

GODDARD RIVERSIDE COMMUNITY CENTER

Standalone Financial Statements

For the years ended June 30, 2022 and 2021

GODDARD RIVERSIDE COMMUNITY CENTER
Financial Statements
June 30, 2022 and 2021

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Independent Auditor's Report

To the Board of Directors of
Goddard Riverside Community Center

Opinion

We have audited the accompanying financial statements of Goddard Riverside Community Center (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Goddard Riverside Community Center as of June 30, 2022 and 2021 and the changes in its net assets, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Goddard Riverside Community Center 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 Goddard Riverside Community Center's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Goddard Riverside Community Center'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 Goddard Riverside Community Center'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.

NChing LLP

New York, New York
March 31, 2023



GODDARD RIVERSIDE COMMUNITY CENTER
Statements of Financial Position
As of June 30,

	<u>2022</u>	<u>2021</u>
<u>Assets</u>		
Cash	\$ 1,931,167	\$ 2,225,326
Accounts receivable, net	13,758,941	11,537,376
Contributions receivable – Note 8	489,323	570,036
Escrow deposit	-	412,957
Prepaid expenses	206,807	129,702
Due from related parties - Note 10	1,009,393	383,390
Investments – Note 6	59,591,986	64,556,657
Investment in affiliate - Note 18	22,650,344	29,488,809
Fixed assets, net – Note 5	<u>1,699,623</u>	<u>1,946,349</u>
Total assets	<u>\$ 101,337,584</u>	<u>\$ 111,250,602</u>
<u>Liabilities and Net Assets</u>		
Liabilities		
Accounts payable and accrued expenses	\$ 4,633,322	\$ 3,334,446
Refundable advances	5,783,447	4,332,563
PPP loan payable - Note 11	3,967,880	3,967,880
Other liabilities	<u>229,666</u>	<u>229,643</u>
Total liabilities	<u>14,614,315</u>	<u>11,864,532</u>
Commitments and contingencies – Note 7		
Net assets		
Net assets without donor restrictions		
Designated - Note 14	<u>77,848,957</u>	<u>90,870,071</u>
Total net assets without donor restrictions	77,848,957	90,870,071
Net assets with donor restrictions - Note 15	<u>8,874,312</u>	<u>8,515,999</u>
Total net assets	<u>86,723,269</u>	<u>99,386,070</u>
Total liabilities and net assets	<u>\$ 101,337,584</u>	<u>\$ 111,250,602</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, 2022

	Without donor restrictions	With donor restrictions	Total
<u>Revenues</u>			
Contributions	\$ 2,316,966	\$ 4,580,309	\$ 6,897,275
Government grants	23,128,704	-	23,128,704
Program fees	938,074	-	938,074
Benefit events	544,019	-	544,019
Less: direct benefit events expense	(120,832)	-	(120,832)
In-kind contribution – Note 12	350,535	-	350,535
Net investment loss – Notes 6 and 14	(8,953,721)	(673,936)	(9,627,657)
Reimbursements from affiliates	1,012,705	-	1,012,705
Investment loss from affiliate - Note 18	(2,413,168)	-	(2,413,168)
Other income	158,963	-	158,963
Releases from restriction – Notes 14 and 15	3,548,060	(3,548,060)	-
Total revenues	<u>20,510,305</u>	<u>358,313</u>	<u>20,868,618</u>
<u>Expenses</u>			
Program services			
Aging services	2,106,997		2,106,997
Early childhood	1,698,022		1,698,022
Family and community support	2,245,731		2,245,731
Homeless and mental health programs	7,562,240		7,562,240
Supportive housing	9,336,886		9,336,886
Youth programs	4,543,366		4,543,366
Total program services	<u>27,493,242</u>		<u>27,493,242</u>
Supporting services			
Management and general	4,754,894		4,754,894
Fund raising	1,283,283		1,283,283
Total expenses	<u>33,531,419</u>		<u>33,531,419</u>
Change in net assets	(13,021,114)	358,313	(12,662,801)
Net assets at beginning of year	<u>90,870,071</u>	<u>8,515,999</u>	<u>99,386,070</u>
Net assets at end of year	<u>\$ 77,848,957</u>	<u>\$ 8,874,312</u>	<u>\$ 86,723,269</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, 2021

