

WESTCHESTER CHILDREN'S ASSOCIATION, INC.

FINANCIAL STATEMENTS

December 31, 2023

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Independent Auditor's Report

**The Board of Directors
Westchester Children's Association, Inc.**

Opinion

We have audited the accompanying financial statements of Westchester Children's Association, Inc. (a not-for-profit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Westchester Children's Association, Inc. as of December 31, 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. 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 Westchester Children's Association, Inc. 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 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 Westchester Children's Association, Inc.'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 auditor's 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 generally accepted auditing standards 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, including omissions, 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 generally accepted auditing standards, 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

We have previously audited Westchester Children's Association, Inc.'s 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 28, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in black ink, appearing to read "D. J. Cant, CPA PC". The signature is written in a cursive style.

Mount Kisco, New York

October 17, 2024

WESTCHESTER CHILDREN'S ASSOCIATION, INC.

STATEMENT OF FINANCIAL POSITION

December 31, 2023 and 2022

	<u>ASSETS</u>	
	<u>2023</u>	<u>2022</u>
Current Assets:		
Cash and cash equivalents	\$ 880,382	\$ 754,551
Investments	-	5,169
Grants receivable, current	10,000	100,000
Employee retention tax credit receivable	-	32,601
Prepaid expenses	<u>5,263</u>	<u>10,293</u>
Total Current Assets	895,645	902,614
Cash and cash equivalents – endowment (Note 9)	100,780	451,943
Investments – endowment (Note 9)	1,652,850	1,112,277
Fixed assets, net of accumulated depreciation	-	-
Operating right-of-use assets	80,215	126,532
Security deposits	<u>9,618</u>	<u>9,618</u>
Total Assets	\$ <u>2,739,108</u>	\$ <u>2,602,984</u>
	<u>LIABILITIES AND NET ASSETS</u>	
Current Liabilities:		
Accounts and accrued expenses payable	\$ 26,649	\$ 30,134
Deferred revenue	110,000	165,000
Operating lease liability, current portion (Note 6)	48,472	48,726
EIDL loan interest payable, current portion (Note 7)	<u>6,593</u>	<u>10,160</u>
Total Current Liabilities	191,174	254,020
Operating lease liability, long-term portion (Note 6)	33,776	79,353
EIDL loan payable, long-term portion (Note 7)	<u>150,000</u>	<u>150,000</u>
Total Liabilities	<u>375,490</u>	<u>483,373</u>
Net Assets:		
Without donor restrictions - Undesignated	125,684	30,722
Without donor restrictions - Board designated	474,304	424,669
With donor restrictions (Note 8)	<u>1,763,630</u>	<u>1,664,220</u>
Total Net Assets	<u>2,363,618</u>	<u>2,119,611</u>
Total Liabilities & Net Assets	\$ <u>2,739,108</u>	\$ <u>2,602,984</u>

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

WESTCHESTER CHILDREN'S ASSOCIATION, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the Year Ended December 31, 2023

(With Summarized Comparative Information for the Year Ended December 31, 2022)

	2023			2022 <u>Total</u>
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	
Support:				
Contributions	\$ 275,405	\$	\$ 275,405	\$ 188,697
Other grants	117,000	165,000	282,000	174,000
Government grants		157,000	157,000	128,767
Investment return, net	65,141	189,410	254,551	(235,792)
Special events, net			-	146,855
Donated services			-	11,940
Other income			-	9,280
Net Assets released from restrictions:				
Satisfaction of program restrictions	<u>412,000</u>	<u>(412,000)</u>	<u>-</u>	<u>-</u>
Total Support	<u>869,546</u>	<u>99,410</u>	<u>968,956</u>	<u>423,747</u>
Expenditures:				
Program expenses	472,883		472,883	474,787
Administrative expenses	119,581		119,581	126,626
Fundraising expenses	<u>132,485</u>		<u>132,485</u>	<u>119,629</u>
Total Expenditures	<u>724,949</u>		<u>724,949</u>	<u>721,042</u>
Increase (decrease) in Net Assets	144,597	99,410	244,007	(297,295)
Net Assets, beginning of year	<u>455,391</u>	<u>1,664,220</u>	<u>2,119,611</u>	<u>2,416,906</u>
Net Assets, end of year	\$ <u>599,988</u>	\$ <u>1,763,630</u>	\$ <u>2,363,618</u>	\$ <u>2,119,611</u>

