



***NEW YORK COUNCIL OF NONPROFITS, INC.
AND RELATED ENTITIES***

***CONSOLIDATED FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION***

DECEMBER 31, 2024 AND 2023

NEW YORK COUNCIL OF NONPROFITS, INC. AND RELATED ENTITIES

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
New York Council of Nonprofits, Inc. and Related Entities

Opinion

We have audited the accompanying consolidated financial statements of New York Council of Nonprofits, Inc. (a nonprofit organization) and Related Entities ("NYCON"), which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, and the related consolidated statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of NYCON as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 New York Council of Nonprofits, Inc. and Related Entities and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about NYCON's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 consolidated 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 consolidated 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 consolidated 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 NYCON'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about NYCON'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 Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information on pages 23-31 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.



CUSACK & COMPANY, CPA'S LLC

Latham, New York
May 22, 2025

NEW YORK COUNCIL OF NONPROFITS, INC. AND RELATED ENTITIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2024 AND 2023

	<u>ASSETS</u>	
	<u>2024</u>	<u>2023</u>
Current Assets		
Cash	\$ 623,319	\$ 864,663
Cash - Subcontractor and Custodial Arrangements	1,348,683	2,444,442
Investments	1,091,889	1,019,337
Accounts, Grants and Other Receivables	568,805	486,333
Prepaid and Other Expenses	61,135	52,755
Unemployment Trust Fund Reserve	<u>45,462</u>	<u>38,231</u>
Total Current Assets	<u>3,739,293</u>	<u>4,905,761</u>
Non-Current Assets		
Investments	403,137	351,208
Land, Building and Equipment, Net	700,132	733,882
Right-of-Use-Assets, Operating Leases	1,354	12,346
Other Assets	<u>4,050</u>	<u>4,050</u>
Total Non-Current Assets	<u>1,108,673</u>	<u>1,101,486</u>
Total Assets	<u>\$ 4,847,966</u>	<u>\$ 6,007,247</u>
	<u>LIABILITIES AND NET ASSETS</u>	
Current Liabilities		
Line of Credit Payable	\$ 150,000	\$ -
Current Portion of Long-Term Debt	24,200	44,561
Current Portion of Operating Lease Liability	1,354	10,992
Accounts Payable and Accrued Expenses	293,460	194,426
Security Deposits - FSA/HRA	1,295	1,952
FSA/HRA Contributions Held in Trust	440,361	456,447
Due to Subcontractor and Custodial Arrangements	907,027	1,986,043
Deferred Revenue	486,237	1,473,917
Unemployment Liability	<u>45,462</u>	<u>38,231</u>
Total Current Liabilities	<u>2,349,396</u>	<u>4,206,569</u>
Long-Term Liabilities		
Long-Term Debt, Net of Current Portion	236,289	259,170
Operating Lease Liability, Net of Current Portion	<u>-</u>	<u>1,354</u>
Total Long-Term Liabilities	<u>236,289</u>	<u>260,524</u>
Total Liabilities	<u>2,585,685</u>	<u>4,467,093</u>
Net Assets		
Without Donor Restrictions		
Undesignated	1,758,895	1,092,536
Designated by the Board	<u>391,955</u>	<u>318,162</u>
Total Without Donor Restrictions	<u>2,150,850</u>	<u>1,410,698</u>
With Donor Restrictions		
Foundation Funding	11,273	30,299
Doug Sauer TANC Program Scholarships	<u>100,158</u>	<u>99,157</u>
Total With Donor Restrictions	<u>111,431</u>	<u>129,456</u>
Total Net Assets	<u>2,262,281</u>	<u>1,540,154</u>
Total Liabilities and Net Assets	<u>\$ 4,847,966</u>	<u>\$ 6,007,247</u>

NEW YORK COUNCIL OF NONPROFITS, INC. AND RELATED ENTITIES

CONSOLIDATED STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue, Support and Reclassifications			
Foundation Revenue	\$ 490,842	\$ -	\$ 490,842
Government Contracts	1,171,136	-	1,171,136
Member Dues	244,548	-	244,548
Premiums	764,597	-	764,597
Subscriber and Late Fees	125,518	-	125,518
Fees for Service and Seminars	701,477	-	701,477
Commission and Fee Revenue	1,650,154	-	1,650,154
Shared Service Income	13,775	-	13,775
Investment Returns, Net	104,825	-	104,825
Administrative Service Fees	637,694	-	637,694
Contributions	118,091	1,000	119,091
Other Income	50,522	-	50,522
Net Assets Released from Restrictions	<u>19,025</u>	<u>(19,025)</u>	<u>-</u>
Total Revenue, Support and Reclassifications	<u>6,092,204</u>	<u>(18,025)</u>	<u>6,074,179</u>
Expenses			
Non-Profit Capacity Building:			
General Member Services	336,319	-	336,319
Group Employee Benefit Plan	766,329	-	766,329
Technical Assistance and Training Policy	1,631,813	-	1,631,813
Council Services Plus, Inc.	85,582	-	85,582
Good Causes, Inc.	1,335,675	-	1,335,675
Board Strong, Inc.	574,955	-	574,955
Total Program Services	<u>67,489</u>	<u>-</u>	<u>67,489</u>
Management and General	4,798,162	-	4,798,162
Fundraising	541,355	-	541,355
Total Expenses	<u>12,535</u>	<u>-</u>	<u>12,535</u>
Change in Net Assets	740,152	(18,025)	722,127
Net Assets, Beginning of Year	<u>1,410,698</u>	<u>129,456</u>	<u>1,540,154</u>
Net Assets, End of Year	<u>\$ 2,150,850</u>	<u>\$ 111,431</u>	<u>\$ 2,262,281</u>

NEW YORK COUNCIL OF NONPROFITS, INC. AND RELATED ENTITIES

CONSOLIDATED STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue, Support and Reclassifications			
Foundation Revenue	\$ 387,847	\$ -	\$ 387,847
Government Contracts	389,025	-	389,025
Employee Retention Credits (ERC)	217,754	-	217,754
Member Dues	203,748	-	203,748
Premiums	698,130	-	698,130
Subscriber and Late Fees	122,495	-	122,495
Fees for Service and Seminars	680,218	-	680,218
Commission and Fee Revenue	1,492,300	-	1,492,300
Shared Service Income	5,750	-	5,750
Investment Returns, Net	66,253	-	66,253
Administrative Service Fees	151,756	-	151,756
Contributions	98,055	6,000	104,055
Other Income	42,087	-	42,087
Net Assets Released from Restrictions	<u>46,539</u>	<u>(46,539)</u>	<u>-</u>
Total Revenue, Support and Reclassifications	<u>4,601,957</u>	<u>(40,539)</u>	<u>4,561,418</u>
Expenses			
Non-Profit Capacity Building:			
General Member Services	334,698	-	334,698
Group Employee Benefit Plan	699,585	-	699,585
Technical Assistance and Training Policy	1,403,005	-	1,403,005
Council Services Plus, Inc.	25,852	-	25,852
Good Causes, Inc.	1,164,093	-	1,164,093
Board Strong, Inc.	142,604	-	142,604
Total Program Services	<u>64,315</u>	<u>-</u>	<u>64,315</u>
Management and General	3,834,152	-	3,834,152
Fundraising	623,452	-	623,452
Total Expenses	<u>86,399</u>	<u>-</u>	<u>86,399</u>
Change in Net Assets	57,954	(40,539)	17,415
Net Assets, Beginning of Year	<u>1,352,744</u>	<u>169,995</u>	<u>1,522,739</u>
Net Assets, End of Year	<u>\$ 1,410,698</u>	<u>\$ 129,456</u>	<u>\$ 1,540,154</u>

