



NEW YORK NEEDS YOU
d/b/a AMERICA NEEDS YOU

Audited Financial Statements

June 30, 2014



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
New York Needs You d/b/a America Needs You

Report on the Financial Statements

We have audited the accompanying financial statements of New York Needs You d/b/a America Needs You (the "Organization"), which comprise the statement of financial position as of June 30, 2014, 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.

Auditors' 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 from 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 auditors' 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 organization's preparation and fair presentation of the financial statements 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, 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.

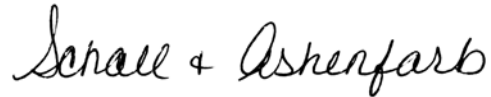
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New York Needs You d/b/a America Needs You as of June 30, 2014, 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.

Report on Summarized Comparative Information

We have previously audited the Organization's 2013 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 29, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2013 is consistent, in all material respects, with the audited financial statements from which it has been derived.



Schall & Ashenfarb
Certified Public Accountants, LLC

February 24, 2015

NEW YORK NEEDS YOU d/b/a AMERICA NEEDS YOU
STATEMENT OF FINANCIAL POSITION
AT JUNE 30, 2014
(With comparative totals for June 30, 2013)

	<u>6/30/14</u>	<u>6/30/13</u>
Assets		
Cash and cash equivalents	\$491,595	\$313,551
Investments (Note 3)	721,409	706,399
Pledges receivable (Note 4)	397,087	390,957
Prepaid expenses and other assets	56,500	12,300
Property and equipment, net (Note 5)	21,687	29,589
Security deposit	<u>86,322</u>	<u>86,182</u>
 Total assets	 <u><u>\$1,774,600</u></u>	 <u><u>\$1,538,978</u></u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$17,847	\$40,776
Conditional contributions	10,000	202,726
Deferred rent	<u>46,208</u>	<u>49,466</u>
Total liabilities	<u><u>74,055</u></u>	<u><u>292,968</u></u>
Net assets:		
Unrestricted	1,323,611	1,122,140
Temporarily restricted (Note 6)	<u>376,934</u>	<u>123,870</u>
Total net assets	<u><u>1,700,545</u></u>	<u><u>1,246,010</u></u>
 Total liabilities and net assets	 <u><u>\$1,774,600</u></u>	 <u><u>\$1,538,978</u></u>

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

NEW YORK NEEDS YOU d/b/a AMERICA NEEDS YOU
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014
(With comparative totals for the year ended June 30, 2013)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 6/30/14</u>	<u>Total 6/30/13</u>
Public support:				
Contributions	\$1,366,740	\$471,250	\$1,837,990	\$1,151,158
Special event income (net of direct expenses) (Note 7)	1,096,881		1,096,881	1,558,033
Interest and dividend income	15,801		15,801	21,293
In-kind donations (Note 2k)	286,600		286,600	0
Net assets released from restrictions (Note 6)	218,186	(218,186)	0	0
Total public support	<u>2,984,208</u>	<u>253,064</u>	<u>3,237,272</u>	<u>2,730,484</u>
Expenses:				
Program services	2,208,993		2,208,993	2,091,585
Supporting services:				
Management and general	376,710		376,710	265,360
Fundraising	250,620		250,620	360,446
Total supporting services	<u>627,330</u>	<u>0</u>	<u>627,330</u>	<u>625,806</u>
Total expenses	<u>2,836,323</u>	<u>0</u>	<u>2,836,323</u>	<u>2,717,391</u>
Change in net assets from operating activities	<u>147,885</u>	<u>253,064</u>	<u>400,949</u>	<u>13,093</u>
Non-operating activities:				
Realized gain on investments	9,076		9,076	0
Unrealized gain on investments	44,510		44,510	22,988
Total non-operating activities	<u>53,586</u>	<u>0</u>	<u>53,586</u>	<u>22,988</u>
Change in net assets	201,471	253,064	454,535	36,081
Net assets - beginning of year	<u>1,122,140</u>	<u>123,870</u>	<u>1,246,010</u>	<u>1,209,929</u>
Net assets - end of year	<u><u>\$1,323,611</u></u>	<u><u>\$376,934</u></u>	<u><u>\$1,700,545</u></u>	<u><u>\$1,246,010</u></u>

