

New York City H2O
Reviewed Financial Statements (Modified Cash Basis)
For the Year Ended December 31, 2023
With Comparative Financial Information
as of December 31, 2022

TABLE OF CONTENTS

	Page
Independent accountants' review report	1-2
Financial statements:	
Statements of financial position (modified cash basis)	3
Statements of activities and changes in net assets (modified cash basis) (with summarized financial information for 2022)	4
Statements of functional expenses (modified cash basis) (with summarized financial information for 2022)	5
Statements of cash flows (modified cash basis)	6
Notes to financial statements	7-11



INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To: Board of Directors
New York City H2O
New York, NY 10009

We have reviewed the accompanying financial statements of New York City H2O (a Not-for-profit entity), which comprise the statement of financial position (modified cash basis) as of December 31, 2023 and the related statements of activities and changes in net assets (modified cash basis), functional expenses (modified cash basis) and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the modified cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of New York City H2O and to meet our ethical responsibilities, in responsibilities in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the modified cash basis of accounting.

Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously reviewed New York City H2O's 2022 financial statements, and in our conclusion dated March 6, 2023 stated that based on our review, we are not aware of any material modifications that should be made to the 2022 financial statements in order for them to be in accordance with the modified cash basis of accounting. We are not aware of any material modifications that should be made to the summarized comparative information presented herein as of and for the year ended December 31, 2022, for it to be consistent with the reviewed financial statements from which it has been derived.

Tobin & Company
Certified Public Accountants, PC

Purchase, New York
May 6, 2024

New York City H2O

Statements of Financial Position (Modified Cash Basis)

<i>As of December 31,</i>	2023	2022
Assets		
Cash and equivalents	\$ 114,726	\$ 185,914
Investment account	108	107
Other asset	4,233	1,515
Property and Equipment, net of accumulated depreciation	39,040	33,786
Total Assets	158,107	\$ 221,322
LIABILITIES AND NET ASSETS		
Liabilities		
Credit card payable	-	288
Net Assets		
Without restriction	158,107	221,034
Total Net Assets	158,107	221,034
Total Net Assets	\$ 158,107	\$ 221,322

See accountant's report and accompanying notes to the financial statements

New York City H2O

Statements of Activities and Change in Net Assets (Modified Cash Basis) (With summarized financial information for year ended December 31, 2023)

	Without Restriction 2023 Total	Without Restriction 2022 Total
<i>For the years ended December 31,</i>		
Revenues and Support		
Grants	\$ 794,581	\$ 721,368
Contributions	106,726	106,596
Program Income	14,593	6,651
Investment Income, Net	1	(1,787)
Total Revenue and Support	915,901	832,828
Expenses		
Program Services	774,630	577,476
General and Administrative	163,838	137,997
Fundraising	40,360	19,875
Total Expenses	978,828	735,348
Change in Net Assets	(62,927)	97,480
Net Assets- Beginning of Year	221,034	123,554
Net Assets at End of Year	\$ 158,107	\$ 221,034

See accountant's report and accompanying notes to the financial statements

New York City H2O

Statement of Functional Expenses (Modified Cash Basis) (with summarized financial information for the year ended December 31, 2022)

<i>For the Years Ended December 31,</i>	<i>Program</i>	<i>General and</i>		<i>2023</i>	<i>2022</i>
	<i>Services</i>	<i>Administrative</i>	<i>Fundraising</i>	<i>Total</i>	<i>Total</i>
				<i>Expenses</i>	<i>Expenses</i>
Payroll and related	\$ 691,972	\$ 77,203	\$ -	\$ 769,175	\$ 583,879
Equipment & supplies	51,500	-	-	51,500	33,127
Direct fundraising costs	-	-	40,360	40,360	19,875
Travel	-	29,232	-	29,232	21,449
Professional Services	6,285	19,118	-	25,403	23,220
Meals	-	14,866	-	14,866	10,013
Insurance	9,147	2,394	-	11,541	12,069
Advertising and promotion	-	9,488	-	9,488	13,712
Depreciation	8,340	-	-	8,340	5,370
Continuing education	7,237	-	-	7,237	359
Office	-	4,394	-	4,394	5,895
Dues and subscriptions	-	3,912	-	3,912	1,623
Rent	-	2,656	-	2,656	2,535
Charitable contributions	-	575	-	575	1,870
Repairs and maintenance	112	-	-	112	22
Business licenses and permits	37	-	-	37	330
Total	\$ 774,630	\$ 163,838	\$ 40,360	\$ 978,828	\$ 735,348

See accountant's report and accompanying notes to the financial statements

New York City H2O

Statements of Cash Flows (Modified Cash Basis)

<i>For the years ended December 31,</i>	2023	2022
Cash Flows From Operating Activities		
Change in Net Assets	\$ (62,927)	\$ 97,480
Adjustments to reconcile changes in net assets to cash provided by operating activities:		
Depreciation	8,340	5,370
Realized and unrealized gain from investments	-	1,787
Changes in operating assets and liabilities		
Increase in other asset	(2,718)	(1,515)
Increase (Decrease) in credit card payable	(288)	288
Net cash provided by (used in) operating activities	(57,593)	103,410
Cash Flows From Investing Activities		
Capital expenditures	(13,594)	(21,119)
Proceeds from investments	(1)	15,500
Cash flows used in investing activities	(13,595)	(5,619)
Net Increase in Cash	(71,188)	97,791
Cash and cash equivalents at beginning of year	185,914	88,123
Cash and cash equivalents at end of year	\$ 114,726	\$ 185,914

See accountant's report and accompanying notes to the financial statements

NOTE 1 – NATURE OF ACTIVITIES

New York City H2O (“the Company”) is a nonprofit organization formed in 2009 in the state of New York. The Company offers educational programs about water and waste treatment systems (in New York City and elsewhere) to interested members of the public. The goal is to raise awareness about the water system and waste treatment processes; expand the understanding that significant resources and skill are required to establish, maintain, and improve the public water system and waste treatment systems; and encourage recycling to reduce the burden imposed on such systems.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statement has been prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Under the modified cash basis, revenue and grants are recognized when received rather than when earned, and expenses are recognized when paid rather than when the related obligation is incurred. Modifications to the cash basis of accounting result from management’s decision to record property and equipment, related depreciation, and accounting for unrealized gains and losses on trading investments and recording trading investments at fair market value.