NEW YORK COUNCIL OF NONPROFITS, INC. AND RELATED ENTITIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities:		
Change in Net Assets	\$ 722,127	\$ 17,415
Adjustments to Reconcile Change in Net Assets to Net Cash Provided By (Used In) Operating Activities		
Amortization of Debt Issuance Costs	1,316	1,316
Depreciation	50,309	69,730
Bad Debts	4,594	283
Unrealized (Gain) Loss on Investments	(38,511)	(36,548)
Realized (Gain) Loss on Investments	(2,162)	486
Changes in Operating Assets and Liabilities		
(Increase) Decrease in Assets:		
Accounts, Grants and Other Receivables	(87,066)	(141,587)
Prepaid and Other Expenses	(8,380)	(9,967)
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	99,034	20,101
Deferred Revenue	<u>(987,680)</u>	<u>854,098</u>
Net Cash Provided By (Used In) Operating Activities	<u>(246,419)</u>	<u>775,327</u>
Cash Flows from Investing Activities:		
Purchase of Investments	(1,071,442)	(727,274)
Purchase of Land, Building and Equipment	(16,559)	(14,294)
Proceeds from Sale of Investments	<u>987,634</u>	<u>572,000</u>
Net Cash Used In Investing Activities	<u>(100,367)</u>	<u>(169,568)</u>
Cash Flows from Financing Activities:		
Line of Credit Activity, Net	150,000	(235,000)
Repayments on Long-Term Debt	<u>(44,558)</u>	<u>(42,814)</u>
Net Cash Provided By (Used In) Financing Activities	<u>105,442</u>	<u>(277,814)</u>
Net Change in Cash	(241,344)	327,945
Cash, Beginning of Year	<u>864,663</u>	<u>536,718</u>
Cash, End of Year	<u>\$ 623,319</u>	<u>\$ 864,663</u>
Supplemental Disclosure of Other Cash Transactions:		
Interest Paid	<u>\$ 12,431</u>	<u>\$ 34,334</u>
Income Taxes Paid	<u>\$ 93,494</u>	<u>\$ 86,527</u>

NEW YORK COUNCIL OF NONPROFITS, INC. AND RELATED ENTITIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2024

	Program Services						Supporting Services			
	Non-Profit Capacity Building									
	General Member Services	Group Employee Benefit Plan	Technical Assistance and Training	Policy	Council Services Plus, Inc.	Good Causes, Inc.	Board Strong, Inc.	Management and General	Fundraising	Total
Salaries	\$ 200,067	\$ -	\$ 723,176	\$ 19,810	\$ 889,314	\$ 521,536	\$ 34,393	\$ 342,359	\$ 9,875	\$ 2,740,530
Employee Benefits	39,359	-	83,344	1,932	125,978	3,837	5,293	50,635	536	310,914
Payroll Taxes	17,501	-	61,499	1,633	71,813	37,996	2,863	29,193	802	223,300
Total Salaries and Related Expenses	256,927	-	868,019	23,375	1,087,105	563,369	42,549	422,187	11,213	3,274,744
Temporary Services and Consultants	100	-	154,536	60,000	3,788	27,421	169,144	6,875	-	421,864
Professional Fees	4,129	-	13,590	223	11,127	8,067	4,760	7,151	86	49,133
Supplies	1,024	-	3,050	14	12,749	-	-	1,135	6	17,978
Telephone	2,735	-	10,781	145	8,314	-	969	3,710	56	26,710
Postage	2,367	-	225	-	253	41	26	378	-	3,290
Occupancy	2,524	-	23,451	137	58,199	2,194	29,250	4,051	53	119,859
Equipment and Building Maintenance	9,761	-	29,240	751	8,698	-	1,000	31,133	177	80,760
Travel	1,289	-	24,541	-	-	-	1,377	498	-	27,705
Educational Events and Conferences	185	-	248,381	-	3,138	-	345	1,568	-	253,617
Printing and Communication	271	-	938	13	101	39	202	403	5	1,972
Dues and Publications	27,519	-	15,664	222	52,602	80	7,493	14,771	107	118,458
Interest Expense	-	-	-	-	-	-	-	13,747	-	13,747
Miscellaneous	14,912	19,771	1,731	100	337	796	1,128	18,270	600	57,645
Premium Expense	-	873,976	-	-	-	-	-	-	-	873,976
Insurance Expense	2,860	-	10,936	154	11,305	2,683	4,259	3,342	59	35,598
Advertising and Marketing	1,356	-	429	-	78,543	-	1,000	-	-	81,328
Grant Expense	-	-	271,183	-	-	-	-	-	-	271,183
Sales and Income Taxes	-	-	-	-	93,494	-	-	-	-	93,494
Bad Debts	-	-	-	-	4,594	-	-	-	-	4,594
Depreciation	8,361	-	26,941	448	863	-	-	13,523	173	50,309
Total Other Expenses	79,393	893,747	835,617	62,207	348,105	41,321	220,953	120,555	1,322	2,603,220
Total Expenses Before Eliminations	336,320	893,747	1,703,636	85,582	1,435,210	604,690	263,502	542,742	12,535	5,877,964
Less: Eliminations	(1)	(127,418)	(71,823)	-	(99,535)	(29,735)	(196,013)	(1,387)	-	(525,912)
Total Expenses	\$ 336,319	\$ 766,329	\$ 1,631,813	\$ 85,582	\$ 1,335,675	\$ 574,955	\$ 67,489	\$ 541,355	\$ 12,535	\$ 5,352,052

NEW YORK COUNCIL OF NONPROFITS, INC. AND RELATED ENTITIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2023

	Program Services							Supporting Services		
	Non-Profit Capacity Building							Management and	Fundraising	Total
	General Member Services	Group Employee Benefit Plan	Technical Assistance and Training	Policy	Council Services Plus, Inc.	Good Causes, Inc.	Board Strong, Inc.	General	Fundraising	Total
Salaries	\$ 203,931	\$ -	\$ 699,661	\$ 17,316	\$ 744,684	\$ 114,366	\$ 39,077	\$ 380,815	\$ 21,419	\$ 2,221,269
Employee Benefits	41,565	-	108,513	2,088	128,141	2,027	6,233	64,988	1,251	354,806
Payroll Taxes	17,602	-	58,549	1,434	61,349	11,136	3,238	32,493	1,766	187,567
Total Salaries and Related Expenses	263,098	-	866,723	20,838	934,174	127,529	48,548	478,296	24,436	2,763,642
Temporary Services and Consultants	1,100	-	73,769	-	8,588	35,436	150,536	6,773	60,000	336,202
Professional Fees	3,394	-	13,411	197	9,814	6,715	6,500	6,264	206	46,501
Supplies	922	-	3,261	24	5,580	751	73	1,924	26	12,561
Telephone	2,534	-	12,661	155	8,045	-	1,055	2,560	152	27,162
Postage	2,558	-	479	175	333	143	23	(48)	1	3,664
Occupancy	2,254	-	26,992	131	56,880	2,194	28,620	3,572	137	120,780
Equipment and Building Maintenance	7,856	-	30,977	446	5,520	-	9,731	32,069	466	87,065
Travel	139	-	19,190	160	-	16	2,476	956	-	22,937
Educational Events and Conferences	387	-	192,607	2,659	3,903	-	200	2,721	-	202,477
Printing and Communication	329	-	491	6	-	80	249	146	5	1,306
Dues and Publications	20,704	-	14,568	232	48,459	336	9,019	15,559	207	109,084
Interest Expense	-	-	-	-	-	-	-	35,650	-	35,650
Miscellaneous	14,871	19,435	749	100	711	845	2,036	17,871	5	56,623
Premium Expense	-	804,329	-	-	-	-	-	-	-	804,329
Insurance Expense	2,382	-	11,118	138	10,790	2,565	4,055	2,696	144	33,888
Advertising and Marketing	1,914	-	1,183	-	76,678	-	519	105	-	80,399
Grant Expense	-	-	129,398	-	-	-	-	-	-	129,398
Sales and Income Taxes	-	-	-	-	86,429	-	-	98	-	86,527
Bad Debts	-	-	-	-	283	-	-	-	-	283
Depreciation	10,256	-	40,443	591	1,586	-	-	16,240	614	69,730
Total Other Expenses	71,600	823,764	571,297	5,014	323,599	49,081	215,092	145,156	61,963	2,266,566
Total Expenses Before Eliminations	334,698	823,764	1,438,020	25,852	1,257,773	176,610	263,640	623,452	86,399	5,030,208
Less: Eliminations	-	(124,179)	(35,015)	-	(93,680)	(34,006)	(199,325)	-	-	(486,205)
Total Expenses	\$ 334,698	\$ 699,585	\$ 1,403,005	\$ 25,852	\$ 1,164,093	\$ 142,604	\$ 64,315	\$ 623,452	\$ 86,399	\$ 4,544,003

