
GODDARD RIVERSIDE COMMUNITY CENTER

Standalone Financial Statements

For the years ended June 30, 2020 and 2019

GODDARD RIVERSIDE COMMUNITY CENTER
Financial Statements
June 30, 2020 and 2019

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Independent Auditors' Report

To the Board of Directors of
Goddard Riverside Community Center

Report on the financial statements

We have audited the accompanying financial statements of Goddard Riverside Community Center ("GRCC"), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's responsibility for the financial statements

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

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of GRCC as of June 30, 2020 and 2019, 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.

NChing LLP

New York, New York
March 26, 2021



GODDARD RIVERSIDE COMMUNITY CENTER

Statements of Financial Position

As of June 30,

	<u>2020</u>	<u>2019</u>
<u>Assets</u>		
Cash	\$ 821,614	\$ 963,677
Accounts receivable, net	11,642,609	11,492,188
Contributions receivable – Note 8	429,723	944,956
Interest receivable	2,202	1,585
Escrow deposit	1,876,082	-
Prepaid expenses	10,395	50,008
Investments – Note 6	54,274,230	14,771,587
Investment in affiliate - Note 19	32,905,188	-
Fixed assets, net – Note 5	2,072,992	2,054,767
Mortgage receivable – Note 17	-	2,488,609
Total assets	<u>\$ 104,035,035</u>	<u>\$ 32,767,377</u>
<u>Liabilities and Net Assets</u>		
Liabilities		
Accounts payable and accrued expenses	\$ 3,915,110	\$ 3,191,315
Refundable advances	3,002,470	3,956,927
Line of credit – Note 9	1,300,000	500,000
Due to related parties – Note 10	1,039,433	819,674
Other liabilities	229,621	229,564
Total liabilities	<u>9,486,634</u>	<u>8,697,480</u>
Commitments and contingencies – Notes 7 and 13		
Net assets		
Net assets without donor restrictions		
Designated - Note 14	<u>86,376,404</u>	<u>16,588,847</u>
Total net assets without donor restrictions	86,376,404	16,588,847
Net assets with donor restrictions - Notes 14 and 15	<u>8,171,997</u>	<u>7,481,050</u>
Total net assets	<u>94,548,401</u>	<u>24,069,897</u>
Total liabilities and net assets	<u>\$ 104,035,035</u>	<u>\$ 32,767,377</u>

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

GODDARD RIVERSIDE COMMUNITY CENTER**Statement of Activities**

For the year ended June 30, 2020

	Without donor restrictions	With donor restrictions	Total
<u>Revenues</u>			
Contributions	\$ 1,100,919	\$ 4,055,481	\$ 5,156,400
Government grants	20,029,084	-	20,029,084
Program fees	970,474	-	970,474
Benefit events	606,365	-	606,365
Less: direct benefit events expense	(207,718)	-	(207,718)
In-kind services – Note 11	488,318	-	488,318
Net investment income – Notes 6 and 14	653,290	155,868	809,158
Reimbursements from affiliates	1,194,661	-	1,194,661
Investment income from affiliate - Note 19	70,256,005	-	70,256,005
Other income	1,359,092	-	1,359,092
Releases from restriction – Notes 14 and 15	<u>3,520,402</u>	<u>(3,520,402)</u>	<u>-</u>
Total revenues	<u>99,970,892</u>	<u>690,947</u>	<u>100,661,839</u>
<u>Expenses</u>			
Program services			
Aging services	3,512,394		3,512,394
Early childhood	4,291,089		4,291,089
Family and community support	1,840,446		1,840,446
Homeless and mental health programs	6,126,962		6,126,962
Supportive housing	5,074,559		5,074,559
Youth programs	<u>5,025,617</u>		<u>5,025,617</u>
Total program services	<u>25,871,067</u>		<u>25,871,067</u>
Supporting services			
Management and general	3,485,318		3,485,318
Fund raising	<u>826,950</u>		<u>826,950</u>
Total expenses	<u>30,183,335</u>		<u>30,183,335</u>
Change in net assets	69,787,557	690,947	70,478,504
Net assets at beginning of year	<u>16,588,847</u>	<u>7,481,050</u>	<u>24,069,897</u>
Net assets at end of year	<u>\$ 86,376,404</u>	<u>\$ 8,171,997</u>	<u>\$ 94,548,401</u>

