISK**

The Organization maintains its cash with a commercial bank. At times, such amounts may exceed Federal Deposit Insurance Corporation limits.

**NOTE 7      GRANTS**

Grants require the fulfillment of certain conditions as set forth in the grant agreement. Failure to fulfill the conditions may result in the return of such funds to grantors. Although that is a possibility, the Organization's management deems the contingency remote, since it has implemented policies and procedures to ensure it is in compliance with the terms of the grant agreements.

**NOTE 8      SUBSEQUENT EVENTS**

The Organization has reviewed events that have occurred after June 30, 2019 through April 29, 2020, the date these financial statements were available to be issued. Management has considered the impact of the recent outbreak of COVID-19 (Novel Coronavirus) and does not believe that the Organization will suffer any long-term impact. Management is working with the Board of Directors to ensure the operations are not impacted and is considering some of the relief available in the CARES Act. The Organization's management concluded that no other subsequent events have occurred that would require recognition or disclosure in the financial statements.