	Without donor restrictions	With donor restrictions	Total
<u>Revenues</u>			
Contributions	\$ 2,142,609	\$ 3,089,281	\$ 5,231,890
Government grants	20,812,415	-	20,812,415
Program fees	736,417	-	736,417
Benefit events	407,025	-	407,025
Less: direct benefit events expense	(57,861)	-	(57,861)
In-kind contribution – Note 12	446,787	-	446,787
Net investment income – Notes 6 and 14	8,592,230	646,726	9,238,956
Reimbursements from affiliates	1,150,209	-	1,150,209
Investment loss from affiliate - Note 18	(2,214,790)	-	(2,214,790)
Other income	136,814	-	136,814
Releases from restriction – Notes 14 and 15	3,392,005	(3,392,005)	-
Total revenues	<u>35,543,860</u>	<u>344,002</u>	<u>35,887,862</u>
<u>Expenses</u>			
Program services			
Aging services	1,693,880		1,693,880
Early childhood	4,049,649		4,049,649
Family and community support	1,727,277		1,727,277
Homeless and mental health programs	6,906,874		6,906,874
Supportive housing	7,223,540		7,223,540
Youth programs	4,170,550		4,170,550
Total program services	<u>25,771,770</u>		<u>25,771,770</u>
Supporting services			
Management and general	4,437,598		4,437,598
Fund raising	840,825		840,825
Total expenses	<u>31,050,193</u>		<u>31,050,193</u>
Change in net assets	4,493,667	344,002	4,837,669
Net assets at beginning of year	<u>86,376,404</u>	<u>8,171,997</u>	<u>94,548,401</u>
Net assets at end of year	<u>\$ 90,870,071</u>	<u>\$ 8,515,999</u>	<u>\$ 99,386,070</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, 2022

	Program services						Supporting services		Total	
	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	Program and Supporting Services
Personnel										
Salary and wages	\$ 1,068,889	\$ 1,001,403	\$ 1,466,932	\$ 4,411,533	\$ 4,009,685	\$ 2,643,251	\$ 14,601,693	\$ 2,924,580	\$ 564,361	\$ 18,090,634
Fringes	268,103	265,260	405,059	1,236,063	903,092	601,954	3,679,531	559,679	105,586	4,344,796
Total personnel	1,336,992	1,266,663	1,871,991	5,647,596	4,912,777	3,245,205	18,281,224	3,484,259	669,947	22,435,430
Occupancy	-	45,366	53,651	429,462	1,300,333	97,520	1,926,332	26,462	-	1,952,794
Professional fees	184,644	113,315	110,449	235,926	2,467,095	257,547	3,368,976	855,356	342,209	4,566,541
Program supplies	99,456	112,933	14,738	209,223	136,719	217,952	791,021	64,222	3,597	858,840
Communication	11,280	9,631	19,005	74,298	50,895	44,608	209,717	28,417	4,303	242,437
Postage and messenger	83	70	3,365	523	564	824	5,429	3,557	1,110	10,096
Transportation and travel	14,197	338	1,306	189,019	9,969	7,841	222,670	6,583	611	229,864
Printing and publications	4,135	1,326	5,369	18,749	25,210	12,752	67,541	7,966	14,751	90,258
Dues and subscriptions	4,019	805	4,921	8,741	1,593	8,104	28,183	48,445	3,094	79,722
Insurance	36,410	53,674	32,335	187,419	108,980	77,064	495,882	18,295	3,516	517,693
Rental, repair and maintenance	79,404	61,386	33,459	171,068	114,038	117,399	576,754	11,482	2,223	590,459
Food and supplies	186,761	20,693	1,847	29,616	67,242	103,849	410,008	26,219	209,968	646,195
Training and development	134	8,600	1,580	29,032	22,130	8,959	70,435	5,869	1,922	78,226
Scholarships	-	-	-	-	-	74,653	74,653	-	-	74,653
Bad debt	-	-	57,098	112,000	78,834	-	247,932	-	-	247,932
Other	97,948	3,222	8,856	55,669	15,186	80,679	261,560	153,191	26,032	440,783
Depreciation	51,534	-	25,761	163,899	25,321	188,410	454,925	14,571	-	469,496
Total expenditures	\$ 2,106,997	\$ 1,698,022	\$ 2,245,731	\$ 7,562,240	\$ 9,336,886	\$ 4,543,366	\$ 27,493,242	\$ 4,754,894	\$ 1,283,283	\$ 33,531,419