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

GODDARD RIVERSIDE COMMUNITY CENTER**Statement of Activities**

For the year ended June 30, 2019

	Without donor restrictions	With donor restrictions	Total
<u>Revenues</u>			
Contributions	\$ 928,723	\$ 3,552,524	\$ 4,481,247
Government grants	18,347,067	-	18,347,067
Program fees	1,292,991	-	1,292,991
Benefit events	832,521	-	832,521
Less: direct benefit events expense	(182,094)	-	(182,094)
In-kind services – Note 11	737,874	-	737,874
Net investment income – Notes 6 and 14	293,285	127,134	420,419
Reimbursements from affiliates	1,185,649	-	1,185,649
Other income	540,166	-	540,166
Releases from restriction – Notes 14 and 15	3,811,079	(3,811,079)	-
Total revenues	<u>27,787,261</u>	<u>(131,421)</u>	<u>27,655,840</u>
<u>Expenses</u>			
Program services			
Aging services	3,594,218		3,594,218
Early childhood	4,066,711		4,066,711
Family and community support	1,856,982		1,856,982
Homeless and mental health programs	6,136,358		6,136,358
Supportive housing	4,629,413		4,629,413
Youth programs	5,040,996		5,040,996
Total program services	<u>25,324,678</u>		<u>25,324,678</u>
Supporting services			
Management and general	3,428,066		3,428,066
Fund raising	816,636		816,636
Total expenses	<u>29,569,380</u>		<u>29,569,380</u>
Change in net assets	(1,782,119)	(131,421)	(1,913,540)
Net assets at beginning of year	18,370,966	7,612,471	25,983,437
Net assets at end of year	<u>\$ 16,588,847</u>	<u>\$ 7,481,050</u>	<u>\$ 24,069,897</u>

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

GODDARD RIVERSIDE COMMUNITY CENTER
Statement of Functional Expenses
For the year ended June 30, 2020

	Program services						Supporting services		Total Program and Supporting Services	
	Aging Services	Early Child Hood	Family and Community Support	Homeless and Mental Health Programs	Supportive Housing	Youth Programs	Total Program Services	Management and General		Fund-raising
Personnel										
Salary and wages	\$ 1,639,173	\$ 2,517,765	\$ 1,129,447	\$ 3,857,693	\$ 3,090,481	\$ 2,980,843	\$ 15,215,402	\$ 1,937,599	\$ 389,172	\$ 17,542,173
Fringes	510,079	654,373	348,006	1,070,240	840,406	766,362	4,189,466	461,084	67,765	4,718,315
Total personnel	<u>2,149,252</u>	<u>3,172,138</u>	<u>1,477,453</u>	<u>4,927,933</u>	<u>3,930,887</u>	<u>3,747,205</u>	<u>19,404,868</u>	<u>2,398,683</u>	<u>456,937</u>	<u>22,260,488</u>
Occupancy	72,120	544,423	49,881	348,788	242,565	126,855	1,384,632	3,564	-	1,388,196
Professional fees	232,058	101,162	108,235	167,100	269,220	375,534	1,253,309	744,556	299,495	2,297,360
Program supplies	126,098	178,715	38,921	148,654	132,804	91,474	716,666	70,385	10,193	797,244
Communication	21,896	22,731	16,954	79,685	59,518	60,060	260,844	25,044	2,850	288,738
Postage and messenger	4,602	2,163	5,326	4,979	3,413	5,586	26,069	3,221	1,566	30,856
Transportation and travel	10,349	10,049	1,021	117,005	2,613	32,702	173,739	10,279	310	184,328
Printing and publications	1,339	1,914	6,225	18,464	4,912	26,966	59,820	3,346	28,247	91,413
Dues and subscriptions	3,262	660	6,920	7,012	5,225	9,238	32,317	32,197	3,133	67,647
Insurance	82,864	60,277	27,341	137,329	63,109	82,554	453,474	14,451	2,472	470,397
Rental, repair and maintenance	67,150	74,573	60,757	51,916	109,147	54,135	417,678	15,911	858	434,447
Food	707,074	67,449	4,366	17,407	175,225	45,683	1,017,204	16,147	508	1,033,859
Training and development	6,413	20,813	2,923	6,027	5,416	7,344	48,936	7,331	2,452	58,719
Scholarships	-	-	-	-	-	55,268	55,268	-	-	55,268
Other	9,365	13,404	6,706	33,878	18,783	120,184	202,320	110,030	17,929	330,279
Depreciation	18,552	20,618	27,417	60,785	51,722	184,829	363,923	30,173	-	394,096
Total expenditures	<u>\$ 3,512,394</u>	<u>\$ 4,291,089</u>	<u>\$ 1,840,446</u>	<u>\$ 6,126,962</u>	<u>\$ 5,074,559</u>	<u>\$ 5,025,617</u>	<u>\$ 25,871,067</u>	<u>\$ 3,485,318</u>	<u>\$ 826,950</u>	<u>\$ 30,183,335</u>

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

GODDARD RIVERSIDE COMMUNITY CENTER
Statement of Functional Expenses
For the year ended June 30, 2019