1. NATURE OF OPERATIONS AND PRINCIPLES OF CONSOLIDATION

Nature of Operations

New York Council of Nonprofits, Inc. (“NYCON”) is a nonprofit organization established in 1927. The mission of NYCON is to develop and promote an effective and vibrant charitable nonprofit community throughout New York State. This is accomplished by strengthening organizational capacity, being an advocate and unifying voice, informing philanthropic giving, and conducting research and planning to demonstrate relevance and impact. NYCON is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, and has been designated as a publicly supported organization, which is not a private foundation under 509(a) of the code. Additionally, the Group Employee Benefit Plan qualifies for exemption from income taxes and requires the filing of a separate information report.

Council Services Plus, Inc. (“CS Plus”) was established as a for-profit, wholly controlled organization in July 1998. The corporation is a New York licensed insurance broker, whose clients are primarily other nonprofit organizations. The mission of Council Services Plus, Inc. is to provide quality service, comprehensive coverage, and competitively priced insurance and employee benefits to nonprofits and related organizations in a manner that strengthens the work of NYCON and the nonprofit community.

Good Causes, Inc. (“GCI”) was established as a nonprofit, wholly controlled 501(c)(3) organization in May 1999. GCI is a nonprofit administrative support organization, working with organizations to provide fiscal sponsorship and employment administration including dependable management of payroll, benefits and related insurance necessities that suit the unique requirements of organizations. The corporation was formed to promote innovative and singular charitable initiatives designed to address community needs. Good Causes, Inc. was originally formed under the name Innovative Charitable Initiatives, Inc. and the change was formalized in 2021.

Board Strong, Inc. (“BSI”) finalized documentation under a previous name July 9, 2016 making it a wholly controlled 501(c)(3) organization of NYCON, Inc. Board Strong, Inc. educates, convenes and advocates for good governance practices including personalized board placement, digital recruitment, matching and e-learning modules, board consulting, and in-person educational trainings. Board Strong, Inc. helps create better, stronger, and accountable nonprofit boards resulting in improved mission and service impact.

Principles of Consolidation

The consolidated financial statements include the amounts of NYCON including its Group Employee Benefit Plan (the “Plan”), which is operated for the benefit of its member agencies, Council Services Plus, Inc., a for profit wholly controlled organization, Good Causes, Inc., a non-profit wholly controlled organization, and Board Strong, Inc., a non-profit wholly controlled organization (collectively referred to as “NYCON”). The consolidated financial statements include the financial activity of these organizations. Intercompany transactions and balances have been eliminated in consolidation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The consolidated financial statements of NYCON are prepared using the accrual basis of accounting, whereby revenue is recognized when earned and expenses are recognized when incurred. This basis of accounting is in accordance with accounting principles generally accepted in the United States of America.

NYCON adopted the accounting treatment prescribed by the Accounting Standards Codification (“ASC”) relative to contributions. In accordance with the ASC, contributions received are recorded as unrestricted support depending on the existence and/or nature of any donor restrictions.

Revenue Recognition

Contributions received and unconditional promises to give are measured at their fair values and reported as an increase in net assets. NYCON reports gifts of cash and other assets as donor restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as support without donor restrictions. NYCON reports gifts of goods and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, NYCON reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Revenue on cost reimbursement grants and contracts is recognized to the extent actual expenditures have been incurred in compliance with the specific grant requirements. Other grant and contract revenue is recognized in the period earned if on a fee for services basis. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue from Contracts with Customers

Revenue from contracts with customers is recognized in accordance with a five-step model as follows:

- Identify the contract with the customer
- Identify the performance obligation(s) in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligation(s) in the contract
- Recognize revenue when earned or as performance obligation(s) are satisfied

Contract Assets

Amounts related to services provided to customers which have not been billed and that do not meet the conditions of an unconditional right to payment at the end of the reporting period are contract assets. Contract asset balances consist primarily of services provided to customers who are still receiving services at the end of the year. There were no contract assets at December 31, 2024 and 2023.

Contract Liabilities

Contract liabilities represent revenue that has been deferred for the funds advanced by third party payors for NYCON's contracts received related to services that have not yet been provided to customers. Contract liabilities consist of payments made by funding and other sources for NYCON's contracts for services not yet performed that are expected to be performed within the next fiscal year. Contract liabilities at December 31, 2024 and 2023 totaled \$321,164 and \$273,781, respectively, as further detailed in Note 8.

Member Dues

Membership is offered to nonprofit organizations, individuals/citizens, and corporations following a calendar year January to December. Rates are determined by budget size or flat rates for supporters and citizens. In addition, NYCON has a discounted group dues program for nonprofit associations, state and philanthropic funders. Revenue is recognized over the period covered by membership, and payment received in advance of the intended benefit year is recorded as deferred revenue and subsequently recognized in the period of covered membership. Organizations participating in discounted products and services of NYCON, Inc. are required to become a member and are invoiced for dues in the period of coverage.

Premiums

Premium dollars from members are invoiced in advance of participant coverage and therefore initially recorded as deferred revenue and subsequently recognized as income in the period of participant insurance coverage benefit.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue from Contracts with Customers (Continued)

Subscriber and Late Fees

Per person subscriber fees are invoiced with premiums in advance of participant coverage and therefore initially recorded as deferred revenue and subsequently recognized as income in the period of participant insurance coverage benefit. Other subscriber fees are invoiced quarterly based on enrollees in NYCON's FSA/HRA program. Late fees are charged when premium and subscriber fees surpass the invoice due date. Revenue is recognized when the late fee is assessed.

Fee for Service and Seminars

Technical Assistance Services are provided primarily to our nonprofit members, but are also available for non-members under arrangements with third-party funders. The scope of services and the engagement terms are typically documented in a proposal and/or retainer agreement. Terms may include an advance retainer payment. Receipts of advance funding is recorded as deferred revenue and recognized as revenue in the period services are rendered. Fee for Service revenue is invoiced monthly and recognized in the period of service to the organization. Educational event and webinar revenue is recognized when the event/webinar occurs, registrations received in advance are recognized as deferred revenue.

Administrative Service Fees

GCI charges an administrative fee related to the provision of administrative support to fiscal sponsorship clients on an activity basis recognized monthly as services are provided. GCI also charges an administrative service fee, invoiced monthly in advance, for the employment administration for certain clients who have designated staff employed by GCI.

Commission and Fee Revenue

CS Plus earns commission as a percentage of insurance premiums paid by the customer to the insurance carrier.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated on a reasonable basis that is consistently applied among the programs benefitted. Salaries and benefits are allocated on the basis of estimates of time and effort; this methodology is also used for office expenditures that benefit multiple programs and may include professional fees, telephone, printing, maintenance costs, insurance, dues and publications and depreciation of equipment. Other costs such as occupancy, building maintenance and building depreciation are allocated on a square footage basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates include depreciation, collectibility of receivables and right-of-use assets/lease liabilities.

Cash and Cash Equivalents

For purposes of the consolidated statements of financial position classification and the consolidated statements of cash flows, NYCON considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Receivables

NYCON utilizes the direct write-off method to determine bad debts, which closely mirrors the allowance method. Under this method, accounts receivable are charged to operations when determined to be uncollectible. At December 31, 2024 and 2023, management determined no additional write-offs were necessary based upon a review of specific receivables and prior history. Bad debt expense was \$4,594 and \$283 for the years ended December 31, 2024 and 2023, respectively.

