



Audited Financial Statements
December 31, 2022

Independent Auditor's Report

To the Board of Directors of
Bronx River Alliance, Inc.

Opinion

We have audited the accompanying financial statements of Bronx River Alliance, Inc. (the "Alliance"), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Alliance as of December 31, 2022, and the changes in 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 (GAAS). 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 the Alliance 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 the Alliance'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 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 Alliance'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 Alliance'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.

Other Matter

Other Information

Our audit was conducted for the purposes of forming an opinion on the financial statements as a whole. The Alliance's program accomplishments in Note 1 on pages 7-8 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information in that note has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Report on Summarized Comparative Information

The financial statements of the Alliance, as of and for the year ended December 31, 2021, were audited by other auditors whose report dated June 14, 2022 expressed an unmodified opinion on those statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects with the audited financial statements for which it was derived.



New York, NY
June 7, 2023

BRONX RIVER ALLIANCE, INC.
STATEMENT OF FINANCIAL POSITION
AT DECEMBER 31, 2022
(With comparative totals at December 31, 2021)

	<u>12/31/22</u>	<u>12/31/21</u>
Assets		
Cash and cash equivalents	\$79,107	\$182,642
Investments (Note 3)	1,018,075	1,052,910
Pledges receivable	442,553	118,120
Government grants receivable	470,561	368,175
Prepaid expenses and other assets	6,532	15,803
Fixed assets, net (Note 4)	<u>4,521</u>	<u>3,941</u>
 Total assets	 <u><u>\$2,021,349</u></u>	 <u><u>\$1,741,591</u></u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$168,926	\$101,430
Government grant advance	<u>5,436</u>	<u>0</u>
Total liabilities	<u><u>174,362</u></u>	<u><u>101,430</u></u>
Net assets:		
Without donor restrictions	931,859	824,872
With donor restrictions (Note 5)	<u>915,128</u>	<u>815,289</u>
Total net assets	<u><u>1,846,987</u></u>	<u><u>1,640,161</u></u>
 Total liabilities and net assets	 <u><u>\$2,021,349</u></u>	 <u><u>\$1,741,591</u></u>

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

BRONX RIVER ALLIANCE, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022
(With comparative totals for the year ended December 31, 2021)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 12/31/22</u>	<u>Total 12/31/21</u>
Public support and revenue:				
Contributions (Note 6)	\$340,341	\$706,636	\$1,046,977	\$630,622
Government grants	424,632		424,632	271,045
Forgiveness of Paycheck Protection Program loan (Note 7)			0	132,500
In-kind contributions (Note 8)	821,778		821,778	747,218
Special event income (net of expenses with a direct benefit to donors) (Note 9)	140,854		140,854	155,295
Investment return (Note 3)	(17,029)		(17,029)	4,315
Other income	65,490		65,490	38,109
Net assets released from restrictions (Note 5)	606,797	(606,797)	0	0
Total public support and revenue	<u>2,382,863</u>	<u>99,839</u>	<u>2,482,702</u>	<u>1,979,104</u>
Expenses:				
Program services	<u>1,691,754</u>		<u>1,691,754</u>	<u>1,393,400</u>
Supporting services:				
Management and general	357,842		357,842	229,515
Fundraising	226,280		226,280	194,884
Total supporting services	<u>584,122</u>	<u>0</u>	<u>584,122</u>	<u>424,399</u>
Total expenses	<u>2,275,876</u>	<u>0</u>	<u>2,275,876</u>	<u>1,817,799</u>
Change in net assets	106,987	99,839	206,826	161,305
Net assets - beginning of year	<u>824,872</u>	<u>815,289</u>	<u>1,640,161</u>	<u>1,478,856</u>
Net assets - end of year	<u><u>\$931,859</u></u>	<u><u>\$915,128</u></u>	<u><u>\$1,846,987</u></u>	<u><u>\$1,640,161</u></u>

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

BRONX RIVER ALLIANCE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022
(With comparative totals for the year ended December 31, 2021)