Classes of Net Assets

Net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization’s board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Non-Profit Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Cash Equivalents

Cash and cash equivalents include all cash balances and highly liquid assets with a maturity of six months or less. The Organization maintains substantially all of their cash deposits with one financial institution, which is insured by the Federal Deposit Insurance Corporation (FDIC).

Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated Assets

Donated investments and other noncash donations are recorded as contributions at their fair values at the date of donation.

Income Taxes

The Organization is a not-for-profit organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and has been designated as an organization which is not a private foundation.

The Organization has evaluated the recognition requirements for uncertain income tax positions as required by accounting principles generally accepted in the United States of America, with no cumulative effect adjustment required. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. Accordingly, the Organization has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at December 31, 2023 and 2022.

Expense Allocation

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the prorated basis determined by Management. Administrative and general expenses include expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Advertising

The Organization uses advertising to promote its programs among the public it serves. Advertising costs are expensed as incurred. During the year ending December 31, 2023 and 2022, advertising costs totaled \$9,488 and \$13,712, respectively.

Property and Equipment

Property and equipment are recorded at cost and are being depreciated using the straight-line method over the estimated useful lives of the assets ranging between 5 and 7 years. No asset impairments were noted at December 31, 2023 and 2022.

NOTE 3 – EQUIPMENT

Property and equipment consist of the following as of December 31:

	2023	2022
Equipment	\$ 56,743	\$ 43,149
Accumulated Depreciation	(17,703)	(9,363)
Net Equipment	\$ 39,040	\$ 33,786

Depreciation expense for the year ended December 31, 2023 and 2022 was \$8,340 and \$5,370, respectively.

NOTE 4 – IN-KIND DONATIONS

The Organization receives various types of in-kind support throughout the year. Donated property, marketable securities, and other noncash donations are recorded as contributions at their estimated fair value at the date of donation. No in kind donations were received in 2023 and 2022.

A substantial amount of management, administrative, and fundraising duties are performed voluntarily by the Board of Directors. Those services have not been recorded as they do meet the criteria outlined above.

NOTE 5 – FAIR VALUE MEASUREMENTS

SFAS No. 157, *Fair Value Measurements*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, and Level 3 inputs have lowest priority. The three levels of the fair value hierarchy under SFAS No. 157 are described as follows:

Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2: Quotes prices in markets that are not considered to be active or financial instruments which all the significant inputs are observable, either directly, or indirectly.

Level 3: Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

The following table sets forth by level, within the fair value hierarchy, the Organization’s investment assets measured at fair value as of December 31, 2023 and 2022:

December 31, 2023

	Level 1	Level 2	Level 3	Total
Money market funds	\$ 108	-	-	\$ 108
Publically traded securities	-	-	-	-
	\$ 108	\$ -	\$ -	\$ 108

December 31, 2022

	Level 1	Level 2	Level 3	Total
Money market funds	\$ 107	-	-	\$ 107
Publically traded securities	-	-	-	-
	\$ 107	\$ -	\$ -	\$ 107

New York City H2O

Notes to the Financial Statements

NOTE 6 – LIQUIDITY

The Organization regularly monitors liquidity required to meet its general operating needs while also striving to maintain sufficient reserves to meet operating needs during periods of uncertainty and to assure longer term commitments will continue to be met. The Organization's strategy is to operate within a balanced budget that anticipates collecting sufficient revenue to cover general expenditures. Revenues available to meet general expenditures include all revenues, gains, and other support generated from ongoing operations, unless certain restrictions exist.

The following reflects the Organization's financial assets as of December 31, 2023 and 2022, reduced by amounts not available for general use within one year of the statement of financial date because of donor-imposed restrictions:

	2023	2022
Cash - operating account - Unrestricted	\$ 114,726	\$ 185,914
Cash - money market account - Unrestricted	108	107
Equity securities - Unrestricted	-	-
Total unrestricted cash and cash equivalents	\$ 114,834	\$ 186,021

NOTE 7 – SHORT TERM RENTALS

During 2019, the Organization entered into various short term lease arrangements with unrelated parties. These arrangements include storage (\$225 per month in 2023, and \$214 a month in 2022). The lease terms are reviewed and renewed annually. Rent expense for the year ended December 31, 2023 and 2022 was \$2,656 and \$2,535, respectively.

NOTE 8 – RECLASSIFICATION

Certain reclassifications have been made to the prior year financial statements in order for them to be in conformity with current year presentation.

NOTE 9 – RELATED PARTY TRANSACTIONS

During the years ended December 31, 2023 and 2022, the Organization received approximately \$92,000 and \$90,000 respectively in donations from the Board Members of the Organization.

NOTE 10 – NEW YORK GRANTS

The Organization receives various grants from New York City to fund program related operations. Grants are recognized when received. During the years ended December 31, 2023 and 2022, the Organization received \$710,096 and \$567,154, respectively.

NOTE 11 – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through May 6, 2023, which is the date the financial statements were available to be issued.