Investments

NYCON follows the ASC, *Accounting for Certain Investments Held by Not-For-Profit Organizations*, which requires that investments in equity securities with readily determinable fair values and all investments in debt securities be reported at fair value with realized and unrealized gains and losses included in the consolidated statements of activities. These investments may consist of US Government securities, corporate stocks and bonds, mutual funds and state and municipal bonds.

Land, Building and Equipment

Acquisitions of property and equipment in excess of \$2,500 are capitalized and recorded at cost. Improvements and replacements of property and equipment are capitalized. Maintenance and repairs not improving or extending the lives of property and equipment are charged to expense as incurred. When assets are sold or retired, their cost and related accumulated depreciation are removed from the accounts and any gain or loss is reported in the consolidated statements of activities. Depreciation is provided over the estimated useful life of each class of depreciable asset (ranging from 3 to 39 years) and is computed using the straight-line method.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of NYCON and changes therein are reported according to two classes of net assets: net assets with and without donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized.

The two classes of net assets are as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations.

Net assets with donor restrictions - Net assets subject to donor-imposed stipulations that will be met either by actions of NYCON and/or the passage of time.

Fair Value

The ASC requires expanded disclosures about fair value measurements and establishes a three-level hierarchy for fair value measurements based on the observable inputs to the valuation of an asset or liability at the measurement date. Fair value is defined as the price that NYCON would receive upon selling an asset or pay to transfer a liability in an orderly transaction between market participants. It prioritizes the inputs to the valuation techniques used to measure fair value by giving the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements), and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements).

Accounting for Uncertainty in Income Taxes

The ASC, *Accounting for Uncertainty in Income Taxes* requires entities to disclose in their financial statements the nature of any uncertainty in their tax position. NYCON follows this policy and its current accounting policy for evaluating uncertain tax positions is in accordance with generally accepted accounting principles. NYCON has not recognized any benefits from uncertain tax positions in 2024 and believes it has no uncertain tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly increase or decrease within 12 months of the consolidated statement of financial position date of December 31, 2024. Generally, federal, state and local authorities may examine NYCON's tax returns for three years from the date of filing; consequently, income tax returns for years prior to 2021 are no longer subject to examination by tax authorities.

NEW YORK COUNCIL OF NONPROFITS, INC. AND RELATED ENTITIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2024 AND 2023

3. INVESTMENTS

NYCON’s investments at December 31, 2024 and 2023 are valued at fair value and consist primarily of money market funds and certificates of deposit. Fair values are determined using quoted prices in active markets for identical securities (Level 1). The amounts reflected as current in the financial statements are following investment strategies to provide earnings from investment income while ensuring accessible liquidity for Council Service Plus operations. Other current investments are designated by the Board of Directors of NYCON to secure premiums payable for the Group Employee Benefit Plan. The amounts reflected as non-current in the financial statements are designated by the board and with donor restrictions. (See Notes 2, 9 and 10.)

Investments measured at fair value are summarized as follows:

	<u>2024</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>
Current				
Money Market Funds	\$ 164,447	\$ 164,447	\$ 164,447	\$ -
Certificates of Deposit	800,000	801,374	801,374	1,374
Equity-Based Mutual Funds	60,230	88,752	88,752	28,522
Bond-Based Mutual Funds	39,879	37,316	37,316	(2,563)
	<u>\$ 1,064,556</u>	<u>\$ 1,091,889</u>	<u>\$ 1,091,889</u>	<u>\$ 27,333</u>
Non-Current				
Money Market Funds	\$ 57,308	\$ 57,308	\$ 57,308	\$ -
Fixed Income	29,144	29,926	29,926	782
Equity-Based Securities and Funds	155,046	221,391	221,391	66,345
Bond-Based Mutual Funds	99,180	94,512	94,512	(4,668)
	<u>\$ 340,678</u>	<u>\$ 403,137</u>	<u>\$ 403,137</u>	<u>\$ 62,459</u>
	<u>2023</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>
Current				
Money Market Funds	\$ 203,149	\$ 203,149	\$ 203,149	\$ -
Certificates of Deposit	700,000	700,122	700,122	122
Equity-Based Mutual Funds	58,124	81,256	81,256	23,132
Bond-Based Mutual Funds	38,551	34,810	34,810	(3,741)
	<u>\$ 999,824</u>	<u>\$ 1,019,337</u>	<u>\$ 1,019,337</u>	<u>\$ 19,513</u>
Non-Current				
Money Market Funds	\$ 78,025	\$ 78,025	\$ 78,025	\$ -
Equity-Based Securities and Funds	146,724	187,480	187,480	40,756
Bond-Based Mutual Funds	94,691	85,703	85,703	(8,988)
	<u>\$ 319,440</u>	<u>\$ 351,208</u>	<u>\$ 351,208</u>	<u>\$ 31,768</u>

NEW YORK COUNCIL OF NONPROFITS, INC. AND RELATED ENTITIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2024 AND 2023

3. INVESTMENTS (CONTINUED)

Investment returns, net consists of the following at December 31:

	<u>2024</u>	<u>2023</u>
Interest and Dividends	\$ 64,152	\$ 30,191
Unrealized Gain (Loss) on Investments	38,511	36,548
Realized Gain on Investments	<u>2,162</u>	<u>(486)</u>
	<u>\$ 104,825</u>	<u>\$ 66,253</u>

4. LAND, BUILDING AND EQUIPMENT, NET

Land, building and equipment, net consist of the following at December 31:

	<u>2024</u>	<u>2023</u>
Land	\$ 180,000	\$ 180,000
Building	320,000	320,000
Land Improvements	176,038	176,038
Building Improvements	521,785	505,225
Furniture and Equipment	103,743	133,905
Software	<u>261,512</u>	<u>261,512</u>
Total at Cost	1,563,078	1,576,680
Less: Accumulated Depreciation	<u>(862,946)</u>	<u>(842,798)</u>
	<u>\$ 700,132</u>	<u>\$ 733,882</u>

Depreciation expense totaled \$50,309 and \$69,730 for the years ended December 31, 2024 and 2023, respectively.

5. RIGHT-OF-USE ASSETS AND LEASE LIABILITY

NYCON entered into an equipment lease in 2020 for 63 months and a lease for office space in 2021 for 36 months. The leases may include a fixed monthly payment and separate non-lease component payments to the lessor based on property taxes and insurance costs as well as a portion of the common area maintenance associated with the property, as applicable.

Components in NYCON's leases are accounted for following the guidance in ASC 842 for the capitalization of long-term leases. At December 31, 2024, the lease liability is equal to the present value of the remaining lease payments. As the rate implicit in the leases is not known, the incremental borrowing rate of 3.25% was used as the discount rate, as of the lease commencement dates. Fair values are determined using a Level 3 measurement involving significant unobservable inputs.

NEW YORK COUNCIL OF NONPROFITS, INC. AND RELATED ENTITIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2024 AND 2023

5. RIGHT-OF-USE ASSETS AND LEASE LIABILITY (CONTINUED)

Amounts recognized as right-of-use assets and lease liabilities are included in the balance sheet as follows:

	<u>2024</u>	<u>2023</u>
Right-of-Use Assets	\$ <u>1,354</u>	\$ <u>12,346</u>
Current Portion of Lease Payable	1,354	10,992
Long-Term Portion of Lease Payable	<u>-</u>	<u>1,354</u>
Total Lease Payable	\$ <u>1,354</u>	\$ <u>12,346</u>

Non-lease component payments relating to this lease have been expensed in the period incurred.