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, 2021

	Program services						Supporting services		Total	
	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	Program and Supporting Services
Personnel										
Salary and wages	\$ 1,049,844	\$ 2,373,123	\$ 1,114,653	\$ 4,183,552	\$ 3,613,412	\$ 2,420,173	\$ 14,754,757	\$ 2,381,275	\$ 428,136	\$ 17,564,168
Fringes	298,420	610,688	315,766	1,231,847	998,468	642,070	4,097,259	513,241	70,248	4,680,748
Total personnel	1,348,264	2,983,811	1,430,419	5,415,399	4,611,880	3,062,243	18,852,016	2,894,516	498,384	22,244,916
Occupancy	2,742	556,384	49,673	409,607	721,089	109,569	1,849,064	3,655	-	1,852,719
Professional fees	144,265	45,190	97,302	208,707	1,081,969	244,795	1,822,228	1,002,902	259,322	3,084,452
Program supplies	34,056	136,624	17,920	142,549	310,942	64,924	707,015	50,179	5,061	762,255
Communication	18,902	22,960	19,777	91,910	64,344	46,166	264,059	77,000	3,084	344,143
Postage and messenger	1,361	79	6,472	362	1,257	939	10,470	1,836	21,786	34,092
Transportation and travel	491	687	-	143,159	8,217	1,664	154,218	-	-	154,218
Printing and publications	831	3,829	1,514	10,229	7,956	12,929	37,288	2,948	16,917	57,153
Dues and subscriptions	3,200	966	2,434	2,248	6,508	6,913	22,269	47,186	3,401	72,856
Insurance	37,695	63,973	31,903	179,121	92,538	71,780	477,010	13,810	3,236	494,056
Rental, repair and maintenance	35,155	95,984	21,326	149,193	204,191	36,427	542,276	7,400	943	550,619
Food and supplies	13,305	32,476	6	2,811	42,996	7,305	98,899	8,626	1,875	109,400
Training and development	5,130	39,115	1,700	1,711	4,787	12,160	64,603	3,378	631	68,612
Scholarships	-	-	-	-	-	69,163	69,163	-	-	69,163
Bad debt	21,595	35,584	17,359	30,681	5,600	143,943	254,762	-	-	254,762
Other	1,705	31,987	3,159	36,120	17,970	85,221	176,162	307,893	26,185	510,240
Depreciation	25,183	-	26,313	83,067	41,296	194,409	370,268	16,269	-	386,537
Total expenditures	\$ 1,693,880	\$ 4,049,649	\$ 1,727,277	\$ 6,906,874	\$ 7,223,540	\$ 4,170,550	\$ 25,771,770	\$ 4,437,598	\$ 840,825	\$ 31,050,193