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

WESTCHESTER CHILDREN'S ASSOCIATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2023

(With Summarized Comparative Information for the Year Ended December 31, 2022)

	2023				2022 <u>Total</u>
	<u>Program Expenses</u>	<u>Administrative Expenses</u>	<u>Fundraising Expenses</u>	<u>Total</u>	
Salaries	\$ 278,067	\$ 63,003	\$ 31,737	\$ 372,807	\$ 385,377
Payroll taxes & employee benefits	60,254	13,652	6,877	80,783	90,351
Rent & utilities	34,594	5,766	5,765	46,125	54,988
Outside services	36,170	2,035	76,361	114,566	54,769
Professional fees (includes \$11,940 of in-kind in 2022)		27,514		27,514	39,420
Technology support & software	15,601	2,302	5,225	23,128	31,944
Program expenses	16,683		940	17,623	4,053
Equipment & maintenance	5,092	746	747	6,585	16,286
Printing and publications	4,971	523	523	6,017	10,486
Insurance	3,204	634	539	4,377	5,905
Travel and meals	3,379	902	66	4,347	2,145
Telephone and internet	1,431	523	2,234	4,188	5,647
Interest expense	3,094	516	515	4,125	4,125
Office expenses	2,429	497	383	3,309	2,262
Bank and credit card charges	1,944	431	324	2,699	4,689
Dues & conferences	2,476			2,476	3,947
Miscellaneous	2,003	183		2,186	1,286
Postage and shipping	1,491	249	249	1,989	2,228
Marketing		105		105	750
Depreciation				-	384
Total Expenditures	\$ <u>472,883</u>	\$ <u>119,581</u>	\$ <u>132,485</u>	\$ <u>729,949</u>	\$ <u>721,042</u>

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

WESTCHESTER CHILDREN'S ASSOCIATION, INC.

STATEMENT OF CASH FLOWS

For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Increase (decrease) in Net Assets	\$ 244,007	\$ (297,295)
Adjustments to reconcile increase (decrease) in Net Assets to net cash provided (used) by operating activities:		
Depreciation	-	384
Amortization of operating right-of-use assets	46,317	20,286
Donated stock	(8,106)	(5,170)
Realized and unrealized (gain) loss on investments	(245,242)	229,313
(Increase) decrease in grants receivable	90,000	(45,000)
(Increase) decrease in pledges receivable	-	2,247
(Increase) decrease in employee retention tax credit receivable	32,601	35,213
(Increase) decrease in prepaid expenses	5,030	(377)
Increase (decrease) in accounts and accrued expenses payable	(3,485)	11,796
Increase (decrease) in deferred revenue	(55,000)	154,000
Increase (decrease) in operating lease liabilities	(45,831)	(18,740)
Increase (decrease) in EIDL loan interest payable	<u>(3,567)</u>	<u>4,125</u>
Net cash provided (used) by operating activities	<u>56,724</u>	<u>90,782</u>
Cash flows from investing activities:		
Purchase of investments	(1,391,946)	(540,985)
Proceeds from sale/maturity of investments	<u>1,109,890</u>	<u>692,694</u>
Net cash provided (used) by investing activities	<u>(282,056)</u>	<u>151,709</u>
Net increase (decrease) in cash, cash equivalents and restricted cash	(225,332)	242,491
Cash, cash equivalents and restricted cash, beginning of year	<u>1,206,494</u>	<u>964,003</u>
Cash, cash equivalents and restricted cash, end of year	\$ <u>981,162</u>	\$ <u>1,206,494</u>

Supplemental disclosure of cash flow information:

Cash paid during the year for:

Interest	\$ 4,125	\$ 0
Income tax	\$ 0	\$ 0

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

WESTCHESTER CHILDREN'S ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

Note 1 – Description of Organization:

Westchester Children's Association, Inc. (the "Organization") is a not-for-profit corporation that was established to improve the lives of children by keeping their well-being at the top of the public agenda. The Organization accomplishes its mission by the collection and analysis of public data; research of current issues; public education and training; and direct advocacy in the areas of early childhood development, youth justice and development, supportive school environments and homeless children and youth. The Organization's vision is for every child to be healthy, safe and prepared for life's challenges regardless of race or zip code.