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NEW YORK NEEDS YOU d/b/a AMERICA NEEDS YOU
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2014
(With comparative totals for the year ended June 30, 2013)

	Supporting Services			Total Supporting Services	Total 6/30/14	Total 6/30/13
	Program Services	Management and General	Fundraising			
Salaries	\$948,721	\$151,819	\$102,923	\$254,742	\$1,203,463	\$1,521,529
Payroll taxes and benefits	138,907	22,229	15,069	37,298	176,205	195,575
Professional fees (including in-kind of \$2,200)	54,275	35,819	8,331	44,150	98,425	72,814
Fundraising expenses			78,282	78,282	78,282	95,823
Program expenses (including in-kind of \$284,400)	831,037			0	831,037	469,910
Office expenses	45,850	13,373	10,899	24,272	70,122	80,338
Equipment and service contracts	1,827	28,802	1,093	29,895	31,722	24,280
Telephone	18,966	3,035	2,058	5,093	24,059	29,486
Printing and publications	12,328	1,973	1,337	3,310	15,638	9,887
Insurance	4,504	720	489	1,209	5,713	9,289
Occupancy	146,349	23,419	15,877	39,296	185,645	181,653
Bank fees		2,556	13,586	16,142	16,142	17,857
Depreciation	6,229	997	676	1,673	7,902	8,950
Bad debt expense (Note 2g)		91,968		91,968	91,968	0
Total expenses	\$2,208,993	\$376,710	\$250,620	\$627,330	\$2,836,323	\$2,717,391

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

NEW YORK NEEDS YOU d/b/a AMERICA NEEDS YOU
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2014
(With comparative totals for the year ended June 30, 2013)

	<u>6/30/14</u>	<u>6/30/13</u>
Cash flows from operating activities:		
Change in net assets	\$454,535	\$36,081
Adjustments to reconcile change in net assets to net cash provided by/(used for) operating activities:		
Depreciation	7,902	8,950
Net gain on investments	(53,586)	(22,988)
(Increase)/decrease in assets:		
Pledges receivable	(6,130)	(256,258)
Prepaid expenses and other assets	(44,200)	36,313
Security deposit	(140)	(195)
Increase/(decrease) in liabilities:		
Accounts payable and accrued expenses	(22,929)	12,648
Conditional contributions	(192,726)	19,976
Deferred rent	(3,258)	1,135
Total adjustments	<u>(315,067)</u>	<u>(200,419)</u>
Net cash flows provided by/(used for) operating activities	<u>139,468</u>	<u>(164,338)</u>
 Cash flows from investing activities:		
Purchase of investments	(402,716)	(20,959)
Proceeds from sale of investments	491,310	0
Transfers out of cash	(207,823)	0
Transfers into cash	157,805	94,839
Net cash flows provided by investing activities	<u>38,576</u>	<u>73,880</u>
 Net increase/(decrease) in cash and cash equivalents	178,044	(90,458)
 Cash and cash equivalents - beginning of year	<u>313,551</u>	<u>404,009</u>
 Cash and cash equivalents - end of year	<u><u>\$491,595</u></u>	<u><u>\$313,551</u></u>
 Supplemental disclosures:		
Interest and taxes paid	<u><u>\$0</u></u>	<u><u>\$0</u></u>

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

NEW YORK NEEDS YOU d/b/a AMERICA NEEDS YOU
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 1. Organization

New York Needs You d/b/a America Needs You (the "Organization") was incorporated on July 7, 2009 in New York State. The Organization fights for economic mobility for ambitious, first-generation college students by providing transformative mentorship and intensive career development.

The Organization is a tax exempt organization under Section 501(c)(3) of the Internal Revenue Code. They have not been designated as a private foundation.

The Organization is currently in the process of formally changing their name to America Needs You.