	Program services						Supporting services		Total Program and Supporting Services	
	Aging Services	Early Child Hood	Family and Community Support	Homeless and Mental Health Programs	Supportive Housing	Youth Programs	Total Program Services	Management and General		Fund-raising
Personnel										
Salary and wages	\$ 1,675,221	\$ 2,296,068	\$ 1,156,729	\$ 3,720,336	\$ 2,932,357	\$ 2,986,813	\$ 14,767,524	\$ 1,740,799	\$ 341,200	\$ 16,849,523
Fringes	530,962	622,243	366,017	1,055,189	753,505	771,000	4,098,916	426,559	62,554	4,588,029
Total personnel	<u>2,206,183</u>	<u>2,918,311</u>	<u>1,522,746</u>	<u>4,775,525</u>	<u>3,685,862</u>	<u>3,757,813</u>	<u>18,866,440</u>	<u>2,167,358</u>	<u>403,754</u>	<u>21,437,552</u>
Occupancy	100,135	534,549	45,200	329,786	250,785	135,099	1,395,554	18,048	-	1,413,602
Professional fees	209,489	144,001	144,294	222,626	224,771	224,248	1,169,429	902,026	320,911	2,392,366
Program supplies	157,815	147,795	36,644	119,271	94,548	172,571	728,644	34,491	4,047	767,182
Communication	43,512	20,977	17,469	74,436	46,260	40,965	243,619	25,290	4,742	273,651
Postage and messenger	8,067	2,304	4,873	8,003	4,431	6,178	33,856	4,421	4,456	42,733
Transportation and travel	12,110	5,600	1,508	97,657	2,013	33,017	151,905	13,972	2,371	168,248
Printing and publications	1,944	3,248	5,455	12,733	6,575	29,213	59,168	4,047	17,947	81,162
Dues and subscriptions	2,060	660	5,852	7,826	1,712	5,050	23,160	65,404	6,324	94,888
Insurance	84,337	60,318	21,920	153,198	65,259	74,106	459,138	15,520	1,596	476,254
Rental, repair and maintenance	80,079	42,901	33,698	101,340	145,945	107,085	511,048	9,263	1,368	521,679
Food	633,650	104,370	4,910	29,903	47,564	85,063	905,460	13,838	15,087	934,385
Training and development	711	3,504	2,940	5,128	5,590	11,566	29,439	14,203	5,557	49,199
Scholarships	-	-	-	-	-	60,150	60,150	-	-	60,150
Other	26,325	17,635	9,473	93,830	39,664	100,763	287,690	107,868	25,348	420,906
Depreciation	27,801	60,538	-	105,096	8,434	198,109	399,978	32,317	3,128	435,423
Total expenditures	<u>\$ 3,594,218</u>	<u>\$ 4,066,711</u>	<u>\$ 1,856,982</u>	<u>\$ 6,136,358</u>	<u>\$ 4,629,413</u>	<u>\$ 5,040,996</u>	<u>\$ 25,324,678</u>	<u>\$ 3,428,066</u>	<u>\$ 816,636</u>	<u>\$ 29,569,380</u>

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

GODDARD RIVERSIDE COMMUNITY CENTER

Statements of Cash Flows

For the years ended June 30,

	2020	2019
Cash flows from operating activities		
Change in net assets	\$ 70,478,504	\$ (1,913,540)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	394,096	435,423
Net realized and unrealized loss (gain) on investments	(545,007)	872
Donated securities	(325,203)	(104,846)
Proceeds from donated securities	326,341	99,071
Investment income from affiliate	(70,256,005)	-
Change in accounts receivable	(150,421)	277,556
Change in contributions receivable	515,233	41,430
Change in interest receivable	(617)	11,833
Change in prepaid expenses	39,613	32,900
Change in accounts payable and accrued expenses	581,304	216,085
Change in due from related parties	(50,014)	754,631
Change in refundable advances	(954,457)	(19,593)
Net cash provided by (used in) operating activities	<u>53,367</u>	<u>(168,178)</u>
Cash flows from investing activities		
Purchase of fixed assets	-	(218,580)
Distribution from affiliate	37,350,817	-
Purchase of investments	(42,077,241)	(5,398,225)
Proceeds from sale of investments	3,118,467	8,728,367
Escrow deposit	(1,876,082)	-
Receipt of mortgage receivable	2,488,609	-
Net cash provided by (used in) investing activities	<u>(995,430)</u>	<u>3,111,562</u>
Cash flows from financing activities		
Loan proceeds	4,576,082	1,000,000
Loan repayments	(3,776,082)	(3,389,583)
Net cash provided by (used in) financing activities	<u>800,000</u>	<u>(2,389,583)</u>
Net change in cash	(142,063)	553,801
Cash at beginning of year	963,677	409,876
Cash at end of year	<u>\$ 821,614</u>	<u>\$ 963,677</u>
Supplemental information		
Cash paid for interest	\$ 25,539	\$ 66,517
Noncash transactions		
Donated securities	\$ 325,203	\$ 104,846
Investment in affiliate - Note 19	\$ 32,905,188	\$ -

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

GODDARD RIVERSIDE COMMUNITY CENTER

Notes to the Financial Statements

June 30, 2020 and 2019

Note 1 Organization

Goddard Riverside Community Center (“GRCC”) was organized in the State of New York under Section 805 of the Not-for-profit Corporation Law to provide various social services to its community.

