

BECAUSE IT TAKES MORE THAN FOOD TO FEED THE HUNGRY



**LONG ISLAND CARES, INC.**

**FINANCIAL STATEMENTS  
TOGETHER WITH AUDITOR'S REPORT**

**AS OF AND FOR THE YEARS ENDED  
DECEMBER 31, 2024 AND 2023**

**LONG ISLAND CARES, INC.  
INDEX TO FINANCIAL STATEMENTS  
AS OF AND FOR THE YEARS ENDED  
DECEMBER 31, 2024 AND 2023**

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CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
Long Island Cares, Inc.:

***Opinion***

We have audited the accompanying financial statements of Long Island Cares, Inc. (the "Organization", a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Long Island Cares, Inc. 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under these 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 Organization 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 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 Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

# NawrockiSmith

## ***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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

# NawrockiSmith

## ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 23, 2025 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and that results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of the audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Hauppauge, New York  
April 23, 2025

*Nawrocki Smith LLP*

**LONG ISLAND CARES, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2024 AND 2023**

	2024	2023
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 9,446,686	\$ 9,396,939
Accounts receivable	1,895,339	1,452,266
Donated product	442,685	707,723
Inventory	223,987	71,799
Investments	2,011,613	1,868,247
Prepaid expense	165,308	109,235
Total current assets	14,185,618	13,606,209
<b>NONCURRENT ASSETS:</b>		
Fixed assets, net	4,454,317	3,855,801
Restricted cash	27,390	12,045
Restricted investments	1,139,291	1,016,667
Other assets	178,932	432,186
Right-of-use assets, net - operating	2,526,040	2,692,329
Total noncurrent assets	8,325,970	8,009,028
Total assets	\$ 22,511,588	\$ 21,615,237
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable and accrued liabilities	\$ 1,740,076	\$ 1,105,548
Current portion of lease liabilities - operating	460,795	371,888
Deferred revenue	137,673	95,938
Total current liabilities	2,338,544	1,573,374
<b>NONCURRENT LIABILITIES:</b>		
Lease liabilities, net of current portion - operating	2,196,433	2,423,593
Total noncurrent liabilities	2,196,433	2,423,593
Total liabilities	4,534,977	3,996,967
<b>NET ASSETS:</b>		
Net assets without donor restrictions:		
Designated for fixed assets	4,454,317	3,855,801
Designated for donated product	442,685	707,723
Designated for endowment fund	466,826	476,901
Undesignated	11,305,040	11,662,437
Total net assets without donor restrictions	16,668,868	16,702,862
Net assets with donor restrictions:		
Purpose restricted	1,232,743	840,408
Restricted in perpetuity	75,000	75,000
Total net assets with donor restrictions	1,307,743	915,408
Total net assets	17,976,611	17,618,270
Total liabilities and net assets	\$ 22,511,588	\$ 21,615,237

The accompanying notes to financial statements  
are an integral part of these statements.

**LONG ISLAND CARES, INC.**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

	2024			2023		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
<b>Revenues:</b>						
Public support and fundraising:						
Contributions	\$ 3,795,468	\$ 295,172	\$ 4,090,640	\$ 3,689,415	\$ 162,441	\$ 3,851,856
Fundraising	1,991,929	-	1,991,929	2,287,379	-	2,287,379
Grants	16,612	105,888	122,500	157,772	31,850	189,622
Foundation support	2,448,920	186,850	2,635,770	2,099,801	27,701	2,127,502
Corporate support	1,023,769	19,978	1,043,747	792,567	141,604	934,171
Total public support and fundraising	9,276,698	607,888	9,884,586	9,026,934	363,596	9,390,530
Government support:						
HPNAP	3,419,821	-	3,419,821	3,288,722	-	3,288,722
Suffolk County	186,267	-	186,267	193,356	-	193,356
Other grants	5,519,752	-	5,519,752	3,018,638	-	3,018,638
Total government support	9,125,840	-	9,125,840	6,500,716	-	6,500,716
Distribution revenue and handling fees:						
Food Bank Agencies	304,769	-	304,769	153,067	-	153,067
HPNAP	261,425	-	261,425	376,493	-	376,493
TEFAP	572,849	14,960	587,809	603,177	-	603,177
NNY	117,292	-	117,292	-	-	-
Suffolk County	13,458	-	13,458	11,685	-	11,685
Total distribution revenue and handling fees	1,269,793	14,960	1,284,753	1,144,422	-	1,144,422
Other income:						
Investment return, net	280,277	133,084	413,361	249,160	144,692	393,852
In-kind contributions	21,272,060	-	21,272,060	18,795,863	-	18,795,863
Other	75,942	-	75,942	75,640	-	75,640
Total other income	21,628,279	133,084	21,761,363	19,120,663	144,692	19,265,355
Total revenues	41,300,610	755,932	42,056,542	35,792,735	508,288	36,301,023
<b>Expenses:</b>						
Program services:						
Food bank fund	34,877,830	-	34,877,830	30,519,563	-	30,519,563
Community outreach fund	2,767,869	-	2,767,869	2,742,266	-	2,742,266
Total program services	37,645,699	-	37,645,699	33,261,829	-	33,261,829
Supporting services:						
Administration	1,054,381	-	1,054,381	960,931	-	960,931
Fundraising	2,998,121	-	2,998,121	2,483,656	-	2,483,656
Total supporting services	4,052,502	-	4,052,502	3,444,587	-	3,444,587
Total expenses	41,698,201	-	41,698,201	36,706,416	-	36,706,416
Net assets released from restrictions:						
Satisfaction of purpose restrictions	363,597	(363,597)	-	389,940	(389,940)	-
Change in net assets	(33,994)	392,335	358,341	(523,741)	118,348	(405,393)
<b>NET ASSETS, BEGINNING OF YEAR</b>	16,702,862	915,408	17,618,270	17,226,603	797,060	18,023,663
<b>NET ASSETS, END OF YEAR</b>	\$ 16,668,868	\$ 1,307,743	\$ 17,976,611	\$ 16,702,862	\$ 915,408	\$ 17,618,270