Note 2. Summary of Significant Accounting Policies

a. Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting which is the process of recognizing revenue and expenses when earned or incurred rather than when received or paid.

b. Basis of Presentation

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

- *Unrestricted* – represents all activity without donor imposed restrictions.
- *Temporarily restricted* – accounts for activity based on specific donor restrictions that are expected to be satisfied by passage of time or performance of activities.

c. Contributions

Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. If a restricted contribution is satisfied within the same period it has been received, it is recorded as unrestricted. Conditional contributions are recognized when the conditions on which they depend are substantially met.

d. 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 (excluding cash held as part of the investment portfolio).

e. Concentration of Credit Risk

Financial instruments which potentially subject the Organization to concentration of credit risk consist of cash, money market accounts and investment securities which have been placed with financial institutions that management deems to be creditworthy. At times, balances may exceed federally insured limits. While at year-end there were material uninsured balances, management feels they have little risk and has not experienced any losses due to bank failure.

The market value of investments is subject to fluctuation; however, management believes the investment policy is prudent for the long-term welfare of the Organization.

f. Pledges Receivable

Pledges receivable are recognized in the period the promise is considered unconditional in nature. If receipt is expected within one year, it is recorded at net realizable value, but if expected in more than one year, it is recorded at fair value using risk adjusted present value techniques.

g. Allowance for Uncollectible Accounts

The Organization reviews all outstanding receivables for collectability based on the creditworthy and age of the receivables. Based on this review they have determined that no allowance for doubtful accounts is necessary as of June 30, 2014 or 2013. Pledges receivable are written-off directly to expense when all reasonable collection efforts have been exhausted. During 2014, total write-offs were \$91,968.

h. Investments

Investments are recorded at fair value, which refers to the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Realized and unrealized gains and losses are recognized in the statement of activities.

i. Property and Equipment

Purchases of property and equipment that the Organization retains title to that benefit future periods are capitalized at cost or at fair value at the date received if donated. Fixed assets are depreciated using the straight-line method over the estimated useful life of the asset.

j. Deferred Rent

The Organization recognizes rent expense on the straight-line method and records deferred rent for the cumulative amount that expenses exceed actual payments. In latter stages of the lease, deferred rent will be reduced as the amount of payments exceeds the expense recorded.

k. Donated Services

Donated services are recognized in circumstances where the service creates or enhances a non-financial asset or where those services require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided in-kind. During the year ended June 30, 2014, \$2,200 of in-kind professional fees and \$284,400 of in-kind program space have been recognized.

Board members and other individuals volunteer their time and perform a variety of tasks that assist the Organization. These services do not meet the criteria outlined above and have not been recorded in the financial statements.

l. 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.

m. Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the financial statements. Certain costs have been allocated among the programs and supporting services benefited. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

n. 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, 2011 and later are subject to examination by applicable taxing authorities.

o. 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, 2013, from which the summarized information was derived.

p. Subsequent Events

Management has evaluated for potential recognition and disclosure events subsequent to the date of the statement of financial position through February 24, 2015 the date the financial statements were available to be issued. No events have occurred subsequent to the statement of financial position date through our evaluation date that would require adjustment to or disclosure in the financial statements.

Note 3 - Investments

Accounting standards establish a fair value hierarchy that gives the highest priority to quoted market prices in active markets and the lowest priority to unobservable data. All investments were measured using Level 1 inputs, which are the quoted prices in active markets for identical assets. The following summarizes the composition of investments:

	<u>6/30/14</u>	<u>6/30/13</u>
Money market fund and other cash	\$38,615	\$7,462
Exchange traded & closed ended funds	288,804	471,622
Mutual funds - equities	124,315	135,113
Mutual funds – fixed income	<u>269,675</u>	<u>92,202</u>
Total	<u>\$721,409</u>	<u>\$706,399</u>

Level 1 investments are valued at the closing price reported on the active market that they are traded on.