GRCC builds community, changes lives and supports New Yorkers in need through services including early childhood and youth programs, college counseling, supportive housing, employment readiness, and assistance to homeless and older adults in Manhattan. GRCC embraces the potential and worth of each individual, connecting them across social, economic and other barriers, and acknowledges the importance of a strong community.

GRCC cares for families with a variety of educational and recreational programs for toddlers, children, and young people, including making college accessible to low-income youngsters. GRCC helps people who are living on the streets to address the underlying issues that led to their homelessness, acquire basic life skills and reintegrate into the community. GRCC prevents evictions and preserves affordable housing by providing free legal representation for low-income tenants and organizing tenants to advocate for their rights. Older adults are helped to live in their own homes for as long as possible; in addition, GRCC provides elders with health and social services, meals, recreation, companionship, and arts activities. GRCC educates community members on important civic issues and mobilizes them to advocate for better public policies at the city, state and federal levels. GRCC operates various programs at different sites on the Upper West Side, in Harlem, and in Lower Manhattan.

GRCC is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been classified as a publicly supported organization as described in Code Sections 509(a)(1) and 170(b)(1)(A)(vi).

Note 2 Summary of significant accounting policies

Basis of accounting. The accompanying financial statements have been prepared on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America (“GAAP”) as applicable to not-for profit entities.

Principles of consolidation. GRCC is required to present and also presents consolidated financial statements with its affiliates and subsidiary in conformity with GAAP. The accompanying standalone financial statements are prepared to comply with the requirements of a grantor of GRCC, and therefore do not include the activities of the affiliates and subsidiary.

GODDARD RIVERSIDE COMMUNITY CENTER

Notes to the Financial Statements

June 30, 2020 and 2019

Note 2 Summary of significant accounting policies - (continued)

Financial statement presentation. GRCC reports information regarding its statements of financial position and activities according to the following net asset classifications:

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.

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 GRCC or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Functional allocation of expenses. The costs of providing program and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among program and supporting services benefited. Such allocations are determined by management on an equitable basis. The expenses that are allocated include the following:

Expense	Method of allocation
Salary and benefits	Time and effort
Occupancy	Square footage
Professional fees	Time and effort
Program Supplies	Time and effort
Rental, repair and maintenance	Time and effort

Use of estimates. The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Cash and cash equivalents. Cash and cash equivalents consist of cash held in checking, and money market accounts, except for cash balance in the money market funds held in investment portfolio.

GODDARD RIVERSIDE COMMUNITY CENTER

Notes to the Financial Statements

June 30, 2020 and 2019

Note 2 Summary of significant accounting policies - (continued)

Contributions receivable. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are to be received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

Support. Contributions received and unconditional promises to give are measured at their fair value and are reported as an increase in net assets. Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit their use.

Government grant advances. Government grant awards are classified as refundable advances until expended for the purposes of the grants.

Deferred revenue. Program fees received in advance that relate to future fiscal years have been recorded as deferred revenue and will be recognized in the period to which they apply.

Concentrations of credit and market risk. Financial instruments that potentially expose GRCC to concentrations of credit and market risk consist primarily of cash and cash equivalents and investments. Cash and cash equivalents are maintained at a major financial institution that is one of the nation's largest banks; investments consist of a variety of investments including mutual funds, exchange traded funds, limited partnerships, corporate bonds, government bonds and money market funds - all of which are managed by professional investment advisors. Management understands the risks implicit in investing and believes that, with the guidance of the Investment Committee of the Board of Directors with respect to managing and investing of the assets, appropriate oversight is being exercised and GRCC's diverse portfolio carries a reasonable overall level of risk.

Investments valuation. Investments, other than alternative investments, are recorded at fair market value. Alternative investments are recorded using net asset value per share as the practical expedient.

Donated assets. Donated investments and other noncash donations are recorded as contributions at their fair values at the date of donation. Donated investments are promptly sold after receipt.

GODDARD RIVERSIDE COMMUNITY CENTER

Notes to the Financial Statements

June 30, 2020 and 2019

Note 2 Summary of significant accounting policies - (continued)

Fair value measurements. GRCC follows GAAP guidance on Fair Value Measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted market prices in active markets which may include quoted prices for similar assets and liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Fixed assets. Depreciation of fixed assets and amortization of leasehold improvements are provided over the estimated useful lives of the respective assets or life of the lease whichever is shorter on a straight-line method as follows:

	<u>Estimated Life</u>
Leasehold improvements	3 - 15 years
Office equipment and computers	3 - 5 years
Transportation vehicles	5 years

Uncertainty in income taxes. Because of its general tax-exempt status, management has not and is not anticipated to have material and uncertain tax positions on its financial statements in accordance with Accounting Standards Codification ("ASC") Topic 740, Income Taxes, which provides standards for establishing and classifying any tax provision for uncertain tax positions. Tax filing periods ending June 30, 2017 and later are subject to examinations by appropriate tax authorities.