Rent expense relating to operating lease was as follows:

	<u>2024</u>	<u>2023</u>
Fixed Rent Expenses	\$ <u>18,066</u>	\$ <u>18,066</u>

Future undiscounted cash flows for the next three years using a discount rate of 3.25% and a reconciliation to the operating lease liability recognized on the statement of financial position are as follows as of December 31, 2024:

Years ending December 31, 2025	\$ <u>1,376</u>
Total lease payments	1,376
Less imputed interest	<u>(22)</u>
Total present value of operating lease liability	1,354
Current installments of operating lease liability	<u>(1,354)</u>
Long-term portion of operating lease liability	\$ <u>-</u>

6. LINE OF CREDIT PAYABLE

NYCON has available a \$600,000 line of credit with a financial institution bearing an interest rate of 7% and 8% at December 31, 2024 and 2023, respectively, of which \$150,000 was drawn upon at December 31, 2024 only. The line requires NYCON to pay the advances outstanding in full for a period of 30 days. The note is collateralized by a mortgage on the building and is subject to various covenants.

7. LONG-TERM DEBT

Mortgage payable to a financial institution with monthly payments of \$4,646, plus interest fixed at 3.99%, with a balloon payment, matured April 2025. The mortgage is subject to various covenants. As of the report date, NYCON is in negotiations to refinance the balloon payment of this mortgage for a further ten years. While the terms of the refinancing are not final, these statements incorporate management's estimates based on their belief that refinance in the next operating cycle is more likely than not.

NEW YORK COUNCIL OF NONPROFITS, INC. AND RELATED ENTITIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2024 AND 2023

7. LONG-TERM DEBT (CONTINUED)

	<u>2024</u>	<u>2023</u>
Mortgage payable to a financial institution with monthly payments of \$4,646, plus interest fixed at 3.99%, with a balloon payment, matured April 2025. The mortgage is subject to various covenants and, as of the report date, is in negotiations for refinance.	\$ 260,818	\$ 305,376
Less: Debt Issue Costs, Net	(329)	(1,645)
Less: Current Portion	<u>(24,200)</u>	<u>(44,561)</u>
	<u>\$ 236,289</u>	<u>\$ 259,170</u>

The following are the maturities of long-term debt:

2025	\$ 24,200
2026	18,750
2027	20,100
2028	21,500
2029	23,150
Thereafter	<u>153,118</u>
	<u>\$ 260,818</u>

NYCON's line of credit and mortgage liabilities are subject to a debt service coverage ratio requirement of 1.0 to 1.0. NYCON was in compliance with this requirement for the year ended December 31, 2024.

8. DEFERRED REVENUE

Deferred revenue consists of the following at December 31, 2024 and 2023, with opening balance information as of December 31, 2022:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<u>Future Services to be Provided</u>			
Foundation Revenue	\$ 158,701	\$ 169,847	\$ 305,407
Government Contracts	<u>6,372</u>	<u>1,030,289</u>	<u>55,676</u>
	<u>165,073</u>	<u>1,200,136</u>	<u>361,083</u>
<u>Contract Liabilities</u>			
Member Dues	90,355	104,120	67,100
Premiums	82,997	62,616	72,479
Fee for Service and Seminars	97,845	102,442	118,821
Administrative Services Fees	<u>49,967</u>	<u>4,603</u>	<u>336</u>
	<u>321,164</u>	<u>273,781</u>	<u>258,736</u>
Total	<u>\$ 486,237</u>	<u>\$ 1,473,917</u>	<u>\$ 619,819</u>

NEW YORK COUNCIL OF NONPROFITS, INC. AND RELATED ENTITIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2024 AND 2023

9. NET ASSETS DESIGNATED BY THE BOARD

Net assets designated by the Board at December 31, 2024 and 2023 are for the following purposes:

	<u>2024</u>	<u>2023</u>
Group Employee Benefit Premium Reserve	\$ 79,000	\$ 72,200
Good Causes, Inc. Payroll Reserve	54,126	25,000
Mortgage Balloon Payment Reserve	<u>258,829</u>	<u>220,962</u>
	<u>\$ 391,955</u>	<u>\$ 318,162</u>

10. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at December 31, 2024 and 2023 are for the following purposes:

	<u>2024</u>	<u>2023</u>
Foundation and Other Philanthropic Support	\$ 11,273	\$ 30,299
Doug Sauer TANC Program Scholarships	<u>100,158</u>	<u>99,157</u>
	<u>\$ 111,431</u>	<u>\$ 129,456</u>

Purpose restrictions were accomplished for the following in 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Nonprofit, Board Development and Recruitment Program and Technical Assistance and Training	<u>\$ 19,025</u>	<u>\$ 46,539</u>

11. EMPLOYEES' RETIREMENT PLANS

NYCON offers a tax-sheltered annuity plan under §403(b) of the Internal Revenue Code (IRC) to qualifying employees. Under the terms of this plan, employees who participate may contribute up to the maximum allowable under the limits of IRC §403(b). Additionally, NYCON's Board has currently authorized agency contributions to be a dollar for dollar match up to a maximum of \$1,000 for employees with two to five years of service and a flat amount of \$2,400 for employees with years of service between five and 10 years. For every five years of service thereafter, NYCON will contribute an additional flat amount of \$1,200. Eligible employees must work more than 1,000 hours annually and be employed by NYCON on the last day of the plan year. Pension expense was \$37,630 and \$53,600 for the years ended December 31, 2024 and 2023, respectively, and is included in employee benefits expense on the consolidated statements of functional expenses.

11. EMPLOYEES' RETIREMENT PLANS (CONTINUED)

Council Services Plus, Inc. offers a retirement plan under Section 401(k) of the Internal Revenue Code (IRC) to qualifying employees. Under the terms of this plan, employees who participate may contribute up to the maximum allowable under the limits of IRC Section 401(k). Additionally, Council Services Plus' Board has currently authorized company contributions to be equal to two-to-one based on employee individual contributions not to exceed 5% of the employee's annual salary. Eligible employees must work more than 1,000 hours annually and be employed by Council Services Plus, Inc. on the last day of the plan year. Pension expense was \$38,839 and \$32,718 for the years ended December 31, 2024 and 2023, respectively, and is included in employee benefits expense on the consolidated statements of functional expenses.

12. EMPLOYEE RETENTION CREDIT

During the year ended December 31, 2023, NYCON filed for Employee Retention Credits (ERC) in the amount of \$217,754 under rules of aggregation. Due to a clerical error the ERC receipt has been delayed; management is in frequent contact with the Internal Revenue Service (IRS), and the current status has been elevated to "processing". Management has considered the collectability of the ERC and believes that they have filed an accurate claim for which the receipt is more than likely within the next operating cycle. Based on current guidance this has been recorded as a conditional government contribution whose barriers to completion were overcome in 2023 and recorded as revenue. The ERC has been recorded in the Accounts, Grants and Other Receivables on the Statement of Financial Position as of December 31, 2023.

13. RELATED PARTY NOTE PAYABLE

In March 2024, NYCON entered into a loan agreement with Council Services Plus, its wholly controlled for-profit entity, which allows borrowing on a short-term basis for operations up to \$200,000 for a term not to exceed twelve months. The interest rate of each promissory note executed will be set at the one-year US Treasury rate, not to exceed the prevailing bank prime interest rate at the time the note is issued. As of December 31, 2024, \$200,000 was outstanding on the loan and \$1,385 in interest income received. These transactions have been eliminated in the consolidated statements.

14. COMMITMENTS AND CONTINGENCIES

Grant Activities

At December 31, 2024 and 2023, NYCON had outstanding grant/contract agreements with outside funding sources to provide numerous services to the community. NYCON is subject to audits and reviews of reimbursable costs by its various governmental agencies and other funding sources. The outcome of these audits and reviews may have the effect of retroactively increasing or decreasing revenue and returning equipment funded by the funding source. In the event that a subsequent audit or review determines that an adjustment is required, the amount will be recognized in the period in which it becomes fixed and determinable. Management does not expect that such adjustments, if any, will be significant.

14. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Paycheck Protection Program (PPP)

The Small Business Administration (SBA) may elect, for a period of six years, to undertake an audit of loans issued. New York Council of Nonprofits, Inc. received \$594,535, and Council Services Plus, Inc. received \$145,781. These loans were formally forgiven during the year ended December 31, 2021.