	Supporting Services			Total Supporting Services	Total Expenses 12/31/22	Total Expenses 12/31/21
	Program Services	Management and General	Fundraising			
Salaries (including in-kind)(Note 8)	\$830,959	\$141,045	\$98,493	\$239,538	\$1,070,497	\$995,576
Payroll taxes and employee benefits (including in-kind)(Note 8)	298,236	47,073	35,096	82,169	380,405	349,887
Professional fees and consultants	95,869	78,407	53,863	132,270	228,139	88,407
In-kind occupancy (Note 8)	122,241	19,211	9,543	28,754	150,995	150,130
In-kind Automobile expense (Note 8)	162,452	10,830	7,220	18,050	180,502	82,658
Equipment and supplies (including in-kind)(Note 8)	151,927	15,705	1,971	17,676	169,603	88,852
Printing and postage	156	242	9,648	9,890	10,046	11,609
Insurance	13,011	3,420	1,542	4,962	17,973	16,245
Event expenses	3,412	323	34,723	35,046	38,458	35,819
Office expenses	13,491	40,549	7,121	47,670	61,161	28,968
Depreciation		1,037		1,037	1,037	438
Total expenses	1,691,754	357,842	259,220	617,062	2,308,816	1,848,589
Less: special event expenses with a direct benefit to donor			(32,940)	(32,940)	(32,940)	(30,790)
Total expenses for statement of activities	\$1,691,754	\$357,842	\$226,280	\$584,122	\$2,275,876	\$1,817,799

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

BRONX RIVER ALLIANCE, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022
(With comparative totals for the year ended December 31, 2021)

	<u>12/31/22</u>	<u>12/31/21</u>
Cash flows from operating activities:		
Change in net assets	\$206,826	\$161,305
Adjustments to reconcile change in net assets to net cash used for operating activities:		
Net realized and unrealized loss on investments	24,158	0
Depreciation	1,037	438
Changes in assets and liabilities:		
Pledges receivable	(324,433)	31,962
Government grants receivable	(102,386)	(231,431)
Prepaid expenses and other assets	9,271	(14,783)
Accounts payable and accrued expenses	67,496	7,501
Government grant advance	5,436	0
Net cash flows used for operating activities	<u>(112,595)</u>	<u>(45,008)</u>
Cash flows from investing activities:		
Purchases of equipment	(1,617)	(4,379)
Proceeds from sale of investments	726,041	692,888
Purchases of investments	<u>(715,364)</u>	<u>(754,749)</u>
Net cash flows provided by/(used for) investing activities	<u>9,060</u>	<u>(66,240)</u>
Net decrease in cash and cash equivalents	(103,535)	(111,248)
Cash and cash equivalents - beginning of year	<u>182,642</u>	<u>293,890</u>
Cash and cash equivalents - end of year	<u><u>\$79,107</u></u>	<u><u>\$182,642</u></u>

No interest or taxes were paid.

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

BRONX RIVER ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

Note 1 - Organization

Founded in 2001, the Bronx River Alliance, Inc. (the “Alliance”) works in partnership to restore the river so that it can be a healthy resource for the communities through which it flows. The Alliance is a celebrated model for urban open space development and river restoration, engaging the community in cleaning up a polluted river, restoring wildlife and habitats, creating waterfront parks, leading outdoor, experiential learning, and drawing thousands of people to paddle the river each year.

While early in 2022 the COVID-19 pandemic still affected the Alliance’s operations, by the end of the year its direct impacts (staff illnesses, office closures, interruptions in programs) had largely abated. However, the disproportionate health and economic impacts of the pandemic on low-income communities beset by environmental and social injustices will be felt for years to come. Bronx River communities were some of the most affected by COVID-19 in the nation; their need for the river and the Bronx River Greenway escalated, as Bronx River parks and open spaces were one of the few places people who could not flee the city could go for recreation, safe gathering with family and friends, and health and healing. The Alliance’s work to restore the river so that it can be a healthy resource for the communities through which it flows is therefore as urgent as ever.