The Organization receives contributions from individuals, corporations, foundations, governmental entities, other organizations and trusts.

Note 2 – Significant Accounting Policies:

a. Basis of Accounting

The accompanying financial statements are prepared in accordance with U.S. generally accepted accounting principles on the accrual basis of accounting.

b. Cash and Cash Equivalents

The Organization considers all highly liquid instruments purchased with an original maturity of three months or less to be cash equivalents.

c. Investments

Investments are classified as held for investment and are stated at fair market value. Realized and unrealized gains or losses, investment income are reflected within investment return, net of expenses of \$14,800, in the statement of activities. Securities received as donations are recorded at fair market value and are generally sold immediately.

d. Net Assets

The accompanying financial statements present information regarding the financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Net assets without donor restrictions may be expended for any purpose in performing the primary objectives of the Organization and may be used at the discretion of management and the board of directors. Net assets with donor restrictions are subject to stipulations imposed by donors or grantors. Some restrictions are temporary in nature; those restrictions that will be met by the passage of time or accomplishing the purpose restriction. Other restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

WESTCHESTER CHILDREN'S ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

Note 2 – Significant Accounting Policies (continued):

e. Functional Expense Allocations

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and benefits, which are allocated on the basis of time and effort studies; and office and occupancy which are allocated based on payroll.

f. Volunteers

Board members and volunteers made significant contributions of their time to the Organization. The value of this contributed time is not reflected in these statements since it is not susceptible to objective measurement or valuation.

g. Revenue Recognition

Income from unconditional contributions is recognized when received or pledged. Conditional promises with measurable performance or other barriers and a right of return are not recognized until the conditions have been met. Grant revenue is recognized in accordance with FASB ASC 958-605, Not-for-Profit Entities: Revenue Recognition when the conditions are fulfilled and when the grant expenses are incurred.

The Organization has assessed the credit risk associated with their receivables and has estimated the expected credit losses to be immaterial, therefore no allowance for doubtful accounts has been deemed necessary.

h. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 revenues and expenses during the period. Actual results could differ from those estimates.

i. Income Tax Status

The Organization was formed under the Not-For-Profit Corporation Law of the State of New York and is exempt from Federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization adopted the provision pertaining to uncertain tax positions and has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. The Organization is generally no longer subject to income tax examinations by the applicable taxing jurisdictions for periods prior to 2021.

WESTCHESTER CHILDREN'S ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

Note 2 – Significant Accounting Policies (continued):

j. Reclassifications

Certain reclassifications may have been made to some prior year account balances in order to conform to current year presentation.

k. Leases

The Organization's lease portfolio primarily consists of leases for its office space and certain office equipment under operating leases. The Organization determines if an arrangement is a lease at inception by evaluating whether the arrangement conveys the right to use an identified asset and whether the Organization obtains substantially all of the economic benefits from and has the ability to direct the use of the asset. Leases with an initial term of 12 months or less are not recorded on the Statement of Financial Position; the Organization recognizes expense for these leases on a straight-line basis over the lease term. For leases with an initial term in excess of 12 months, lease right-of-use assets and lease liabilities are recognized based on the present value of the future lease payments over the committed lease term at the lease commencement date. If the Organization's leases do not provide an implicit rate, the Organization uses the risk-free rate and the information available at the lease commencement date in determining the present value of future lease payments. Most leases include one or more options to renew and the exercise of renewal options is at the Organization's sole discretion. The Organization included renewal options in its determination of the lease term because the renewals are deemed to be reasonably certain at lease commencement. Operating lease expense for lease payments is recognized on a straight-line basis over the lease term. Any non-lease components based on actual costs incurred by the lessor related to the payment of real estate taxes, common area maintenance, and insurance are expensed as incurred.

l. Subsequent Events

Subsequent events have been evaluated through October 17, 2024 which is the date the financial statements were available to be issued.