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,

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Change in net assets	\$ (12,662,801)	\$ 4,837,669
Adjustments to reconcile change in net assets to net cash used in operating activities		
Depreciation	469,496	386,537
Bad debt	247,932	254,762
Net realized and unrealized loss (gain) on investments	9,512,599	(9,041,454)
Donated securities	(56,515)	(36,510)
Proceeds from donated securities	56,515	36,510
Investment loss from affiliate	2,413,168	2,214,790
Change in accounts receivable	(2,469,497)	(149,529)
Change in contributions receivable	80,713	(140,313)
Change in interest receivable	-	2,202
Change in prepaid expenses	(77,105)	(119,307)
Change in due from related parties	(626,003)	(383,390)
Change in accounts payable and accrued expenses	1,298,899	(580,642)
Change in due to related parties	-	(1,039,433)
Change in refundable advances	1,450,884	1,330,093
Net cash used in operating activities	<u>(361,715)</u>	<u>(2,428,015)</u>
Cash flows from investing activities		
Purchase of fixed assets	(222,770)	(259,894)
Distribution from affiliate	4,425,297	1,201,589
Purchase of investments	(47,211,900)	(57,004,510)
Proceeds from sale of investments	42,663,972	55,763,537
Escrow deposit	412,957	1,463,125
Net cash provided by investing activities	<u>67,556</u>	<u>1,163,847</u>
Cash flows from financing activities		
Loan proceeds	-	3,967,880
Loan repayments	-	(1,300,000)
Net cash provided by financing activities	<u>-</u>	<u>2,667,880</u>
Net change in cash	(294,159)	1,403,712
Cash at beginning of year	2,225,326	821,614
Cash at end of year	<u>\$ 1,931,167</u>	<u>\$ 2,225,326</u>
Supplemental information		
Cash paid for interest	<u>\$ -</u>	<u>\$ 10,551</u>
Noncash transactions		
Donated securities	<u>\$ 56,515</u>	<u>\$ 36,510</u>

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

GODDARD RIVERSIDE COMMUNITY CENTER

Notes to the Financial Statements

June 30, 2022 and 2021

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, and Queens.

Effective May 1, 2021, the Stanley Isaacs Neighborhood Center and GRCC entered into a strategic alignment. GRCC becomes the sole member of the Stanley Isaacs Neighborhood Center. Each corporation has preserved its existing articles of incorporation and tax identification number. However, the operations are shared across both corporations.

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, 2022 and 2021

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, 2022 and 2021

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.

Refundable advances. A portion of GRCC's revenue is derived from cost-reimbursable federal, state and city contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when GRCC has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statements of financial position.

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.

Program fees. GRCC receives program fees for providing various social service programs. Performance obligations are satisfied and revenue is recognized proportionately over the length of the programs.

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, 2022 and 2021

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

Income taxes. GRCC is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code) and has been determined not to be a private foundation under Section 509(a)(1) of the Code. GRCC has adopted the provisions pertaining to uncertain tax positions and has determine that there are no material uncertain tax positions and has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statement. Periods ending June 30, 2019 and after remain open to examination to applicable taxing authorities.

Operating risk. The coronavirus 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 coronavirus and around the imposition or relaxation of protective measures, GRCC cannot reasonably estimate the impact to future results of operations.

Recently adopted accounting pronouncement. In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which is effective for fiscal years beginning after June 15, 2021, with early adoption permitted, and is intended to improve transparency in the reporting of contributed nonfinancial assets, also known as gifts in-kind, for not-for-profit organizations. ASU 2020-07 requires a not-for-profit organization to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets, along with expanded disclosure requirements. GRCC has adopted ASU 2020-07 retrospectively. The adoption of this ASU does not have a significant impact on its financial statements.

GODDARD RIVERSIDE COMMUNITY CENTER

Notes to the Financial Statements

June 30, 2022 and 2021

Note 2 Summary of significant accounting policies - (continued)

New accounting pronouncement not yet in effect. 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.

Note 3 Availability and liquidity

The following represents GRCC financial assets at June 30, 2022:

Financial assets at year-end	
Cash	\$ 1,931,167
Accounts receivable	13,758,941
Contributions receivable	489,323
Investments	<u>59,591,986</u>
Total financial assets	75,771,417
Adjustments: amounts not available to be used within one year	
Net assets with donor restrictions	<u>(8,874,312)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 66,897,105</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, 2022 and 2021, respectively. The total expense for the years ended June 30, 2022 and 2021 was \$412,280 and \$370,167, respectively.