In 2022, the Alliance is proud to report substantial progress in the development of the Bronx River Greenway. Two significant missing links were completed: a bike lane on E 233rd St and Webster Ave and a tunnel underneath the Bruckner Expressway that now connects Concrete Plant Park and Garrison Park. The Alliance also saw the near completion of Starlight Park Phase 2 and look forward to a ribbon-cutting ceremony early in 2023 to celebrate this momentous project that opens up access to the river for tens of thousands of Bronx residents.

In 2022, the Alliance also launched an update to its 2011 Intermunicipal Watershed Plan, with the formation of a Watershed Advisory Council and the selection of a technical consultant. The updated plan will include a Climate Change Strategy to enable the Alliance to plan for and adapt to the impacts of climate change that we are already experiencing on the river, including more frequent intense rainfall events and extended periods of hot weather.

The Alliance also continued to deepen its youth development work by engaging young people in park and natural area stewardship, recreational programs, and community outreach. Alliance staff also expanded its summer EELS (environmental education and leadership for students) internship by partnering with Lehman College to offer students college credit in environmental science, along with a stipend, out of programs based out of the new environmental classroom in River House.

Since the earliest days of its efforts, the Alliance, working together with the New York City Department of Parks & Recreation and dozens of community partners has achieved the following program accomplishments:

- Removed 750+ tons of garbage and debris from the river, including 21,500+ tires and 89 cars
- Opened 22 new acres of waterfront parkland in the South Bronx
- Led 27,500+ people on paddling adventures
- Empowered 23,500+ volunteers to donate 128,000+ hours to the river and its parks
- Enabled 4,000+ educators & 23,000 students to use the river as an outdoor classroom
- Planted 140,000+ native trees and plants & removed 5 million cubic yards of choking, invasive vegetation

The transformation has been remarkable, thanks to this unique partnership powered equally by community and government resources. Once an abandoned, trash-filled river, today the Bronx River is a healthy community resource and source of pride.

The Alliance was incorporated in the State of New York and has been notified by the Internal Revenue Service that it is a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (“Code”) and has not been determined to be a private foundation as defined under Section 509(a)(1) of the code.

Note 2 - Summary of Significant Accounting Policies

a. Basis of Accounting

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

Effective January 1, 2022, The Alliance adopted the Financial Accounting Standards Board’s (“FASB”) Accounting Standards Update (“ASU”) No. 2016-02, *Leases*, also known as Accounting Standards Codification (“ASC”) Topic 842. The ASU requires the full obligation of long-term leases to be recorded as a liability with a corresponding “right of use asset” on the statement of financial position. The Alliance made an accounting policy election available under Topic 842 not to recognize right of use assets and lease liabilities for leases with a term of 12 months or less. At December 31, 2022, the Alliance did not hold any long-term leases that needed to be recorded under FASB ASC 842.

Effective January 1, 2022, the Alliance also adopted FASB ASU No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This ASU focuses on improving transparency in the reporting of contributed nonfinancial assets and requires a separate line-item presentation on the statement of activities and additional disclosures.

b. Basis of Presentation

The Alliance reports information regarding its financial position and activities in the following classes of net assets:

- *Net Assets Without Donor Restrictions* – represents all activity without donor-imposed restrictions.
- *Net Assets With Donor Restrictions* – represents those resources, the uses of which have been restricted by donors to specific purposes or the passage of time and/or must remain intact, in perpetuity. The release from restrictions results from the satisfaction of the restricted purposes specified by the donor.

c. Revenue Recognition

The Alliance follows the requirements of FASB ASC 958-605 for recording contributions, which are recorded when contributions become unconditional in nature. Contributions are recorded in one of the classes of net assets described above depending on the existence and/or nature of any donor-imposed restriction. When a 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. If donor restricted contributions are satisfied in the same period they are received, they are classified as without donor restrictions.

Contributions may be subject to conditions which are defined as both a barrier to entitlement and a right of return of payments or release from obligations and are recognized as income once the conditions have been substantially met.

Government grants have been evaluated and are considered to be conditional non-reciprocal transactions that fall under the scope of FASB ASC 958-605. Revenue from these transactions is recognized when qualifying expenditures are incurred, performance related outcomes are achieved, and other conditions under the agreements are met. Cash received in advance of the conditions being met is recorded as government grant advances.