WESTCHESTER CHILDREN'S ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

Note 3 – Liquidity and Availability:

The Organization is substantially supported by contributions and grants and must maintain sufficient resources to meet those responsibilities to its donors. As part of the liquidity plan, the Organization has a policy to structure its financial assets to be available for its general expenditures, liabilities, and other obligations that come due. The following represents the financial assets that are available to meet general expenditures within one year, reduced by amounts for donor-imposed restrictions or board designations:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 981,162	\$ 1,206,494
Investments	1,652,850	1,117,446
Grants and other receivables	10,000	132,601
Less amounts not available to be used within one year:		
Subject to time restrictions	(10,000)	(100,000)
Restricted by donor in perpetuity	<u>(1,753,630)</u>	<u>(1,564,220)</u>
Financial assets available to meet general expenditures within one year	\$ <u>880,382</u>	\$ <u>792,321</u>

Note 4 – Fair Value Measurements:

The Organization adopted the provisions pertaining to fair value measurements and disclosures which offers framework consisting of a three-tier hierarchy of inputs to be used in determining the fair market value of assets and liabilities. The following is a summary of the fair value hierarchy of inputs: *Fair value measurements based on Level 1 inputs:* Includes quoted prices in active markets for identical assets or liabilities to which the company has access at the measurement date. *Fair value measurement based on Level 2 inputs:* Includes inputs other than quoted market prices that are directly or indirectly observable for the assets or liability, including quoted prices in an active market for similar assets or liabilities; quoted prices in a market that is not active for the same or similar assets or liabilities; inputs other than quoted market prices that are observable for the asset or liability. *Fair value measurements based on Level 3 inputs:* Includes unobservable inputs reflecting the assumptions that a market participant would use to price the asset or liability.

Equities and U.S. Treasury bills traded funds are valued at the closing price reported on the active market on which the individual investments are traded.

WESTCHESTER CHILDREN'S ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

Note 4 – Fair Value Measurements (continued):

The following table provides the fair value hierarchy of the Organization's financial assets as of December 31:

<u>Level 1</u>	<u>2023</u>	<u>2022</u>
Equities	\$ 1,048,705	\$ 911,005
U.S. Treasury Bills	<u>604,145</u>	<u>206,441</u>
Total	\$ <u>1,652,850</u>	\$ <u>1,117,446</u>

Investment return consisted of the following as of December 31:

	<u>2023</u>	<u>2022</u>
Interest-bank deposits	\$ 15,971	\$ 1,385
Interest and dividends	45,971	23,384
Realized gains (losses)	(9,614)	(115,639)
Unrealized gains (losses)	217,023	(128,603)
Investment expenses	<u>(14,800)</u>	<u>(16,319)</u>
Total	\$ <u>254,551</u>	\$ <u>(235,792)</u>

Note 5 – Fixed Assets:

Fixed assets are carried at cost, net of accumulated depreciation. These amounts do not purport to represent replacement or realized values. Depreciation is recorded using the straight-line method based on the useful lives of the assets. Fixed assets consisted of the following for the year ended December 31:

	<u>2023</u>	<u>2022</u>
Furniture and fixtures	\$ 18,563	\$ 18,563
Less: Accumulated depreciation	<u>(18,563)</u>	<u>(18,563)</u>
Total fixed assets, net	\$ <u>-</u>	\$ <u>-</u>

WESTCHESTER CHILDREN'S ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

Note 6 – Commitments and Contingencies:

- a. Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash accounts in financial institutions, which from time to time exceed the federal depository insurance coverage limits.
- b. Pursuant to the Organization's contractual relationships with certain funding sources, outside agencies have the right to examine the books and records of the Organization involving transactions relating to these contracts. The accompanying financial statements made no provisions for possible disallowances. Although such possible disallowances could be substantial in amount, in the opinion of Management, any actual disallowances would be immaterial.
- c. The Organization is obligated under operating lease agreements for its administrative office and for office equipment. The components of leases for the year ended December 31, 2023 were as follows:

Operating lease expense	\$ 49,211
Variable lease expense	<u>1,734</u>
Total	\$ <u>50,945</u>

Supplemental information related to operating leases:

Cash paid for amounts included in the measurement of lease liabilities:

Operating cash flows from operating leases	\$ 48,726
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Weighted-average remaining operating lease terms	1.71 years
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Weighted-average discount rate for operating leases	2.80%
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WESTCHESTER CHILDREN'S ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

Note 6 – Commitments and Contingencies (continued):