Concentration

NYCON's financial instruments that are exposed to concentration of credit risk consist of cash and cash equivalents and receivables. NYCON places cash and cash equivalents in high quality credit institutions which at times may be in excess of the FDIC insurance limit. These excess funds are typically used by NYCON for immediate operating purposes. Receivables primarily represent outstanding fees for service accounts, reimbursements of grant expenditures and the recorded values, net of write-offs for uncollectible amounts and approximate net realizable value.

The Harriet King Comfort Community Fund

NYCON was named a Remainder Beneficiary of the Harriet K. Comfort Family Trust. Pursuant to the Trust directive and upon the satisfaction of other trust terms, NYCON would be paid \$100,000 to create a fund to be named The Harriet King Comfort Community Fund. Principal and income are to be used to provide services for agencies that serve people who have mental illnesses, first in the capital region and secondly in other areas of New York State. The funds are to be administered by NYCON.

Related Party Transaction

NYCON received contributed services amounting to \$60,000 for the year ending December 31, 2024 only, related to lobbying and advocacy activities on behalf of statewide membership and in fulfillment of the mission to promote an effective vibrant charitable nonprofit community throughout New York State. The services were rendered by a NYCON board member's solely owned LLC that specializes in consulting services related to lobbying and advocacy.

NEW YORK COUNCIL OF NONPROFITS, INC. AND RELATED ENTITIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2024 AND 2023

15. LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization's financial assets available within one year of the consolidated statement of financial position date for general expenditure as of December 31, 2024 are as follows:

Cash and Cash Equivalents	\$ 623,319
Investments	1,091,889
Accounts, Grants and Other Receivables	<u>568,805</u>
Subtotal	<u>2,284,013</u>
Less:	
Amounts Unavailable to Management for General Expenditure	
Board Designated Net Assets	391,955
Purpose Restricted Net Assets	<u>111,431</u>
Total Amount Unavailable for General Expenditure	<u>503,386</u>
Total Financial Assets Available Within One Year	<u>\$ 1,780,627</u>

As part of its liquidity management, NYCON has a policy to structure its financial assets to be available as general expenditures, liabilities and other obligations become due. NYCON has a goal to maintain financial assets, which consist of cash on hand to meet 90 days of normal operating expenses, which are, on average, approximately \$1,340,000. NYCON also sets aside monies in its long-term investments to fund its net assets with restrictions and designations related to the TANC, building reserve and mortgage escrow. Should an unforeseen liquidity need arise, NYCON could also draw upon the \$450,000 uncommitted balance available on the line of credit.

16. SUBSEQUENT EVENTS

The Organization follows the ASC, *Subsequent Events*, which establishes general standards of accounting for, and disclosure of, events that occur after the due date of the financial statements but before the financial statements are issued or are available to be issued. In the preparation of these financial statements and notes thereto, management has evaluated subsequent events or transactions as to any potential material impact on operations or financial position occurring through May 22, 2025, the date the financial statements were available to be issued. There were not such events or transactions.

SUPPLEMENTARY INFORMATION

NEW YORK COUNCIL OF NONPROFITS, INC. AND RELATED ENTITIES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2024

	<u>ASSETS</u>					
	<u>NYCON, Inc.</u>	<u>Council Services Plus, Inc.</u>	<u>Good Causes, Inc.</u>	<u>Board Strong, Inc.</u>	<u>Eliminations</u>	<u>Total</u>
Current Assets						
Cash	\$ 296,428	\$ 132,385	\$ 157,250	\$ 37,256	\$ -	\$ 623,319
Cash - Subcontractor and Custodial						
Arrangements	441,656	845	906,182	-	-	1,348,683
Investments	132,820	959,069	-	-	-	1,091,889
Accounts, Grants and Other Receivables	471,966	335,710	4,268	21,879	(265,018)	568,805
Prepaid and Other Expenses	41,350	17,735	2,450	1,100	(1,500)	61,135
Unemployment Trust Fund Reserve	45,462	-	-	-	-	45,462
Total Current Assets	<u>1,429,682</u>	<u>1,445,744</u>	<u>1,070,150</u>	<u>60,235</u>	<u>(266,518)</u>	<u>3,739,293</u>
Non-Current Assets						
Investments	1,859,929	-	-	-	(1,456,792)	403,137
Land, Building and Equipment, Net	697,543	2,589	-	-	-	700,132
Right-of-Use Assets, Operating Leases	1,354	-	-	-	-	1,354
Other Assets	-	-	-	4,050	-	4,050
Total Non-Current Assets	<u>2,558,826</u>	<u>2,589</u>	<u>-</u>	<u>4,050</u>	<u>(1,456,792)</u>	<u>1,108,673</u>
Total Assets	<u>\$ 3,988,508</u>	<u>\$ 1,448,333</u>	<u>\$ 1,070,150</u>	<u>\$ 64,285</u>	<u>\$ (1,723,310)</u>	<u>\$ 4,847,966</u>
	<u>LIABILITIES AND NET ASSETS</u>					
Current Liabilities						
Line of Credit Payable	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ 150,000
Intercompany Loan	200,000	-	-	-	(200,000)	-
Current Portion of Long-Term Debt	24,200	-	-	-	-	24,200
Current Portion of Operating Lease Liability	1,354	-	-	-	-	1,354
Accounts Payable and Accrued Expenses	209,897	81,071	39,931	27,579	(65,018)	293,460
Security Deposits-FSA/HRA	1,295	-	-	-	-	1,295
FSA/HRA Contributions Held in Trust	440,361	-	-	-	-	440,361
Due to Subcontractor and Custodial						
Arrangements	-	845	906,182	-	-	907,027
Deferred Revenue	417,369	-	47,917	22,451	(1,500)	486,237
Unemployment Liability	45,462	-	-	-	-	45,462
Total Current Liabilities	<u>1,489,938</u>	<u>81,916</u>	<u>994,030</u>	<u>50,030</u>	<u>(266,518)</u>	<u>2,349,396</u>
Long-Term Liabilities						
Long-Term Debt, Net of Current Portion	<u>236,289</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>236,289</u>
Total Liabilities	<u>1,726,227</u>	<u>81,916</u>	<u>994,030</u>	<u>50,030</u>	<u>(266,518)</u>	<u>2,585,685</u>
Net Assets						
Without Donor Restrictions						
Undesignated	1,813,021	1,366,417	21,994	14,255	(1,456,792)	1,758,895
Designated by the Board	337,829	-	54,126	-	-	391,955
Total Without Donor Restrictions	<u>2,150,850</u>	<u>1,366,417</u>	<u>76,120</u>	<u>14,255</u>	<u>(1,456,792)</u>	<u>2,150,850</u>
With Donor Restrictions						
Foundation Funding	11,273	-	-	-	-	11,273
Doug Sauer TANC Program Scholarships	100,158	-	-	-	-	100,158
Total With Donor Restrictions	<u>111,431</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>111,431</u>
Total Net Assets	<u>2,262,281</u>	<u>1,366,417</u>	<u>76,120</u>	<u>14,255</u>	<u>(1,456,792)</u>	<u>2,262,281</u>
Total Liabilities and Net Assets	<u>\$ 3,988,508</u>	<u>\$ 1,448,333</u>	<u>\$ 1,070,150</u>	<u>\$ 64,285</u>	<u>\$ (1,723,310)</u>	<u>\$ 4,847,966</u>