The accompanying notes to financial statements  
are an integral part of these statements.

**LONG ISLAND CARES, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	Program Services		Supporting Services		
	Food Bank Fund	Community Outreach Fund	Administration	Fundraising	Total
In-kind expenses	\$ 21,503,713	\$ -	\$ -	\$ 214,457	\$ 21,718,170
Food purchases	7,281,247	383,223	-	-	7,664,470
Salaries	1,857,920	1,485,598	828,330	931,204	5,103,052
Fundraising	-	-	-	1,300,694	1,300,694
Payroll taxes and benefits	588,945	366,485	138,182	203,936	1,297,548
Operating lease expense	565,695	77,140	-	-	642,835
Depreciation and amortization	441,766	96,283	16,991	11,327	566,367
HPNAP capital equipment - pass through to member agencies	427,340	-	-	-	427,340
Transportation	331,585	-	-	-	331,585
Consultants	240,819	52,486	9,262	6,175	308,742
Advertising	4,389	-	7,500	294,252	306,141
Professional fees	225,276	49,099	8,665	5,776	288,816
Building maintenance and sanitation	220,300	48,014	8,473	5,648	282,435
Information technology	168,732	36,775	6,490	4,326	216,323
Utilities	166,815	36,357	6,416	4,278	213,866
HPNAP operational support	149,150	-	-	-	149,150
Equipment rental and maintenance	111,540	24,310	4,290	2,860	143,000
Insurance	103,562	22,571	3,983	2,656	132,772
Supplies	74,606	16,260	2,870	1,913	95,649
Bank charges and miscellaneous fees	69,389	15,123	2,669	1,779	88,960
Telephone and internet	68,078	14,837	2,618	1,746	87,279
Travel and conferences	52,113	11,358	2,004	1,336	66,811
Printing and postage	49,781	10,850	1,915	1,276	63,822
Dues and membership fees	49,728	10,838	1,913	1,275	63,754
Facility rent	43,990	9,588	1,692	1,128	56,398
Grants to agencies	39,789	-	-	-	39,789
Program operations	38,473	-	-	-	38,473
Permits and licenses	2,970	648	114	76	3,808
Property taxes	119	26	4	3	152
Total expenses	<u>\$ 34,877,830</u>	<u>\$ 2,767,869</u>	<u>\$ 1,054,381</u>	<u>\$ 2,998,121</u>	<u>\$ 41,698,201</u>

The accompanying notes to financial statements  
are an integral part of this statement.