The Alliance records pledges and grants receivable as revenue in the period received at net realizable value if expected to be received within one year or at fair value using risk adjusted present value techniques if material and expected to be received after one year. As of December 31, 2022 and 2021, all receivables are due within one year.

Management has not established a reserve for uncollectible government grants and contributions receivables because all receivables are considered to be fully collectible based on specific analysis and historical experience.

d. Cash and Cash Equivalents

Cash and cash equivalents include cash held in checking accounts and money market funds and exclude cash held as part of the investment portfolio.

e. Concentration of Credit Risk

Financial instruments, which potentially subject the Alliance to a concentration of credit risk consist of cash, money market accounts, and investments, which have been placed with financial institutions that management deems to be creditworthy. At times, balances may exceed federally insured limits. At year end and at various times throughout the year balances were in excess of insured amounts. However, the Alliance has not experienced any losses due to bank failure.

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

f. 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, and interest and dividends are included in investment return on the statement of activities.

g. Property and Equipment

Purchases of furniture, equipment, and other fixed assets that have a useful life of greater than one year and exceed predetermined amounts are capitalized at cost or, if donated, at their fair value at the date of the gift. Property and equipment are depreciated using the straight-line method over the estimated useful life of the asset.

h. Compensated Absences

Included in accounts payable and accrued expenses is unused vacation of \$12,000 and \$18,000 as of December 31, 2022 and December 31, 2021, respectively.

i. In-Kind Services

Donated services are recognized in circumstances where those services create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided in-kind. The Alliance receives a substantial amount of in-kind support from the NYC Parks Department. (See Note 8 for additional details.)

Board members and other individuals volunteer their time and perform a variety of services that assist the Alliance. Approximately 1,500 volunteers spent more than 3,100 hours of time during the year ended December 31, 2022. These services have not been recorded in the financial statements, as they do not meet the criteria outlined above.

j. 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.

k. Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the financial statements. Accordingly, 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 to provide for the overall support and direction of the Alliance.

Salaries were allocated using time and effort as the basis. The following expenses were allocated using salaries as the basis:

- Payroll taxes and employee benefits
- In-kind occupancy
- In-kind automobile expense
- Insurance

All other expenses have been charged directly to the applicable program or supporting services.

l. Accounting for Uncertainty of Income Taxes

The Alliance does not believe its financial statements include any material, uncertain tax positions. Tax filings for periods ending December 31, 2019 and later are subject to examination by applicable taxing authorities.

m. Summarized 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 Alliance's financial statements for the year ended December 31, 2021, from which the summarized information was derived.

Note 3 - Investments and Fair Value Measurements

Accounting standards establish a fair value hierarchy giving the highest priority to quoted market prices and the lowest priority to unobservable data. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Alliance has the ability to access.

Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

Investments consist of the following:

	<u>December 31, 2022</u>		
	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Money market funds and other cash	\$2,692	\$0	\$2,692
Equity funds	154,324	0	154,324
Fixed income funds	32,379	0	32,379
Fixed income – Certificates of Deposit	<u>0</u>	<u>828,680</u>	<u>828,680</u>
Total	<u>\$189,395</u>	<u>\$828,680</u>	<u>\$1,018,075</u>

	<u>December 31, 2021</u>		
	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Money market funds and other cash	\$40,399	\$0	\$40,399
US equities – real estate	2,055	0	2,055
Fixed income – Certificates of Deposit	<u>0</u>	<u>1,010,456</u>	<u>1,010,456</u>
Total	<u>\$42,454</u>	<u>\$1,010,456</u>	<u>\$1,052,910</u>

Level 1 securities are valued at the closing price reported on the active market that they are traded on. Level 2 securities are valued using observable market inputs for securities that are similar to those owned. These methods produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurements.