NEW YORK COUNCIL OF NONPROFITS, INC. AND RELATED ENTITIES

CONSOLIDATING STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>NYCON, Inc.</u>	<u>Council Services Plus, Inc.</u>	<u>Good Causes, Inc.</u>	<u>Board Strong, Inc.</u>	<u>Eliminations</u>	<u>Total</u>
Changes in Net Assets						
Revenue and Support						
Foundation Revenue	\$ 424,393	\$ -	\$ -	\$ 66,449	\$ -	\$ 490,842
Government Contracts	1,171,136	-	-	-	-	1,171,136
Member Dues	245,758	-	-	-	(1,210)	244,548
Premiums	764,598	-	-	-	(1)	764,597
Subscriber and Late Fees	125,518	-	-	-	-	125,518
Fees for Service and Seminars	731,319	-	-	102,437	(132,279)	701,477
Commission and Fee Revenue	-	1,650,154	-	-	-	1,650,154
Shared Service Income	64,457	-	-	9,712	(60,394)	13,775
Investment Returns, Net	70,384	35,787	40	-	(1,386)	104,825
Administrative Service Fees	-	-	637,694	-	-	637,694
Contributions	99,921	-	-	71,469	(52,299)	119,091
Other Income	187,920	-	1,857	11,670	(150,925)	50,522
Income of Subsidiaries	<u>283,867</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(283,867)</u>	<u>-</u>
 Total Revenue and Support	 <u>4,169,271</u>	 <u>1,685,941</u>	 <u>639,591</u>	 <u>261,737</u>	 <u>(682,361)</u>	 <u>6,074,179</u>
 Expenses						
Program Services	2,891,867	1,435,210	604,690	263,502	(397,107)	4,798,162
Management and General	542,742	-	-	-	(1,387)	541,355
Fundraising	<u>12,535</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,535</u>
Total Expenses	<u>3,447,144</u>	<u>1,435,210</u>	<u>604,690</u>	<u>263,502</u>	<u>(398,494)</u>	<u>5,352,052</u>
 Change in Net Assets	 722,127	 250,731	 34,901	 (1,765)	 (283,867)	 722,127
 Dividends Paid	 -	 (50,000)	 -	 -	 50,000	 -
 Net Assets, Beginning of Year	 <u>1,540,154</u>	 <u>1,165,686</u>	 <u>41,219</u>	 <u>16,020</u>	 <u>(1,222,925)</u>	 <u>1,540,154</u>
 Net Assets, End of Year	 <u>\$ 2,262,281</u>	 <u>\$ 1,366,417</u>	 <u>\$ 76,120</u>	 <u>\$ 14,255</u>	 <u>\$ (1,456,792)</u>	 <u>\$ 2,262,281</u>

NEW YORK COUNCIL OF NONPROFITS, INC. AND RELATED ENTITIES

CONSOLIDATED STATEMENT OF FUNCTIONAL REVENUES

FOR THE YEAR ENDED DECEMBER 31, 2024

	Program Services						Supporting Services			
	Non-Profit Capacity Building									
	General Member Services	Group Employee Benefit Plan	Technical Assistance and Training	Policy	Council Services Plus, Inc.	Good Causes, Inc.	Board Strong, Inc.	Management and General	Fundraising	Total
Foundation Revenue	\$ 2,500	\$ -	\$ 399,219	\$ -	\$ -	\$ -	\$ 66,449	\$ 22,674	\$ -	\$ 490,842
Government Contracts	271,651	-	899,485	-	-	-	-	-	-	1,171,136
Member Dues	244,548	-	-	-	-	-	-	-	-	244,548
Premiums	-	764,597	-	-	-	-	-	-	-	764,597
Subscriber and Late Fees	-	125,518	-	-	-	-	-	-	-	125,518
Fees for Service and Seminars	144	-	666,688	-	-	-	30,614	4,031	-	701,477
Commission and Fee Revenue	-	-	-	-	1,650,154	-	-	-	-	1,650,154
Shared Service Income	-	-	-	-	-	-	-	13,775	-	13,775
Investment Returns, Net	-	19,348	-	-	34,401	40	-	51,036	-	104,825
Administrative Service Fees	-	-	-	-	-	637,694	-	-	-	637,694
Contributions	1,353	-	-	60,000	-	-	19,171	31,150	7,417	119,091
Other Income	36,063	-	756	-	-	1,857	11,670	176	-	50,522
Total Revenue and Support	<u>\$ 556,259</u>	<u>\$ 909,463</u>	<u>\$ 1,966,148</u>	<u>\$ 60,000</u>	<u>\$ 1,684,555</u>	<u>\$ 639,591</u>	<u>\$ 127,904</u>	<u>\$ 122,842</u>	<u>\$ 7,417</u>	<u>\$ 6,074,179</u>

NEW YORK COUNCIL OF NONPROFITS, INC. AND RELATED ENTITIES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2023

	<u>ASSETS</u>					
	<u>NYCON, Inc.</u>	<u>Council Services Plus, Inc.</u>	<u>Good Causes, Inc.</u>	<u>Board Strong, Inc.</u>	<u>Eliminations</u>	<u>Total</u>
Current Assets						
Cash	\$ 568,246	\$ 212,593	\$ 45,646	\$ 38,178	\$ -	\$ 864,663
Cash - Subcontractor and Custodial Arrangements	458,399	-	1,986,043	-	-	2,444,442
Investments	119,373	899,964	-	-	-	1,019,337
Accounts, Grants and Other Receivables	374,538	130,875	10,482	19,236	(48,798)	486,333
Prepaid and Other Expenses	34,823	13,857	3,195	880	-	52,755
Unemployment Trust Fund Reserve	38,231	-	-	-	-	38,231
Total Current Assets	<u>1,593,610</u>	<u>1,257,289</u>	<u>2,045,366</u>	<u>58,294</u>	<u>(48,798)</u>	<u>4,905,761</u>
Non-Current Assets						
Investments	1,574,133	-	-	-	(1,222,925)	351,208
Land, Building and Equipment, Net	730,430	3,452	-	-	-	733,882
Right-of-Use Assets, Operating Leases	12,346	-	-	-	-	12,346
Other Assets	-	-	-	4,050	-	4,050
Total Non-Current Assets	<u>2,316,909</u>	<u>3,452</u>	<u>-</u>	<u>4,050</u>	<u>(1,222,925)</u>	<u>1,101,486</u>
Total Assets	<u>\$ 3,910,519</u>	<u>\$ 1,260,741</u>	<u>\$ 2,045,366</u>	<u>\$ 62,344</u>	<u>\$ (1,271,723)</u>	<u>\$ 6,007,247</u>
	<u>LIABILITIES AND NET ASSETS</u>					
Current Liabilities						
Current Portion of Long-Term Debt	\$ 44,561	\$ -	\$ -	\$ -	\$ -	\$ 44,561
Current Portion of Operating Lease Liability	10,992	-	-	-	-	10,992
Accounts Payable and Accrued Expenses	98,901	95,055	18,104	31,164	(48,798)	194,426
Security Deposits-FSA/HRA	1,952	-	-	-	-	1,952
FSA/HRA Contributions Held in Trust Due to Subcontractor and Custodial Arrangements	456,447	-	-	-	-	456,447
	-	-	1,986,043	-	-	1,986,043
Deferred Revenue	1,458,757	-	-	15,160	-	1,473,917
Unemployment Liability	38,231	-	-	-	-	38,231
Total Current Liabilities	<u>2,109,841</u>	<u>95,055</u>	<u>2,004,147</u>	<u>46,324</u>	<u>(48,798)</u>	<u>4,206,569</u>
Long-Term Liabilities						
Long-Term Debt, Net of Current Portion	259,170	-	-	-	-	259,170
Operating Lease Liability, Net of Current Portion	1,354	-	-	-	-	1,354
Total Long-Term Liabilities	<u>260,524</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>260,524</u>
Total Liabilities	<u>2,370,365</u>	<u>95,055</u>	<u>2,004,147</u>	<u>46,324</u>	<u>(48,798)</u>	<u>4,467,093</u>
Net Assets						
Without Donor Restrictions						
Undesignated	1,117,536	1,165,686	16,219	16,020	(1,222,925)	1,092,536
Designated by the Board	293,162	-	25,000	-	-	318,162
Total Without Donor Restrictions	<u>1,410,698</u>	<u>1,165,686</u>	<u>41,219</u>	<u>16,020</u>	<u>(1,222,925)</u>	<u>1,410,698</u>
With Donor Restrictions						
Foundation Funding	30,299	-	-	-	-	30,299
Doug Sauer TANC Program Scholarships	99,157	-	-	-	-	99,157
Total With Donor Restrictions	<u>129,456</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>129,456</u>
Total Net Assets	<u>1,540,154</u>	<u>1,165,686</u>	<u>41,219</u>	<u>16,020</u>	<u>(1,222,925)</u>	<u>1,540,154</u>
Total Liabilities and Net Assets	<u>\$ 3,910,519</u>	<u>\$ 1,260,741</u>	<u>\$ 2,045,366</u>	<u>\$ 62,344</u>	<u>\$ (1,271,723)</u>	<u>\$ 6,007,247</u>