**LONG ISLAND CARES, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	Program Services		Supporting Services		
	Food Bank Fund	Community Outreach Fund	Administration	Fundraising	Total
In-kind expenses	\$ 18,655,788	\$ 17,681	\$ -	\$ -	\$ 18,673,469
Food purchases	6,260,907	325,545	-	-	6,586,452
Salaries	1,622,097	1,434,970	722,905	733,456	4,513,428
Fundraising	-	-	-	1,340,710	1,340,710
Payroll taxes and benefits	497,181	365,870	146,076	160,488	1,169,615
Operating lease expense	573,891	78,258	-	-	652,149
Advertising	240,390	87,728	15,678	198,152	541,948
Depreciation and amortization	401,916	87,597	15,458	10,306	515,277
Consultants	306,946	66,899	11,806	7,870	393,521
Transportation	312,734	-	-	-	312,734
Building maintenance and sanitation	182,791	39,839	7,030	4,686	234,346
HPNAP operational support	228,022	-	-	-	228,022
Professional fees	177,672	38,723	6,834	4,556	227,785
Utilities	144,669	31,530	5,564	3,710	185,473
Information technology	117,342	25,574	4,513	3,009	150,438
Insurance	102,994	22,447	3,960	2,642	132,043
Facility rent	97,162	21,176	3,737	2,492	124,567
Supplies	86,895	18,939	3,342	2,228	111,404
Equipment rental and maintenance	73,843	16,094	2,840	1,893	94,670
Travel and conferences	73,513	16,022	2,827	1,885	94,247
Grants to agencies	82,027	-	-	-	82,027
Printing and postage	62,765	13,680	2,414	1,609	80,468
Bank charges and miscellaneous fees	60,924	13,278	2,344	1,562	78,108
Telephone and internet	57,497	12,531	2,211	1,475	73,714
Program operations	62,685	-	-	-	62,685
Dues and membership fees	34,962	7,620	1,345	896	44,823
Permits and licenses	1,218	265	47	31	1,561
HPNAP capital equipment	732	-	-	-	732
Total expenses	<u>\$ 30,519,563</u>	<u>\$ 2,742,266</u>	<u>\$ 960,931</u>	<u>\$ 2,483,656</u>	<u>\$ 36,706,416</u>

The accompanying notes to financial statements  
are an integral part of this statement.

**LONG ISLAND CARES, INC.**  
**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	\$ 358,341	\$ (405,393)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	566,367	515,277
Operating lease costs	166,289	395,322
Decrease in operating lease liabilities	(138,253)	(349,360)
Unrealized gain on investments	(202,311)	(286,500)
(Increase) decrease in accounts receivable	(443,073)	1,076,724
(Increase) decrease in donated product	265,038	(114,091)
(Increase) decrease in inventory	(152,188)	61,780
(Increase) decrease in prepaid expense	(56,073)	47,268
(Increase) decrease in other assets	253,254	(249,006)
Increase (decrease) in accounts payable and accrued liabilities	634,528	(271,687)
Increase (decrease) in deferred revenue	41,735	(115,112)
	<u>1,293,654</u>	<u>305,222</u>
Net cash provided by operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	(1,164,883)	(353,940)
Sale of investments	3,031,622	1,667,362
Purchase of investments	(3,095,301)	(3,486,090)
	<u>(1,228,562)</u>	<u>(2,172,668)</u>
Net cash used in investing activities		
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	65,092	(1,867,446)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH BEGINNING OF YEAR	<u>9,408,984</u>	<u>11,276,430</u>
CASH, CASH EQUIVALENTS AND RESTRICTED CASH END OF YEAR	<u>\$ 9,474,076</u>	<u>\$ 9,408,984</u>
SUPPLEMENTAL CASH FLOW INFORMATION:		
Initial recognition of right-of-use assets obtained via lease liabilities	<u>\$ 240,325</u>	<u>\$ -</u>
CASH PAID DURING THE YEAR FOR:		
Interest	<u>\$ -</u>	<u>\$ 1,200</u>
COMPONENTS OF CASH, CASH EQUIVALENTS, AND RESTRICTED CASH ON THE STATEMENTS OF FINANCIAL POSITION:		
Cash and cash equivalents	\$ 9,446,686	\$ 9,396,939
Restricted cash	<u>27,390</u>	<u>12,045</u>
TOTAL CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	<u>\$ 9,474,076</u>	<u>\$ 9,408,984</u>

The accompanying notes to financial statements  
are an integral part of these statements.

**LONG ISLAND CARES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**(1) Background and current operational considerations:**

Long Island Cares, Inc. (the "Organization") is a not-for-profit organization that is community based, regionally responsive, and works in partnership with other charitable agencies to fight hunger in Nassau and Suffolk Counties. The Harry Chapin Food Bank is Long Island's First Food Bank and, together with Community Outreach Programs such as New Paths to Achievement and Job Training, makes the Organization one of the New York Region's most comprehensive hunger action organizations. The Organization was founded in 1980 by the late singer/activist Harry Chapin in response to the immediate needs of hungry Long Islanders. It is continued today by his wife and partner Sandy Chapin. The Organization's goals are to provide emergency food where and when it is needed and to sponsor programs that help families achieve self-sufficiency. The Organization's aims are to promote the food welfare of the Long Island community; to raise the nutritional standards of community life; to bring into closer relation the resources and food needs of the community; and to encourage food self-reliance for all Long Islanders.