The following summarizes the investment return:

	<u>12/31/22</u>	<u>12/31/21</u>
Unrealized loss	(\$23,535)	\$0
Realized loss	(623)	0
Interest and dividends	<u>7,129</u>	<u>4,315</u>
Total investment return	<u>(\$17,029)</u>	<u>\$4,315</u>

Note 4 - Fixed Assets

Fixed assets consist of the following:

	<u>12/31/22</u>	<u>12/31/21</u>
Office equipment (5 years)	\$5,996	\$4,379
Less: accumulated depreciation	<u>(1,475)</u>	<u>(438)</u>
Net: property and equipment	<u>\$4,521</u>	<u>\$3,941</u>

Note 5 - Net Assets With Donor Restrictions

The following summarizes the activity of net assets with donor restrictions:

	December 31, 2022			
	Balance <u>1/1/22</u>	<u>Contributions</u>	Released from <u>Restrictions</u>	Balance <u>12/31/22</u>
Program restrictions:				
Ecology	\$56,694	\$210,236	(\$193,538)	\$73,392
Greenway	69,379	55,000	(67,762)	56,617
Outreach	17,072	191,400	(93,234)	115,238
Education	204,686	190,000	(134,534)	260,152
DEI capacity building	31,763	0	(31,763)	0
Equipment	6,898	10,000	(6,898)	10,000
River House	<u>412,797</u>	<u>0</u>	<u>(50,068)</u>	<u>362,729</u>
Total program restrictions	799,289	656,636	(577,797)	878,128
Time restrictions	<u>16,000</u>	<u>50,000</u>	<u>(29,000)</u>	<u>37,000</u>
Total	<u>\$815,289</u>	<u>\$706,636</u>	<u>(\$606,797)</u>	<u>\$915,128</u>

	December 31, 2021			
	Balance <u>1/1/21</u>	<u>Contributions</u>	Released from <u>Restrictions</u>	Balance <u>12/31/21</u>
Program restrictions:				
Ecology	\$87,053	\$73,750	(\$104,109)	\$56,694
Greenway	111,881	15,000	(57,502)	69,379
Outreach	23,717	24,000	(30,645)	17,072
Education	44,000	211,900	(51,214)	204,686
DEI capacity building	60,000	0	(28,237)	31,763
Equipment	0	10,000	(3,102)	6,898
River House	<u>469,331</u>	<u>0</u>	<u>(56,534)</u>	<u>412,797</u>
Total program restrictions	795,982	334,650	(331,343)	799,289
Time restrictions	<u>35,000</u>	<u>0</u>	<u>(19,000)</u>	<u>16,000</u>
Total	<u>\$830,982</u>	<u>\$334,650</u>	<u>(\$350,343)</u>	<u>\$815,289</u>

Note 6 - Contributions

Contributions received from corporations, foundations and individuals consist of the following:

	<u>12/31/22</u>	<u>12/31/21</u>
Corporations	\$126,151	\$153,021
Foundations	869,872	426,529
Individuals	<u>50,954</u>	<u>51,072</u>
Total	<u>\$1,046,977</u>	<u>\$630,622</u>

Note 7 - Paycheck Protection Program Loan

During the year ended December 31, 2021, the Alliance obtained a loan from the Small Business Administration (“SBA”) in the amount of \$132,500 through the Paycheck Protection Program (“PPP”). Terms of the loan indicated that if certain conditions were met, which included maintaining average work forces during periods subsequent to receipt of the loan funds that were greater than pre-determined historical periods, that the loan, or a portion thereof, would be forgiven. The Alliance accounted for the PPP loan as a contribution in accordance with FASB ASC 958-605. All conditions were met during the year ended December 31, 2021 and this was recognized as revenue in 2021. In addition, the Alliance was notified that full forgiveness was approved by the SBA.