NEW YORK COUNCIL OF NONPROFITS, INC. AND RELATED ENTITIES

CONSOLIDATING STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>NYCON, Inc.</u>	<u>Council Services Plus, Inc.</u>	<u>Good Causes, Inc.</u>	<u>Board Strong, Inc.</u>	<u>Eliminations</u>	<u>Total</u>
Changes in Net Assets						
Revenue and Support						
Foundation Revenue	\$ 313,950	\$ -	\$ -	\$ 73,897	\$ -	\$ 387,847
Government Contracts	389,025	-	-	-	-	389,025
Employee Retention Credit (ERC)	217,754	-	-	-	-	217,754
Member Dues	204,958	-	-	-	(1,210)	203,748
Premiums	698,130	-	-	-	-	698,130
Subscriber and Late Fees	122,495	-	-	-	-	122,495
Fees for Service and Seminars	693,176	-	-	85,603	(98,561)	680,218
Commission and Fee Revenue	-	1,492,300	-	-	-	1,492,300
Shared Service Income	55,738	-	-	9,086	(59,074)	5,750
Investment Returns, Net	56,928	9,312	13	-	-	66,253
Administrative Service Fees	-	-	151,756	-	-	151,756
Contributions	77,614	-	-	80,990	(54,549)	104,055
Other Income	186,640	-	-	4,080	(148,633)	42,087
Income of Subsidiaries	<u>209,014</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(209,014)</u>	<u>-</u>
Total Revenue and Support	<u>3,225,422</u>	<u>1,501,612</u>	<u>151,769</u>	<u>253,656</u>	<u>(571,041)</u>	<u>4,561,418</u>
Expenses						
Program Services	2,498,155	1,257,773	176,610	263,640	(362,026)	3,834,152
Management and General	623,452	-	-	-	-	623,452
Fundraising	<u>86,399</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>86,399</u>
Total Expenses	<u>3,208,006</u>	<u>1,257,773</u>	<u>176,610</u>	<u>263,640</u>	<u>(362,026)</u>	<u>4,544,003</u>
Change in Net Assets	17,416	243,839	(24,841)	(9,984)	(209,015)	17,415
Dividends Paid	-	(50,000)	-	-	50,000	-
Net Assets, Beginning of Year	<u>1,522,738</u>	<u>971,847</u>	<u>66,060</u>	<u>26,004</u>	<u>(1,063,910)</u>	<u>1,522,739</u>
Net Assets, End of Year	<u>\$ 1,540,154</u>	<u>\$ 1,165,686</u>	<u>\$ 41,219</u>	<u>\$ 16,020</u>	<u>\$ (1,222,925)</u>	<u>\$ 1,540,154</u>

NEW YORK COUNCIL OF NONPROFITS, INC. AND RELATED ENTITIES

CONSOLIDATED STATEMENT OF FUNCTIONAL REVENUES

FOR THE YEAR ENDED DECEMBER 31, 2023

	Program Services						Supporting Services		Total	
	Non-Profit Capacity Building						Management and General	Fundraising		
	General Member Services	Group Employee Benefit Plan	Technical Assistance and Training	Policy	Council Services Plus, Inc.	Good Causes, Inc.	Board Strong, Inc.			
Foundation Revenue	\$ -	\$ -	279,060	\$ -	\$ -	\$ -	\$ 73,897	\$ 34,890	\$ -	\$ 387,847
Government Contracts	96,900	-	292,125	-	-	-	-	-	-	389,025
Employee Retention Credit (ERC)	41,199	-	116,390	4,028	-	-	-	55,048	1,089	217,754
Member Dues	203,748	-	-	-	-	-	-	-	-	203,748
Premiums	-	698,130	-	-	-	-	-	-	-	698,130
Subscriber and Late Fees	-	122,495	-	-	-	-	-	-	-	122,495
Fees for Service and Seminars	795	-	625,136	-	-	-	50,588	3,699	-	680,218
Commission and Fee Revenue	-	-	-	-	1,492,300	-	-	-	-	1,492,300
Shared Service Income	-	-	-	-	-	-	-	5,750	-	5,750
Investment Returns, Net	-	21,802	-	-	9,312	13	-	35,126	-	66,253
Administrative Service Fees	-	-	-	-	-	151,756	-	-	-	151,756
Contributions	-	-	-	-	-	-	26,444	-	77,611	104,055
Other Income	35,420	-	1,912	-	-	-	4,080	675	-	42,087
Total Revenue and Support	\$ 378,062	\$ 842,427	\$ 1,314,623	\$ 4,028	\$ 1,501,612	\$ 151,769	\$ 155,009	\$ 135,188	\$ 78,700	\$ 4,561,418

NEW YORK COUNCIL OF NONPROFITS, INC. AND RELATED ENTITIES

GROUP EMPLOYEE BENEFIT PLAN

STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS (CASH BASIS)

(SUPPLEMENTAL INFORMATION REQUIRED FOR FORM 5500 FILING)

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Cash, Beginning	\$ <u>531,889</u>	\$ <u>432,206</u>
Receipts		
Insurance Premiums from Member Agencies	756,377	788,826
Subscriber and Late Fees	125,518	122,495
Investment Transfers	<u>5,900</u>	<u>5,800</u>
Total Receipts	<u>887,795</u>	<u>917,121</u>
Total Available	<u>1,419,684</u>	<u>1,349,327</u>
Disbursements		
Disbursements to Insurers	760,022	700,270
Administrative Expenses	<u>123,786</u>	<u>117,168</u>
Total Disbursements	<u>883,808</u>	<u>817,438</u>
Cash, Ending	<u>\$ 535,876</u>	<u>\$ 531,889</u>

NEW YORK COUNCIL OF NONPROFITS, INC. AND RELATED ENTITIES

GROUP EMPLOYEE BENEFIT PLAN

SCHEDULES OF REPORTABLE TRANSACTIONS (CASH BASIS)

(SUPPLEMENTAL INFORMATION REQUIRED FOR FORM 5500 FILING)

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Insurance Premium Cash Disbursements		
Delta Dental	\$ 666,854	\$ 614,620
Humana Insurance Company of New York	50,682	44,322
Met Life	<u>42,486</u>	<u>41,328</u>
	<u>\$ 760,022</u>	<u>\$ 700,270</u>
Administrative Expense Cash Disbursements		
Paid to New York Council of Nonprofits, Inc. and Related Entities for Administrative Expenses Necessary for the Operation of Member Services	\$ 83,371	\$ 73,534
Bank Charges and Miscellaneous Fees	<u>40,415</u>	<u>43,634</u>
	<u>\$ 123,786</u>	<u>\$ 117,168</u>

NEW YORK COUNCIL OF NONPROFITS, INC. AND RELATED ENTITIES

SCHEDULES OF CUSTODIAL CASH - GOOD CAUSES, INC.

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Bailey Initiative, Inc.	\$ -	\$ 27,132
Care Cases	12,690	19,810
Day Community Food Pantry	3,261	-
Gronk Nation Youth Foundation	637,050	805,766
Healing Divisions, Inc.	29,165	13,067
Hoosick Rising	51,036	48,523
Hunger Coalition	-	11,230
Kingston Stockade FC	9,526	8,351
Northeast Dutchess Immigrant	-	52,408
PCAWNY	128,820	138,467
Play for Pepper	7,651	135,056
Poughkeepsie Children's Cabinet	-	239,287
SEL Student Impact Fund	19,462	-
Stanford Recreation Campaign	7,521	485,579
Teach Artist ROC	-	1,367
Total Custodial Cash	<u>\$ 906,182</u>	<u>\$ 1,986,043</u>