GODDARD RIVERSIDE COMMUNITY CENTER

Notes to the Financial Statements

June 30, 2022 and 2021

Note 5 Fixed assets

Fixed assets consist of the following at June 30,:

	<u>2022</u>	<u>2021</u>
Leasehold improvements	\$ 7,680,419	\$ 7,680,419
Building improvements	19,288	19,288
Equipment	1,055,403	965,920
Transportation equipment	832,442	730,910
Computer systems and software	<u>573,987</u>	<u>542,232</u>
Total fixed assets	10,161,539	9,938,769
Less: accumulated depreciation	<u>(8,461,916)</u>	<u>(7,992,420)</u>
Fixed assets, net	<u>\$ 1,699,623</u>	<u>\$ 1,946,349</u>

Note 6 Investments and investment income

The fair value of investments in pooled equity and fixed income funds is based on their reported net asset values (NAV) per share. GRCC uses the investee's NAV per share, or its equivalent, as practical expedient for measuring the fair values of its pooled equity and fixed income funds.

The fair value of investments as of June 30, 2022 and 2021 are as follows:

	<u>June 30, 2022</u>
Alternative investments measured at Net Asset Value ("NAV"):	
Hedge equity	<u>\$ 59,591,986</u>
Total investments at fair value	<u>\$ 59,591,986</u>

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

June 30, 2022 and 2021

Note 6 Investments and investment income - (continued)

	June 30, 2021		
	Total	Quoted prices in active markets for identical assets Level 1	Significant Other Observable Inputs Level 2
Cash and cash equivalents	\$ 308,493	\$ 308,493	\$ -
Total investments at published fair	308,493	\$ 308,493	\$ -
Alternative investments measured at Net Asset Value (“NAV”):			
Hedge equity	64,248,164		
Total investments at fair value	\$ 64,556,657		

Investment income as of June 30, is as follows:

	2022	2021
Dividends and interest	\$ 5,638	\$ 337,303
Net realized gain (loss)	(293,109)	2,843,500
Net unrealized gain (loss)	(9,219,490)	6,197,954
Fees	(120,696)	(139,801)
Net investment income (loss)	\$ (9,627,657)	\$ 9,238,956

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, 2022 and 2021

Note 8 Contributions receivable

Contributions receivable comprised unconditional promises to give. Unconditional promises to give are recorded at the present value of their estimated future cash flows. Contributions receivable was \$489,323 and \$570,036 as of June 30, 2022 and 2021, respectively. Management expects all pledges to be fully collected. 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 closed in October 2020. As of June 30, 2022 and 2021, the outstanding balance was \$-.

Note 10 Due from (to) related parties

The balance due from (to) related parties in connection with services provided at June 30, 2022 and 2021 consists of:

	2022	2021
Capitol Hall Preservation HDFC	\$ (463,473)	\$ (561,505)
Corner House Associates HDFC	101,944	221,250
Phelps House Associates, L.P.	550,150	372,978
New Senate Associates, L.P.	121,491	20,981
140 W 140 th St. HDFC	163,936	113,953
235 W 107th St. LLC	215,733	215,733
The Stanley M. Isaacs Neighborhood Center	319,612	-
Due from related parties	<u>\$ 1,009,393</u>	<u>\$ 383,390</u>

Note 11 PPP loan payable

During 2020, the Federal government established the Paycheck Protection Program (“PPP”) administered by the Small Business Administration, to provide relief to nonprofits and other small businesses with certain qualified expenses pursuant to the Coronavirus Aid Relief and Economic Security Act (“CARES Act”). On August 4, 2020, GRCC received a PPP loan in the amount of \$3,967,880. The PPP loan bears interest at 0.98% per annum and matures on August 4, 2025. Payments are not required for the first six months after the funding of the loan. GRCC is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. As of June 30, 2022 and 2021, PPP loan payable was \$3,967,880. GRCC expects part of the loan to be forgiven in fiscal year 2023.