Note 4 - Pledges Receivable

Pledges receivable are due in the following periods:

Year ended: June 30, 2015	\$253,087
June 30, 2016	50,000
June 30, 2017	50,000
June 30, 2018	<u>50,000</u>
	403,087
Less: present value discount (2%)	<u>(6,000)</u>
Total	<u>\$397,087</u>

Note 5 - Fixed Assets

Fixed assets consist of the following:

	<u>6/30/14</u>	<u>6/30/13</u>
Furniture and equipment (3-7 years)	\$52,799	\$52,799
Less: accumulated depreciation	<u>(31,112)</u>	<u>(23,210)</u>
Total fixed assets	<u>\$21,687</u>	<u>\$29,589</u>

Note 6 - Temporarily Restricted Net Assets

The following schedule summarizes temporarily restricted net assets:

	<u>June 30, 2014</u>			
	Balance <u>7/1/13</u>	Contributions	Released From Restrictions	Balance <u>6/30/14</u>
Curriculum & Community Leadership Development	\$97,274	\$0	(\$97,274)	\$0
Fellows Support Coordinator Position	26,596	0	(26,596)	0
Fellows Program	0	150,000	0	150,000
College Connection	0	77,250	(44,316)	32,934
New York Operations	<u>0</u>	<u>244,000</u>	<u>(50,000)</u>	<u>194,000</u>
Total	<u>\$123,870</u>	<u>\$471,250</u>	<u>(\$218,186)</u>	<u>\$376,934</u>

	<u>June 30, 2013</u>			
	Released Balance <u>7/1/12</u>	Contributions	From Restrictions	Balance <u>6/30/13</u>
Curriculum & Community Leadership Development	\$150,000	\$97,274	(\$150,000)	\$97,274
Fellows Support Coordinator Position	0	60,000	(33,404)	26,596
Time Restricted	<u>50,000</u>	<u>0</u>	<u>(50,000)</u>	<u>0</u>
Total	<u>\$200,000</u>	<u>\$157,274</u>	<u>(\$233,404)</u>	<u>\$123,870</u>

Note 7 - Fundraising Events

The Organization hosts multiple fundraising events throughout the year. The special event proceeds are summarized as follows:

	<u>June 30, 2014</u>			
	<u>Gala</u>	<u>YLB Event</u>	<u>Other</u>	<u>Total</u>
Gross revenue	\$1,067,820	\$85,741	\$93,772	\$1,247,333
Less: direct expenses				
to donor	<u>(121,800)</u>	<u>(16,100)</u>	<u>(12,552)</u>	<u>(150,452)</u>
Net	946,020	69,641	81,220	1,096,881
Less: indirect expenses	<u>(65,215)</u>	<u>(6,522)</u>	<u>(6,545)</u>	<u>(78,282)</u>
Total	<u>\$880,805</u>	<u>\$63,119</u>	<u>\$74,675</u>	<u>\$1,018,599</u>
	<u>June 30, 2013</u>			
	<u>Gala</u>	<u>YLB Event</u>	<u>Other</u>	<u>Total</u>
Gross revenue	\$1,348,053	\$137,795	\$264,747	\$1,750,595
Less: direct expenses				
to donor	<u>(155,610)</u>	<u>(17,948)</u>	<u>(19,004)</u>	<u>(192,562)</u>
Net	1,192,443	119,847	245,743	1,558,033
Less: indirect expenses	<u>(85,781)</u>	<u>(6,019)</u>	<u>(4,023)</u>	<u>(95,823)</u>
Total	<u>\$1,106,662</u>	<u>\$113,828</u>	<u>\$241,720</u>	<u>\$1,462,210</u>

Note 8 - Commitments

The Organization has a lease for office space which expires June 30, 2018. Future minimum payments are as follows:

<u>Year Ending:</u>	<u>Amount</u>
June 30, 2015	\$184,800
June 30, 2016	189,408
June 30, 2017	170,460
June 30, 2018	<u>209,664</u>
Total	<u>\$754,332</u>

Note 9 - Employee Benefit Plan

Effective November 1, 2013, the Organization set up a tax deferred annuity plan in accordance with the Internal Revenue Service Code Section 403(b). The plan allows employees to voluntarily contribute a portion of their salary (limited by statutory rates) to the plan to be used for retirement. The Organization may, on an annual basis, provide a match to employees. There were no employer contributions made to the plan for the year ended June 30, 2014.