When The Harry Chapin Food Bank first opened its doors on Long Island in February 1982, it served a mere handful of agencies in Nassau and Suffolk Counties, New York. Today, the Organization distributes nearly eight million pounds of food and supplies annually via over 540 food pantries, soup kitchens, shelters, group homes, day treatment facilities, senior nutrition sites and day care centers in Nassau and Suffolk Counties. These agencies, in turn, distribute the food and supplies to their clients and/or provide meals from the food received. The Organization obtains this food primarily through these four ways:

Government contracts: The Organization is the only contracted organization in the area for the distribution of food from the New York State Department of Health Hunger Prevention and Nutrition Assistance Program ("HPNAP") and the U.S. Department of Agriculture - The Emergency Food Assistance Program ("TEFAP").

Feeding America: The Organization is a certified member of Feeding America, a national network of food banks and food rescue organizations. Through this membership, the Organization has access to donated food from regional and national food donors and share information and ideas with food banks and food rescue organizations throughout the United States.

Donations: Locally sponsored food drives provide a major source of donated food throughout the year. The Organization accepts donations from local community food drives of all sizes. Additionally, several regional food manufacturers, distributors, supermarkets and specialty stores donate food and other products to the Organization via a Store Pickup Program or through general deliveries to the Food Bank. Food donors are protected from liability by the Bill Emerson Good Samaritan Food Donation Act.

Buying leverage: The Organization gains buying leverage through their administration of government contracts. The Organization uses this leverage to purchase other food at favorable prices.

**LONG ISLAND CARES, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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The Harry Chapin Food Bank is a contracted agency for the distribution of Federal commodities through TEFAP, administered by the New York State Office of General Service under a continuous agreement effective May 1989. In addition, the Organization, under a five-year contract renewed annually, is responsible for the support services of the HPNAP Program administered by the New York State Department of Health. The current annual contract is renewed through June 30, 2025. The supported service provides nutritional assistance to various high-risk groups of individuals, including the homeless, at approved food and nutrition service sites. The Organization also has contractual agreements with Nassau and Suffolk Counties for the acquisition and distribution of emergency food and supplies.

In addition to the network of agencies supported through The Harry Chapin Food Bank, Long Island Cares, Inc. helps get food and assistance into the hands of those in need via:

Emergency Food Pantries located at the Organization's Nassau Service Center in Freeport, the Organization's South Shore Service Center in Lindenhurst, the Organization's Harry Chapin Food Bank and Humanitarian Center in Huntington Station, and the East End Humanitarian Center in Hampton Bays. These First Stop Food Pantries provide individuals and families in need with up to five days' worth of food, along with information about critical community resources such as food stamps, Child Health Plus, WIC, heating and utility assistance, employment resources and mortgage assistance.

Mobile Services (MORE) Vans which provide information, referral assistance and emergency food to people at times when their neighborhood pantries are not open in user-friendly locations such as libraries and shopping centers.

The Pet Pantry, operated in partnership with the Animal Relief Fund Inc. ("ARF"), which makes pet food supplied by ARF and many pet food corporations available to pet-owning families in need.

Beyond feeding the hungry, the Organization works to address the root causes of hunger itself through:

Community outreach programs such as New Paths to Achievement and Job Training. These programs work with individuals most at risk of needing emergency food assistance during their lifetime, helping them acquire job skills and confidence to help them achieve self-sufficiency.

School Tools program, which sends a positive message about the importance of education by making new school supplies available to children in need of assistance.

Kids' Café After-School Food and Mentoring Program, which provides free nutritious meals and snacks to these children in a safe environment.

Pack It Up For Kids, a weekend food program providing nonperishable, easy-to-prepare nutritious food for children on weekends and during school vacation periods when food resources are limited.

Summer Food Service Program, designed to fill the nutritional gap for children in needy areas during the summer.

Hunger Education, an important tool in the fight against hunger. The Organization gives presentations to schools, clubs, religious organizations and local community groups to help them understand why many people in the United States are hungry, and what organizations like Long Island Cares, Inc. are doing to address the problem.

**LONG ISLAND CARES, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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Veterans' Services, which offer a variety of support services to veterans and their families who might be experiencing difficulties returning to the workforce, financial hardships or food insecurity.

**(2) Summary of significant accounting policies:**

The accompanying financial statements include the assets, liabilities, revenues and expenses of the Organization which are reflected under the accrual basis of accounting. The following is a summary of significant accounting policies followed by the Organization:

Financial statement presentation -

The accompanying financial statements include the accounts of the Organization's programs, administration and fundraising. The Organization presents its financial statements in accordance with U.S. generally accepted accounting principles ("GAAP") which require that the Organization's financial statements distinguish net assets and changes in net assets between those with and without donor restrictions. The Organization's net assets consist of the following:

Without donor restrictions - net assets of the Organization which have not been restricted by an outside donor or by law and are therefore available for use in carrying out the operations of the Organization.