GODDARD RIVERSIDE COMMUNITY CENTER

Notes to the Financial Statements

June 30, 2022 and 2021

Note 12 In-kind contributions

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 contributions for the years ended June 30, 2022 and 2021, are as follows:

	<u>Program</u>	<u>Fair value technique</u>	<u>2022</u>	<u>2021</u>
Occupancy	Early childhood	Estimated based on appraisal report of market rental value	\$ -	\$ 335,670
Program services	Aging services and Early childhood	Estimated based on current rate of service provided by donor.	73,200	111,117
Program supplies	All programs	Estimated based on US wholesale prices of identical or similar products.	<u>277,335</u>	<u>-</u>
Total			<u>\$ 350,535</u>	<u>\$ 446,787</u>

Note 13 Commitments

GRCC leases various facilities under operating leases expiring between the years 2023 and 2032. The minimum future leases commitment is as follows:

Year ending June 30,	
2023	\$ 1,532,977
2024	1,433,323
2025	1,389,501
2026	203,975
2027	133,994
Thereafter	<u>466,820</u>
Total	<u>\$ 5,160,590</u>

GODDARD RIVERSIDE COMMUNITY CENTER

Notes to the Financial Statements

June 30, 2022 and 2021

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 with 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 are 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 comprises 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 calculated 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 imprudent.

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

June 30, 2022 and 2021

Note 14 Endowment and board designated funds – (continued)

The endowment and board designated funds consist of the following as of June 30, 2022:

	Without donor restrictions	With donor restrictions	Total
Donor restricted			
Lester Martin scholarship fund	\$ -	\$ 123,724	\$ 123,724
Community Arts	-	516,000	516,000
Options endowment	-	1,720,339	1,720,339
Bernie Wohl endowment	-	2,688,133	2,688,133
Total donor restricted funds	-	5,048,196	5,048,196
Board designated funds			
Other	77,848,957	-	77,848,957
Total donor restricted and board designated funds as of June 30, 2022	<u>\$ 77,848,957</u>	<u>\$ 5,048,196</u>	<u>\$ 82,897,153</u>

The endowment and board designated funds consist of the following as of June 30, 2021:

	Without donor restrictions	With donor restrictions	Total
Donor restricted			
Lester Martin scholarship fund	\$ -	\$ 140,241	\$ 140,241
Community Arts	-	584,886	584,886
Options endowment	-	1,950,005	1,950,005
Bernie Wohl endowment	-	3,047,000	3,047,000
Total donor restricted funds	-	5,722,132	5,722,132
Board designated funds			
Other	90,870,071	-	90,870,071
Total donor restricted and board designated funds as of June 30, 2021	<u>\$ 90,870,071</u>	<u>\$ 5,722,132</u>	<u>\$ 96,592,203</u>

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

June 30, 2022 and 2021

Note 14 Endowment and board designated funds – (continued)

Roll-forward of the fund balances as of June 30, 2022, is as follows:

	Without donor restrictions	With donor restrictions	Total
Fund net assets, July 1, 2021	\$ 90,870,071	\$ 5,722,132	\$ 96,592,203
Investment returns:			
Investment income	5,244	395	5,639
Realized/unrealized gain	<u>(8,958,965)</u>	<u>(674,331)</u>	<u>(9,633,296)</u>
	81,916,350	5,048,196	86,964,546
Appropriation of fund assets for expenditure	(1,654,225)	-	(1,654,225)
Investment loss from affiliate	<u>(2,413,168)</u>	<u>-</u>	<u>(2,413,168)</u>
Fund net assets, June 30, 2022	<u>\$ 77,848,957</u>	<u>\$ 5,048,196</u>	<u>\$ 82,897,153</u>

For fiscal year ended June 30, 2022, the Board approved \$1,654,225 to be used for operations.