Operating risk. The corona virus outbreak may have an adverse effect on the results of operations. Given the uncertainty around the extent and timing of the potential future spread or mitigation of the corona virus and around the imposition or relaxation of protective measures, GRCC cannot reasonably estimate the impact to future results of operations.

New accounting pronouncement. On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understanding of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. GRCC has implemented ASU 2016-14 and has adjusted the presentation of these financial statements accordingly.

GODDARD RIVERSIDE COMMUNITY CENTER

Notes to the Financial Statements

June 30, 2020 and 2019

Note 2 Summary of significant accounting policies - (continued)

In February 2016, the FASB issued ASU 2016-02, *Leases*, which supersedes existing lease accounting standards. Together with subsequent amendments, ASC 842 was issued and is effective for fiscal years beginning after December 15, 2021. Early adoption is permitted. In addition to expanded disclosure requirements regarding leasing activities, the new standard significantly changes current lessee accounting for operating leases. Under the new standard all lessees will be required to recognize a right-of-use asset and a lease liability in the statement of financial position for all leases of property and equipment, except for certain leases classified as short-term leases. GRCC has not adopted the new standard in these financial statements and is presently evaluating the effect adoption will have on prospective financial statements. However, based on GRCC's present leasing activities, management believes that adoption of the new standard will not require the recognition of significant, long-term right-of-use assets and a lease liability.

Note 3 Availability and liquidity

The following represents GRCC financial assets at June 30, 2020:

Financial assets at year-end	
Cash	\$ 821,614
Accounts receivable	11,642,609
Contributions receivable	429,723
Interest receivable	2,202
Investments	<u>54,274,230</u>
Total financial assets	67,170,378
Adjustments: amounts not available to be used within one year	
Net assets with donor restrictions	<u>(8,171,997)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 58,998,381</u>

Note 4 Pension plan

GRCC maintains a defined contribution pension plan covering eligible employees with at least one year of eligible service. GRCC's annual contribution is at the discretion of the Board of Directors. GRCC contributed 3% of annual compensation for the years ended June 30, 2020 and 2019, respectively. The total expense for the years ended June 30, 2020 and 2019 was \$381,642 and \$322,357, respectively.

GODDARD RIVERSIDE COMMUNITY CENTER

Notes to the Financial Statements

June 30, 2020 and 2019

Note 5 Fixed assets

Fixed assets consist of the following:

	<u>2020</u>	<u>2019</u>
Leasehold improvements	\$ 7,680,419	\$ 7,410,646
Equipment	823,565	823,565
Transportation equipment	632,659	490,111
Computer systems and software	<u>542,232</u>	<u>542,232</u>
Total fixed assets	9,678,875	9,266,554
Less: accumulated depreciation	<u>(7,605,883)</u>	<u>(7,211,787)</u>
Fixed assets, net	<u>\$ 2,072,992</u>	<u>\$ 2,054,767</u>

Note 6 Investments and investment income

The fair value of investments measured on a recurring basis as of June 30, 2020 and 2019 are as follows:

	<u>Total</u>	<u>Quoted prices in active markets for identical assets Level 1</u>	<u>Significant Other Observable Inputs Level 2</u>
Fair value measurements at June 30, 2020			
Cash and cash equivalents	\$ 50,304	\$ 50,304	\$ -
Government fixed income	40,019,368	-	40,019,368
Equity (Domestic/Global)	9,440,888	9,440,888	-
Bond funds	<u>3,504,500</u>	<u>-</u>	<u>3,504,500</u>
Total investments at published fair value	53,015,060	<u>\$ 9,491,192</u>	<u>\$ 43,523,868</u>
Alternative investments measured at Net Asset Value (“NAV”):			
Hedge equity	<u>1,259,170</u>		
Total investments at fair value	<u>\$ 54,274,230</u>		

GODDARD RIVERSIDE COMMUNITY CENTER

Notes to the Financial Statements

June 30, 2020 and 2019

Note 6 Investments and investment income - (continued)

	Total	Quoted prices in active markets for identical assets Level 1	Significant Other Observable Inputs Level 2
Fair value measurements at June 30, 2019			
Cash and cash equivalents	\$ 110,121	\$ 110,121	\$ -
Government fixed income	251,488	-	251,488
Equity (Domestic/Global)	9,109,334	9,109,334	-
Bond funds	<u>4,158,808</u>	<u>-</u>	<u>4,158,808</u>
Total investments at published fair value	13,629,751	<u>\$ 9,219,455</u>	<u>\$ 4,410,296</u>
Alternative investments measured at Net Asset Value ("NAV"):			
Hedge equity	<u>1,141,836</u>		
Total investments at fair value	<u>\$ 14,771,587</u>		

Investment income as of June 30, is as follows:

	<u>2020</u>	<u>2019</u>
Dividends and interest	\$ 338,468	\$ 508,544
Net realized gain	133,078	91,524
Net unrealized gain (loss)	418,198	(90,652)
Fees	<u>(80,586)</u>	<u>(88,532)</u>
Net investment income	<u>\$ 809,158</u>	<u>\$ 420,884</u>

Note 7 Contingencies

GRCC receives a significant amount of financial assistance from the federal government. Grants and contracts normally provide for the recovery of direct and indirect costs. Entitlement to the recovery of the direct and related indirect costs are conditional upon compliance with the terms and conditions of the grant agreements and with applicable federal regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance reviews and audits by the grantors. In management's opinion, it is highly unlikely that an adverse material outcome will result from those reviews and audits.

GODDARD RIVERSIDE COMMUNITY CENTER

Notes to the Financial Statements

June 30, 2020 and 2019

Note 8 Contributions receivable

Contributions receivable is comprised of unconditional promises to give. Unconditional promises to give are recorded at the present value of their estimated future cash flows. As of June 30, 2020 and 2019, \$429,723 and \$944,956 of contributions receivable is with donor restrictions. Management expects all pledges to be fully collected and, accordingly, no allowance for doubtful pledges has been provided.

Note 9 Line of credit

GRCC has a total line of credit of \$3,000,000 with a bank. The interest rate is 3% per annum plus the adjusted LIBOR rate. All business assets, inventory, equipment, accounts and general intangibles are pledged as collateral. The line of credit is renewed annually. As of June 30, 2020 and 2019, the outstanding balance was \$1,300,000 and \$500,000, respectively.

Note 10 Due to related parties

As of June 30, 2020 and 2019, the balance due from (to) the related parties in connection with services provided consists of:

	<u>2020</u>	<u>2019</u>
Capitol Hall Preservation HDFC	\$ (738,678)	\$ (709,081)
Corner House Associates HDFC	264,440	151,496
Phelps House Associates, L.P.	(400,004)	132,986
New Senate Associates, L.P.	(224,631)	(430,306)
140 W 140 th St. HDFC	<u>59,440</u>	<u>35,231</u>
Due to related parties	<u>\$ (1,039,433)</u>	<u>\$ (819,674)</u>

GODDARD RIVERSIDE COMMUNITY CENTER

Notes to the Financial Statements

June 30, 2020 and 2019

Note 11 In-kind services

In-kind contributions are recorded as income and expenses at the time the items are received, which is also the time they are placed into service or distributed. Donated services are reported as income at their fair value if such services create or enhance non-financial assets or would have been purchased if not provided by donation, require specialized skills, and are provided by individuals possessing such specialized skills. The in-kind services as of June 30, 2020 and 2019, are as follows:

	<u>2020</u>	<u>2019</u>
Occupancy	\$ 324,033	\$ 366,044
Food and supplies	-	6,070
Program volunteers	<u>164,285</u>	<u>365,760</u>
Total	<u>\$ 488,318</u>	<u>\$ 737,874</u>

Note 12 Developer's fee

GRCC is a party to an agreement with Capitol Hall Preservation Associates LP ("Capitol Hall") whereby GRCC is overseeing the development and renovations of a 202-unit residential building for formally homeless adults located at 166 West 87th Street, New York, NY. The renovation project was scheduled to be completed in December 2014. For these services, Capitol Hall agreed to pay a developer fee of \$5,130,655, of which \$900,000 is for the advisory consultant fee to Rockabill Advisors (GRCC is responsible to collect and remit these amounts). For each of the year ended June 30, 2020 and 2019, GRCC collected and recognized \$0 in its statement of activities. The balance of \$395,792 is payable only to the extent that cash flow from the property permits, and income will be recognized only when cash is received.

GODDARD RIVERSIDE COMMUNITY CENTER

Notes to the Financial Statements

June 30, 2020 and 2019

Note 13 Commitments

GRCC leases various facilities under operating leases expiring between the years 2020 and 2028. The minimum future leases commitment is as follows:

Year ending June 30,		
2021	\$	536,381
2022		389,836
2023		333,793
2024		240,120
2025		175,609
Thereafter		<u>132,781</u>
Total	\$	<u>1,808,520</u>

Note 14 Endowment and board designated funds

The Board of Directors established a board designated fund to generate income to support the operations of GRCC. The fund was initially established by the unrestricted proceeds from the sales of certain real properties and other funds. GRCC also receives contributions from donors which are restricted.

The primary investment objectives for all of the institutional funds under the control of GRCC including endowment funds (collectively the "Fund") are, except as otherwise required by the terms of restricted funds, to provide for:

- long-term growth of principal and income by maximizing total return consistent with prudent risk taking; and
- a stable source of perpetual financial support and liquidity to GRCC.