With donor restrictions - net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity, but allows for the expenditure of net investment income and gains earned on the corpus for either specified or unspecified purposes. The Organization has elected to show restricted support for which restrictions are met in the same reporting period as support within net assets without donor restrictions.

Cash and cash equivalents -

All highly liquid investments purchased with an original maturity of three months or less are considered to be cash, principally money markets and certificates of deposits.

Restricted cash -

Restricted cash as of December 31, 2024 and 2023, relates to TEFAP handling fees of \$15,987 and \$1,027, respectively, and restricted cash in endowments of \$11,403 and \$11,018, respectively.

Accounts receivable -

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Receivables are expected to be collected within one year, and are therefore recorded at net realizable value. The Organization provides an allowance for credit losses, which is based upon a review of outstanding receivables, historical collection information and other relevant factors. As of December 31, 2024 and 2023, there was no allowance for credit losses.

**LONG ISLAND CARES, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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Donated product -

Donated product represents the fair value of donated food, supplies and Federal commodities on hand as of year-end.

Inventory -

Inventory consists primarily of food and supplies on hand as of year-end and are stated at the lower of cost or net realizable value.

Investments -

All investments are presented at fair value. Fair values are based on quoted market prices, if available, or estimated using quoted market prices for similar securities. Realized and unrealized gains and losses on investments are determined by comparison of the actual cost to the proceeds at the time of the disposition or market values as of the end of the financial statement period. See Note 3 for discussion of fair market value.

Gains and losses, both realized and unrealized, resulting from increases or decreases in the fair value of investments are reflected in the Statements of Activities and Changes in Net Assets as increases or decreases in net assets without donor restrictions unless the use was restricted by explicit donor stipulations or by law. Investment income includes interest, recognized on the accrual basis, and dividends which are recognized on the ex-dividend date.

Restricted investments as of December 31, 2024 and 2023, relates to donor restricted activities of \$1,139,291 and \$1,016,667, respectively.

Fixed assets -

Fixed assets are capitalized at cost or, if donated, at fair market value as of the date of receipt. The cost of fixed assets purchased in excess of \$1,000 is capitalized. Maintenance and repairs are expensed as incurred. Depreciation is provided using the straight-line method over the estimated useful lives of the assets (generally periods of three to forty years).

Impairment of long-lived assets and long-lived assets to be disposed of -

The Organization follows the provisions of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") on accounting for the impairment or disposal of long-lived assets which require that long-lived assets and certain identifiable intangibles be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. These provisions did not have an impact on the Organization's financial position, results of activities or liquidity during the years ended December 31, 2024 and 2023.

**LONG ISLAND CARES, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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Conditional asset retirement obligations -

The FASB ASC on accounting for conditional asset retirement and environmental obligations requires the Organization to recognize a liability for the fair value of its legal obligation to perform an asset retirement activity, even though uncertainty exists about the timing and/or method of settlement, if and when the fair value of the liability can be reasonably estimated. As of December 31, 2024 and 2023, the Organization has met the provisions of and is in compliance with these requirements and no obligation currently exists.

Right-of-use assets and lease liabilities -

The Organization complies with the provisions of FASB Accounting Standards Update ("ASU") No. 2016-02, *Leases* ("Topic 842"). All leases entered into by the Organization are to be recognized and measured. Leases with an initial term of 12 months or less are not recorded on the Statements of Financial Position; rather rent expense for these leases are recognized on a straight-line basis over the lease-term, or when incurred if a month-to-month lease.

The Organization determines if an arrangement is or contains a lease at inception. The Organization's operating lease arrangements are comprised of building leases and equipment leases. Right-of-use assets represent the Organization's right to use the underlying assets for the lease terms and lease liabilities represent the Organization's obligation to make lease payments arising from the leases. Right of-use assets and lease liabilities are recognized at the commencement date based on the present value of the lease payments over the lease terms. As the Organization's leases do not provide an implicit rate and the implicit rate is not readily determinable, the Organization estimates its incremental borrowing rate based on the information available at the commencement date in determining the present value of the lease payments.

Revenue recognition -

The Organization complies with and accounts for its revenues in accordance with FASB ASC 958, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* and ASC 606, *Revenue from Contracts with Customers*.