Note 8 - In-Kind Contributions

In-kind contributions were allocated as follows:

	<u>December 31, 2022</u>			
	Management and			
	<u>Programs</u>	<u>General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$279,036	\$7,116	\$4,744	\$290,896
Payroll taxes and employee benefits	166,605	5,645	3,764	176,014
Occupancy	122,241	19,211	9,543	150,995
Automobile expense	162,452	10,830	7,220	180,502
Equipment and supplies	<u>19,289</u>	<u>3,788</u>	<u>294</u>	<u>23,371</u>
Total	<u>\$749,623</u>	<u>\$46,590</u>	<u>\$25,565</u>	<u>\$821,778</u>

	<u>December 31, 2021</u>			
	Management and			
	<u>Programs</u>	<u>General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$283,225	\$10,445	\$7,834	\$301,504
Payroll taxes and employee benefits	173,352	5,286	3,525	182,163
Occupancy	121,606	16,514	12,010	150,130
Automobile expense	74,392	4,960	3,306	82,658
Equipment and supplies	<u>30,763</u>	<u>0</u>	<u>0</u>	<u>30,763</u>
Total	<u>\$683,338</u>	<u>\$37,205</u>	<u>\$26,675</u>	<u>\$747,218</u>

These valuations are based on fair market value on the basis of recent comparable prices for similar personnel, space, equipment and services in the New York City metropolitan area. There are no associated donor restrictions.

Note 9 - Special Events

A summary of the special events proceeds is as follows:

	<u>December 31, 2022</u>		
	<u>Soiree</u>	<u>Flotilla</u>	<u>Total</u>
Gross revenue	\$96,560	\$77,234	\$173,794
Less: expenses with a direct benefit to donors	<u>(32,940)</u>	<u>0</u>	<u>(32,940)</u>
	63,620	77,234	140,854
Less: other event expenses	<u>(4,316)</u>	<u>(1,202)</u>	<u>(5,518)</u>
Total	<u>\$59,304</u>	<u>\$76,032</u>	<u>\$135,336</u>

	<u>December 31, 2021</u>		
	<u>Soiree</u>	<u>Flotilla</u>	<u>Total</u>
Gross revenue	\$119,252	\$66,833	\$186,085
Less: expenses with a direct benefit to donors	<u>(29,060)</u>	<u>(1,730)</u>	<u>(30,790)</u>
	90,192	65,103	155,295
Less: other event expenses	<u>(4,249)</u>	<u>(2,787)</u>	<u>(7,036)</u>
Total	<u>\$85,943</u>	<u>\$62,316</u>	<u>\$148,259</u>

Note 10 - Retirement Plan

The Alliance offers all employees the option of participating in a SIMPLE IRA retirement plan; whereby, the employee can contribute pre-tax dollars up to statutory limits. Employees are eligible after 90 days of service. The Alliance matches up to 3% of employees' compensation to the extent they contribute to the plan, which amounted to \$3,900 and \$6,500 during the years ended December 31, 2022 and 2021, respectively.

Note 11 - Commitments and Contingencies

In its normal course of business, the Alliance may become a party to various claims related to its locations and general employment matters. There are no amounts accrued for potential claims or loss because there are no claims considered probable of requiring payment. Any future claims will be recorded if such claims are considered probable.

Note 12 - Liquidity and Availability of Financial Resources

The Alliance maintains cash on hand to be available for its general expenditures, liabilities, and other obligations for ongoing operations. As part of its liquidity management, the Board of Trustees of the Alliance have determined that at any given time, the organization is to have up to three months of cash reserves on hand. The Alliance operates its programs within a board approved budget and relies on grants and contributions to fund its operations and program activities. As of December 31, 2022, the Alliance has approximately seven months of financial assets on hand to cover the fiscal year 2023 cash operating budget.

The following reflects the Alliance's financial assets at December 31, 2022 that are available to meet cash needs for general expenditures within one year:

Financial assets at year-end:	
Cash and cash equivalents	\$79,107
Investments	1,018,075
Pledges receivable due within one year	442,553
Government grants receivable	<u>470,561</u>
 Total financial assets	 \$2,010,296
 Less amounts not available for general expenditures:	
Donor contributions restricted to specific purposes	<u>(878,128)</u>
 Financial assets available to meet cash needs for general expenditures within one year	 <u>\$1,132,168</u>

Note 13 - Subsequent Events

Subsequent events have been evaluated through June 7, 2023, the date the financial statements were available to be issued. There were no material events that have occurred that require adjustment to or disclosure to the financial statements.