The Investment Committee is responsible for actively determining the allocation of assets between various investment categories. Asset allocation decisions should be focused on longer-term trends and projections. The spending policy is intended to ensure that the Fund's purchasing power, at a minimum, is maintained over time by keeping the long-term rate of annual spending from the Fund in support of operations equal to or less than the long-term inflation-adjusted investment return of the Fund. The amount to be drawn from the Fund and spent in any year will be determined as part of GRCC's budget process.

Endowment is comprised of donor restricted funds. GRCC may fund operations from the endowment funds with up to 4.5% of a 20-quarter rolling average of the value of the Fund. This amount is estimated and set by the Board of Directors during the approval of the annual operating budget. The total return basis for calculating spending is intended to comply with the NYPMIFA and the directive of the attorney general of New York which has set guidelines under which an institution's spending is reasonably deemed prudent.

GODDARD RIVERSIDE COMMUNITY CENTER**Notes to the Financial Statements**

June 30, 2020 and 2019

Note 14 Endowment and board designated funds – (continued)

The endowment and board designated funds consist of the following as of June 30, 2020:

	Without donor restrictions	With donor restrictions	Total
Donor restricted			
Lester Martin scholarship fund	\$ -	\$ 129,410	\$ 129,410
Community Arts	-	539,715	539,715
Options endowment	-	1,799,405	1,799,405
Bernie Wohl endowment	-	2,811,678	2,811,678
Total donor restricted funds	-	5,280,208	5,280,208
Board designated funds			
Other	86,376,404	-	86,376,404
Total donor restricted and board designated funds as of June 30, 2020	<u>\$ 86,376,404</u>	<u>\$ 5,280,208</u>	<u>\$ 91,656,612</u>

The endowment and board designated funds consist of the following as of June 30, 2019:

	Without donor restrictions	With donor restrictions	Total
Donor restricted			
Lester Martin scholarship fund	\$ -	\$ 130,608	\$ 130,608
Community Arts	-	544,712	544,712
Options endowment	-	1,816,066	1,816,066
Bernie Wohl endowment	-	2,837,712	2,837,712
Total donor restricted funds	-	5,329,098	5,329,098
Board designated funds			
Other *	16,588,847	-	16,588,847
Total donor restricted and board designated funds as of June 30, 2019	<u>\$ 16,588,847</u>	<u>\$ 5,329,098</u>	<u>\$ 21,917,945</u>

*This balance includes a mortgage note receivable of \$2,488,609 from Phelps House Associates, L.P. See note 17 for additional disclosures.

GODDARD RIVERSIDE COMMUNITY CENTER**Notes to the Financial Statements**

June 30, 2020 and 2019

Note 14 Endowment and board designated funds – (continued)

Roll-forward of the fund balances as of June 30, 2020, is as follows:

	Without donor restrictions	With donor restrictions	Total
Fund net assets, July 1, 2019	\$ 16,588,847	\$ 5,329,098	\$ 21,917,945
Investment returns:			
Investment income	235,386	103,082	338,468
Realized/unrealized (loss)	417,904	52,786	470,690
	17,242,137	5,484,966	22,727,103
Appropriation of fund assets for expenditure	(2,338,551)	(204,758)	(2,543,309)
Investment income from affiliate	70,256,005	-	70,256,005
Interest income from mortgage note	1,216,813	-	1,216,813
Fund net assets, June 30, 2020	<u>\$ 86,376,404</u>	<u>\$ 5,280,208</u>	<u>\$ 91,656,612</u>

For fiscal year ended June 30, 2020, the Board approved \$2,338,551 to be used for operations.

Roll-forward of the fund balances as of June 30, 2019, is as follows:

	Without donor restrictions	With donor restrictions	Total
Fund net assets, July 1, 2018	\$ 18,364,115	\$ 5,404,458	\$ 23,768,573
Investment returns:			
Investment income	381,410	127,134	508,544
Realized/unrealized (loss)	(88,125)	-	(88,125)
	18,657,400	5,531,592	24,188,992
Appropriation of fund assets for expenditure	(2,068,553)	(202,494)	(2,271,047)
Fund net assets, June 30, 2019	<u>\$ 16,588,847</u>	<u>\$ 5,329,098</u>	<u>\$ 21,917,945</u>

For fiscal year ended June 30, 2019, the Board approved \$2,068,553 to be used for operations.