Future maturities of lease liabilities are as follows:

2024	\$ 50,042
2025	31,671
2026	<u>2,430</u>
Total	84,143
Less present value discount	<u>(1,895)</u>
Total lease liability	82,248
Less current portion	<u>(48,472)</u>
Long-term lease liabilities	\$ <u>33,776</u>

Note 7 – Economic Injury Disaster Loan:

On July 16, 2020, the Organization received a thirty-year Economic Injury Disaster Loan (“EIDL”) in the amount of \$150,000 from the Small Business Administration in light of the impact of the COVID-19 pandemic on the Organization’s operations. Interest accrues at a rate of 2.75% per annum and installment payments of \$641 will begin 30 months from the date of the loan, which began January 16, 2023. Each payment will be applied first to accrued interest. The loan is collateralized by the assets of the Organization.

Principal payments due under this loan are payable as follows:

2024	\$ -
2025	530
2026	3,627
2027	3,728
Thereafter	<u>142,115</u>
Total	\$ <u>150,000</u>

WESTCHESTER CHILDREN'S ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

Note 8 – Net Assets:

Restricted support is recorded as an increase in net assets with donor restrictions. When the restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are classified to net assets without donor restrictions and reported on the *Statement of Activities* as net assets released from restrictions. Net assets with donor restrictions for the year ended December 31, 2023 and 2022 were as follows:

	<u>2023</u>	<u>2022</u>
Subject to time restrictions:	\$ 10,000	\$ 100,000
Not subject to appropriation or expenditure:		
Investment in perpetuity	<u>1,753,630</u>	<u>1,564,220</u>
Total net assets with donor restrictions	\$ <u>1,763,630</u>	\$ <u>1,664,220</u>

The Board has designated \$474,304 of net assets without donor restrictions which requires a Board resolution prior to operating use by the Organization.

Note 9 – Endowment:

The Organization's endowment consists of net assets restricted in perpetuity, of certain donor restricted contributions, to be held indefinitely. The income from all net assets restricted in perpetuity is restricted until released by the Board.

Interpretation of relevant law

The Board of Directors of the Organization has interpreted the New York Prudent Management of Institutional Funds Act (NYPMIFA) as requiring the preservation of the fair value of the original funds as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization retains in perpetuity (a) the original value of initial and subsequent gift amounts donated to the endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by NYPMIFA.

WESTCHESTER CHILDREN'S ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

Note 9 – Endowment (continued):

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

- a. The duration and preservation of the fund;
- b. The general purposes of the Organization and the endowment;
- c. General economic conditions;
- d. The possible effect of inflation and deflation;
- e. The expected total return from income and appreciation of investments;
- f. Other resources of the Organization;
- g. The investment policies of the Organization.

The composition of the endowment for the year ended December 31 is as follows:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 100,780	\$ 451,943
Equities	1,048,705	905,836
U.S. Treasury Bills	<u>604,145</u>	<u>206,441</u>
Total	\$ <u>1,753,630</u>	\$ <u>1,564,220</u>

Note 10 – Government Support:

Westchester County contributed \$157,000 and \$145,000 to the Organization for its youth development programs for the year ended December 31, 2023 and 2022, respectively. The Organization's management represents that the funds were spent in compliance with the agreement and did not replace funds previously provided from another source nor contributed to any surplus.

The Organization received approval for an Employee Retention Tax Credit under the CARES Act in the amount of \$51,581. This credit is a refundable tax credit against certain employment taxes per employee for eligible employers. The Organization received \$32,601 in 2023 and \$18,980 in 2022.

WESTCHESTER CHILDREN'S ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

Note 11 – In-Kind Contribution of Donated Services:

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased. The Organization received donated legal with a fair market value of \$11,940 for the year ended December 31, 2022, which has been recorded in the accompanying financial statements as income with a corresponding expense in 2022. There were no donated services recorded in 2023.

Note 12 – Deferred Salary Plan:

The Organization has established a 401k deferred salary plan whereby employees have the option to contribute pre-tax dollars. The Organization contributes an employer match of 4% to eligible employees, regardless of whether the employee contributes to the plan.

Note 13 – Summarized Comparative Totals:

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 general accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2022, from which the summarized information was derived.