Roll-forward of the fund balances as of June 30, 2021, is as follows:

	Without donor restrictions	With donor restrictions	Total
Fund net assets, July 1, 2020	\$ 86,376,404	\$ 5,280,208	\$ 91,656,612
Investment returns:			
Investment income	313,692	23,611	337,303
Realized/unrealized gain	<u>8,278,538</u>	<u>623,115</u>	<u>8,901,653</u>
	94,968,634	5,926,934	100,895,568
Appropriation of fund assets for expenditure	(1,883,773)	(204,802)	(2,088,575)
Investment loss from affiliate	<u>(2,214,790)</u>	<u>-</u>	<u>(2,214,790)</u>
Fund net assets, June 30, 2021	<u>\$ 90,870,071</u>	<u>\$ 5,722,132</u>	<u>\$ 96,592,203</u>

For fiscal year ended June 30, 2021, the Board approved \$1,883,773 to be used for operations.

GODDARD RIVERSIDE COMMUNITY CENTER
Notes to the Financial Statements
June 30, 2022 and 2021

Note 15 Net assets with donor restrictions - all sources

As of June 30, 2022 net assets with donor restrictions from all sources consist of:

	As of July 1, 2021	Additions	Releases	As of June 30, 2022
Donor time and program restricted:				
Time restricted	\$ 1,059,291	\$ 738,309	\$ (593,989)	\$ 1,203,611
Program restricted:				
Youth	998,353	3,021,500	(2,120,948)	1,898,905
Housing and mental health homeless	461,411	372,500	(507,317)	326,594
Family and community services	221,037	398,000	(317,416)	301,621
Senior citizens and adults	53,775	50,000	(8,390)	95,385
Donor restricted	1,170,968	-	(673,936)	497,032
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>\$ 8,515,999</u>	<u>\$ 4,580,309</u>	<u>\$ (4,221,996)</u>	<u>\$ 8,874,312</u>

As of June 30, 2021 net assets with donor restrictions from all sources consist of:

	As of July 1, 2020	Additions	Releases	As of June 30, 2021
Donor time and program restricted:				
Time restricted	\$ 1,467,216	\$ 570,479	\$ (978,404)	\$ 1,059,291
Program restricted:				
Youth	781,760	1,702,682	(1,486,089)	998,353
Housing and mental health homeless	462,677	333,120	(334,386)	461,411
Family and community services	157,136	401,000	(337,099)	221,037
Senior citizens and adults	23,000	82,000	(51,225)	53,775
Donor restricted	729,044	646,726	(204,802)	1,170,968
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>\$ 8,171,997</u>	<u>\$ 3,736,007</u>	<u>\$ (3,392,005)</u>	<u>\$ 8,515,999</u>

GODDARD RIVERSIDE COMMUNITY CENTER

Notes to the Financial Statements

June 30, 2022 and 2021

Note 16 Client representative payee accounts

GRCC is acting as “rep-payee” for 27 clients in 2022 and 29 clients in 2021 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>2022</u>	<u>2021</u>
Balance at beginning of year	\$ 340,555	\$ 322,241
Deposits during the year	341,821	419,299
Disbursements during the year	<u>(374,708)</u>	<u>(400,985)</u>
Balance at end of year	<u>\$ 307,668</u>	<u>\$ 340,555</u>

Note 17 Concentration of revenue

GRCC provides various social services, and the majority of this revenue is generated from government funds which account for approximately 70% and 55% of total revenue for the years ended June 30, 2022 and 2021.

Note 18 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, 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.

GODDARD RIVERSIDE COMMUNITY CENTER

Notes to the Financial Statements

June 30, 2022 and 2021

Note 19 Subsequent events

Management has evaluated subsequent events occurring after June 30, 2022 through March 31, 2023, the date the financial statements were available to be issued and determined the following subsequent event occurred, which requires disclosure in the financial statements.

In September 2022, GRCC entered into a line of credit agreement with JPMorgan Chase Bank, N.A. for a total line of credit of \$4,000,000. The interest rate is adjusted SOFR rate per annum. All business assets, inventory, equipment, accounts and general intangibles are pledged as collateral. The agreement expires in September 2023.