The following are the significant revenue recognition accounting policies of the Organization:

Grants and contributions - Grants and contributions are recognized as income when received and are considered to be available for unrestricted use unless specifically restricted by the donor. 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 and Changes in Net Assets as net assets released from restrictions. Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the revenue is recognized. Conditional contributions are accounted for as a liability or are not recognized as revenue initially, until the barriers to entitlement are overcome, at which point a transaction is recognized as unconditional and classified as either net assets with donor restrictions, or net assets without donor restrictions.

**LONG ISLAND CARES, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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Contracts - Revenue under contracts are recognized when earned. Revenue is earned when performance obligations, as defined in each contract, are fulfilled. Funds received but not yet earned are shown as deferred revenue. Expenditures under contracts are subject to review by the granting authority. To the extent, if any, that such a review reduces expenditures allowable under these contracts, the Organization will record such disallowance at the time the final assessment is made.

Fundraising revenue - The portion of fundraising revenue that relates to the commensurate value the attendee receives in return is recognized when the related events are held, and performance obligations are met.

In-kind donated contributions -

In accordance with FASB ASU No. 2020-07, *Presentation and Disclosures by Not-For-Profit Entities for Contributed Nonfinancial Assets* ("Topic 958") in-kind donated product including donated food, supplies and Federal commodities are recorded as in-kind at their fair market value at their date of donation. The Organization reports the in-kind donations as unrestricted support, unless explicit donor stipulations specify how the in-kind donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets must be used, and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support.

In-kind donated services that do not require specialized skills or enhance nonfinancial assets are not recorded in the accompanying financial statements because no objective basis is available to measure the value of such services. A substantial number of volunteers have donated significant amounts of their time to the Organization's program services, administration and fundraising campaigns, the value of which is not recorded in the accompanying financial statements. The Organization has received professional services on a pro-bono basis. The value of these services for the years ended December 31, 2024 and 2023 was \$11,100 and \$17,681, respectively. Such amounts are reflected in the accompanying financial statements as in-kind contributions and in-kind expenses.

Functional expenses -

Expenses are recognized when incurred. The Statements of Functional Expenses report certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The significant expenses that are allocated include: salaries and payroll taxes and benefits which are allocated on the basis of estimates of time and effort. Depreciation and amortization are allocated on basis of square footage and use, and all other expenses are allocated on a systematic and rational basis.

Liquidity considerations -

Quantitative

As of December 31, 2024, the Organization has \$13,353,638 of financial assets available to meet cash needs for program and supporting services expenditures within one year of the Statement of Financial Position date, as noted in the current assets section. None of these financial assets are subject to donor or other contractual restrictions that make them unavailable for expenditures within the ensuing fiscal year.



**LONG ISLAND CARES, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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Qualitative

As a part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs, the Organization has a committed line of credit in the amount of \$300,000, which it could draw upon.

Income taxes -

The Organization is a nonprofit organization exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of the New York State tax law.

Uncertainty in income taxes -

The Organization recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Management has determined that the Organization had no uncertain tax positions that would require financial statement recognition. The Organization is no longer subject to examination by the applicable taxing jurisdictions for tax years prior to 2021.

The use of estimates in the preparation of financial statements -

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period.

Reclassifications -

Certain reclassifications of prior year balances on the Statements of Financial Position, Statements of Activities and Changes in Net assets, Statements of Functional Expenses and Statements of Cashflows have been made to conform to the current year presentation. These reclassifications had no effect on the decrease in net assets for the year ended December 31, 2023.

**(3) Fair value measurement:**

The FASB *Fair Value Measurement* standard clarifies the definition of fair value for financial reporting, establishes framework for measuring fair value, and requires additional disclosure about the use of fair value measurements in an effort to make the measurement of fair value more consistent and comparable. The Organization has adopted the standard for its financial assets and liabilities measured on a recurring and nonrecurring basis.

*Fair Value Measurement* defines fair value as the amount that would be received from the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants, i.e. an exit price. The three levels of fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reported entity has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

**LONG ISLAND CARES, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. The Organization did not hold any Level 3 investments. There have been no changes in the methodologies used as of December 31, 2024 and 2023.