GODDARD RIVERSIDE COMMUNITY CENTER

Notes to the Financial Statements

June 30, 2020 and 2019

Note 15 Net assets with donor restrictions - all sources

As of June 30, 2020 net assets with donor restrictions from all sources consist of:

	As of July 1, 2019	Additions	Releases	As of June 30, 2020
Donor time and program restricted:				
Time restricted	\$ 893,750	\$ 1,499,038	\$ (925,572)	\$ 1,467,216
Program restricted:				
Youth	871,307	1,579,596	(1,669,143)	781,760
Housing and mental health homeless	47,498	537,380	(122,201)	462,677
Family and community services	324,397	385,967	(553,228)	157,136
Senior citizens and adults	15,000	53,500	(45,500)	23,000
Donor restricted	777,934	155,868	(204,758)	729,044
Donor endowment:				
Lester Martin scholarship fund	106,000	-	-	106,000
Community Arts	500,000	-	-	500,000
Options endowment	1,605,000	-	-	1,605,000
Bernie Wohl endowment	2,340,164	-	-	2,340,164
Total	<u>\$ 7,481,050</u>	<u>\$ 4,211,349</u>	<u>\$ (3,520,402)</u>	<u>\$ 8,171,997</u>

As of June 30, 2019 net assets with donor restrictions from all sources consist of:

	As of July 1, 2018	Additions	Releases	As of June 30, 2019
Donor time and program restricted:				
Time restricted	\$ 849,367	\$ 690,000	\$ (645,617)	\$ 893,750
Program restricted:				
Youth	815,332	2,106,524	(2,050,549)	871,307
Youth promise campaign	7,063	-	(7,063)	-
Housing and homeless	269,667	122,500	(344,669)	47,498
Family and community services	251,584	547,000	(474,187)	324,397
Senior citizens and adults	15,000	86,500	(86,500)	15,000
Donor restricted	853,294	127,134	(202,494)	777,934
Donor endowment:				
Lester Martin scholarship fund	106,000	-	-	106,000
Community Arts	500,000	-	-	500,000
Options endowment	1,605,000	-	-	1,605,000
Bernie Wohl endowment	2,340,164	-	-	2,340,164
Total	<u>\$ 7,612,471</u>	<u>\$ 3,679,658</u>	<u>\$ (3,811,079)</u>	<u>\$ 7,481,050</u>

GODDARD RIVERSIDE COMMUNITY CENTER

Notes to the Financial Statements

June 30, 2020 and 2019

Note 16 Client representative payee accounts

GRCC is acting as “rep-payee” for 40 clients in 2020 and 39 clients in 2019 who receive services from several of the GRCC programs. Funds, received on behalf of each client, are deposited in individual client accounts. Funds are disbursed from these accounts to pay each client’s expenses and provide cash to individual clients from each client’s fund, based on need. The activity in these accounts, which is not reflected in the accompanying statements of financial position, is summarized below:

	<u>2020</u>	<u>2019</u>
Balance at beginning of year	\$ 276,933	\$ 267,667
Deposits during the year	435,116	425,668
Disbursements during the year	<u>(389,808)</u>	<u>(416,402)</u>
Balance at end of year	<u>\$ 322,241</u>	<u>\$ 276,933</u>

Note 17 Mortgage receivable

In 2004, Goddard Riverside Housing Development Fund Company, Inc. (“GRHDFC”), an affiliate of GRCC, sold the property located at 595 Columbus Avenue, New York, NY, to Phelps House Associates, L.P. Part of the consideration received by GRHDFC was a mortgage receivable in the amount of \$2,981,845. The note bore interest at 4.7% with principal and interest payable over thirty years but only to the extent of available cash flow of the property as defined in the note and in the borrower’s partnership agreement. Subsequently GRHDFC assigned the note and mortgage to GRCC. At June 30, 2019, the outstanding balance was \$2,488,609. Interest income, which was recognized only to the extent received, was \$1,216,813 and \$246,618, respectively in 2020 and 2019 and is recognized in the statement of activities for those years.

In connection with a refinancing of the property in December 2019, the note was fully paid, including accrued and previously unrecognized interest.

Note 18 Concentration of revenue

GRCC provides various social services, and the majority of this revenue is generated from government funds which account for about 66% of this total revenue for each of the years ended June 30, 2020 and 2019.

GODDARD RIVERSIDE COMMUNITY CENTER

Notes to the Financial Statements

June 30, 2020 and 2019

Note 19 Investment in affiliate and investment income from affiliate

On December 4, 2019, a newly formed LLC (“595 Columbus Avenue LLC”), of which GRCC is the beneficial owner, acquired the limited partnership interests in Phelps House, L.P., the owner of the Phelps House property. GRCC recorded the investment in affiliate based on the fair market value of its equity in Phelps House, L.P. at the closing date, which resulted in an investment income from affiliate in the amount of \$70,256,005. At the same time, Phelps House, L.P. refinanced the mortgage on the property with a new, non-recourse mortgage in the amount of \$65,695,000. Excess proceeds from the refinancing after paying off the then-existing debt, including the mortgage note disclosed in note 17, and establishing reserves required by the lender, yielded net cash proceeds to Phelps House, L.P., of which \$37,350,817 was distributed to 595 Columbus Avenue LLC and, in turn, to GRCC.

Note 20 Subsequent events

Management has evaluated subsequent events occurring after June 30, 2020 through March 26, 2021, the date the financial statements were available to be issued. Based on this evaluation, management has determined that no subsequent events have occurred which would require disclosure in the financial statements.