Mutual funds, fixed income and U.S. equities are measured using quoted market prices at the reporting date multiplied by the quantity held. The carrying value equals fair value.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table represents the Organization's fair value hierarchy for investments as of December 31, 2024:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
U.S. equities	\$ 1,773,946	\$ 1,773,946	\$ -	\$ -
Fixed income	568,590	568,590	-	-
Mutual funds	<u>808,368</u>	<u>808,368</u>	<u>-</u>	<u>-</u>
	<u>\$ 3,150,904</u>	<u>\$ 3,150,904</u>	<u>\$ -</u>	<u>\$ -</u>

The following table represents the Organization's fair value hierarchy for investments as of December 31, 2023:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
U.S. equities	\$ 1,619,667	\$ 1,619,667	\$ -	\$ -
Fixed income	582,080	582,080	-	-
Mutual funds	<u>683,167</u>	<u>683,167</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,884,914</u>	<u>\$ 2,884,914</u>	<u>\$ -</u>	<u>\$ -</u>

**LONG ISLAND CARES, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**(4) Fixed assets:**

Fixed assets as of December 31, 2024 and 2023 are comprised of the following:

	<u>2024</u>	<u>2023</u>
Land	\$ 885,500	\$ 885,500
Building	1,427,183	1,427,183
Building improvements	2,423,625	1,974,320
Office equipment	1,041,662	979,433
Vehicles	1,553,769	981,297
Warehouse equipment	<u>1,003,581</u>	<u>1,000,280</u>
	8,335,320	7,248,013
Less: accumulated depreciation	<u>3,881,003</u>	<u>3,392,212</u>
	<u><u>\$ 4,454,317</u></u>	<u><u>\$ 3,855,801</u></u>

Depreciation expense was \$566,367 and \$515,277 for the years ended December 31, 2024 and 2023, respectively.

**(5) Leases:**

The Organization is obligated under various operating leases for certain equipment and space expiring through 2034.

The Organization evaluated current contracts to determine which met the criteria of a leases. The right-of-use ("ROU") assets represent the Organization's right to use underlying assets for the lease term, and the lease liabilities represent the Organization's obligation to make lease payments arising from these leases. The ROU assets and lease liabilities, all of which arise from operating leases, were calculated based on the present value of future lease payments over the lease terms. The Organization has made an accounting policy election to use its incremental borrowing rate to discount future lease payments. The incremental borrowing rate applied to calculate lease liabilities was 8.76%. The weighted average lease term remaining is 5.08 years.

Cash paid for the operating leases for the year ended December 31, 2023 was \$609,635. There were no noncash investing and financing transactions related to leasing other than the transition entry described in Note 2.

The future minimum lease payments under these leases are as follows:

<u>For The Year Ended December 31,</u>	
2025	\$ 670,591
2026	688,653
2027	679,970
2028	558,796
2029	435,480
2030 and thereafter	<u>271,687</u>
Total	3,305,177
Less: discount to present value	<u>(647,949)</u>
Total lease liabilities	<u><u>\$ 2,657,228</u></u>

**LONG ISLAND CARES, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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**(6) Line of credit:**

The Organization has a \$300,000 line of credit with a bank, which matures on July 31, 2025. The loan is secured by equipment and bears interest at a variable rate equal to the bank's prime rate plus 0.85% per annum (8.35% at December 31, 2024). The line is fully available as of December 31, 2024.

**(7) Net assets with donor restrictions:**

As of December 31, 2024 and 2023, net assets with donor restrictions of \$1,232,743 and \$840,408, respectively, are restricted for the following purposes:

	<u>2024</u>	<u>2023</u>
Endowment	\$ 608,868	\$ 475,784
Purpose restricted - Food Bank Fund	237,860	111,834
Purpose restricted - Community Outreach Fund	<u>386,015</u>	<u>252,790</u>
	<u>\$ 1,232,743</u>	<u>\$ 840,408</u>

Net assets restricted in perpetuity relate to an endowment of \$75,000 to be maintained, the income from which is expendable to support general operations.

**(8) Endowment:**

The Organization has interpreted the New York Prudent Management of Institutional Funds Act ("NYPMIFA") as allowing it to appropriate for expenditure or accumulate so much of an endowment fund as is determined prudent for the uses, benefits, purposes, and duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument. Unless stated otherwise in the gift instrument, the assets of a donor-restricted endowment fund shall be donor-restricted assets until appropriated by the Organization. The Organization classifies the original value of gifts donated to the endowment as net assets with donor restriction in perpetuity. The remaining portion of a donor restricted endowment fund is classified as net assets with donor restrictions until appropriated for expenditure in a manner consistent with the standard of prudence prescribed by NYPMIFA. Management has interpreted state law to permit prudent spending from underwater endowments.

As outlined in Note 7, Long Island Cares' endowment consists of an individual donor restricted fund established to enhance the outreach and mission of the Organization. In addition, the Organization has Board Designated and purpose restricted net assets related to the endowment fund. The portion of the donor-restricted endowment fund, principally consisting of contributions and unspent investment income are classified as Board Designated and purpose restricted net assets, respectively.

**LONG ISLAND CARES, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

The Organization's total endowment fund as of December 31, 2024 is comprised of the following:

	Restricted In Perpetuity	Purpose Restricted	Board Designated	Total
Endowment net assets, beginning of year	\$ 75,000	\$ 475,784	\$ 476,901	\$ 1,027,685
Investment return, net	-	133,084	(10,075)	123,009
Change in endowment net assets	-	133,084	(10,075)	123,009
Endowment net assets, end of year	\$ 75,000	\$ 608,868	\$ 466,826	\$ 1,150,694

The Organization's total endowment fund as of December 31, 2023 is comprised of the following:

	Restricted In Perpetuity	Purpose Restricted	Board Designated	Total
Endowment net assets, beginning of year	\$ 75,000	\$ 331,092	\$ 485,612	\$ 891,704
Investment return, net	-	144,692	(8,711)	135,981
Change in endowment net assets	-	144,692	(8,711)	135,981
Endowment net assets, end of year	\$ 75,000	\$ 475,784	\$ 476,901	\$ 1,027,685

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or applicable law requires the Organization to retain as a fund of perpetual duration. There were no such deficiencies as of December 31, 2024 and 2023.

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to protect the original value of the gift.

**(9) In-kind contributions:**

During the years ended December 31, 2024 and 2023, the Organization reported the following in-kind contributions that have been reflected in the financial statements:

	2024	2023
Donated food	\$ 13,751,487	\$ 11,215,692
The Emergency Food Assistance Program food commodities	7,509,473	7,562,490
Professional services	11,100	17,681
	\$ 21,272,060	\$ 18,795,863

**LONG ISLAND CARES, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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In-kind contributions did not have donor-imposed restrictions. In-kind donated food and The Emergency Food Assistance Program food commodities are comprised of food, supplies and Federal commodities provided for the Food Bank and Community Outreach programs.

In-kind donated services comprise of professional services for various administrative and fundraising matters and services provided for the Food Bank and Community Outreach programs.

**(10) Employee benefit plan:**

The Organization has a 403(b) Tax Deferred Annuity Plan (the "Plan"). Eligible participants in the Plan may contribute up to 25% of compensation, but not in excess of the maximum allowed under the Internal Revenue Code. In 2024, the Organization matched employee contributions to the Plan up to a maximum of 5% of the employee's annual salary.

The Organization's Deferred Compensation Plan (the "Deferred Compensation Plan"), a nonqualified deferred compensation plan, became effective in December 2015. As required by applicable law, participation in the Deferred Compensation Plan is limited to a member of the Organization's management. The amount maintained in the deferred compensation plan as of December 31, 2024 and 2023 was \$105,203 and \$78,203, respectively, and was recorded on the Statements of Financial Position within other assets and accounts payable and accrued expenses.

**(11) Concentrations of credit risk:**

The Organization maintains its cash and cash equivalents in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. Cash in excess of federally insured limits totaled \$4,529,357 at December 31, 2024 and \$5,439,569 at December 31, 2023, based on actual bank balances. The primary difference between the book and bank account balances is outstanding checks. The Organization believes it is not exposed to any significant credit risk on cash.

**(12) Fundraising activities:**

<u>2024</u>	<u>Gross Revenues</u>	<u>Direct Fundraising</u>	<u>Fundraising Income, net</u>
Direct Mailing Appeals	\$ 1,923,972	\$ 995,259	\$ 928,713
Other fundraising activities	67,957	305,435	(237,478)
	<u>\$ 1,991,929</u>	<u>\$ 1,300,694</u>	<u>\$ 691,235</u>
<u>2023</u>	<u>Gross Revenues</u>	<u>Direct Fundraising</u>	<u>Fundraising Income, net</u>
Direct Mailing Appeals	\$ 2,110,166	\$ 997,545	\$ 1,112,621
Other fundraising activities	177,213	343,165	(165,952)
	<u>\$ 2,287,379</u>	<u>\$ 1,340,710</u>	<u>\$ 946,669</u>

**LONG ISLAND CARES, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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**(13) Commitments and contingencies:**

Contract considerations -

The Organization receives a substantial portion of its funding from contracts and grants which are subject to audit by government agencies. Such audits may result in disallowances and a request for a return of funds. It is the opinion of management that the effect of disallowances, if any, would be immaterial to the Organization's financial position.

Litigation -

In the normal course of business, the Organization is a party to various claims and/or litigation. Management believes that the settlement of all such claims and/or litigation, considered in the aggregate, will not have a material adverse effect on the Organization's financial position and results of operations.

**(14) Subsequent events:**

The Organization has evaluated subsequent events through April 23, 2025 which is the date the financial statements were available to be issued. Based on this evaluation, the Organization has determined there are no matters which require disclosure or recognition in the financial statements.