
GODDARD RIVERSIDE COMMUNITY CENTER

Financial Statements and Single Audit Report

For the years ended June 30, 2023 and 2022

GODDARD RIVERSIDE COMMUNITY CENTER
Financial Statements
 June 30, 2023 and 2022

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Independent Auditor’s Report

To the Board of Directors of
Goddard Riverside Community Center

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of Goddard Riverside Community Center (“GRCC”), which comprise the statements of financial position as of June 30, 2023 and 2022, 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 present fairly, in all material respects, the financial position of Goddard Riverside Community Center as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under 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.

Emphasis of matter

As discussed in Note 2 to the financial statements, on July 1, 2022, Goddard Riverside Community Center adopted new accounting guidance ASU 2016-02, *Leases (Topic 842)*. Our opinion is not modified with respect to that matter.

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

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

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

Supplementary information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing

procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other reporting required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2024, on our consideration of Goddard Riverside Community Center’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Goddard Riverside Community Center’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Goddard Riverside Community Center’s internal control over financial reporting and compliance.

NChing LLP

New York, New York
March 29, 2024

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

	<u>2023</u>	<u>2022</u>
<u>Assets</u>		
Cash	\$ 626,599	\$ 1,931,167
Accounts receivable, net	16,212,334	13,758,941
Contributions receivable – Note 8	1,541,271	489,323
Prepaid expenses	489,720	206,807
Due from related parties - Note 10	734,645	1,009,393
Investments – Note 6	58,972,400	59,591,986
Investment in affiliate - Note 18	26,357,961	22,650,344
Right-of-use assets - operating leases - Note 13	3,400,311	-
Fixed assets, net – Note 5	<u>2,324,892</u>	<u>1,699,623</u>
Total assets	<u>\$ 110,660,133</u>	<u>\$ 101,337,584</u>
<u>Liabilities and Net Assets</u>		
Liabilities		
Accounts payable and accrued expenses	\$ 5,141,914	\$ 4,633,322
Refundable advances	6,468,529	5,783,447
PPP loan payable - Note 11	3,967,880	3,967,880
Line of credit payable	1,700,000	-
Operating lease liabilities - Note 13	3,438,124	-
Other liabilities	<u>229,689</u>	<u>229,666</u>
Total liabilities	<u>20,946,136</u>	<u>14,614,315</u>
Commitments and contingencies – Note 7		
Net assets		
Net assets without donor restrictions		
Designated - Note 14	<u>80,380,251</u>	<u>77,848,957</u>
Total net assets without donor restrictions	80,380,251	77,848,957
Net assets with donor restrictions - Note 15	<u>9,333,746</u>	<u>8,874,312</u>
Total net assets	<u>89,713,997</u>	<u>86,723,269</u>
Total liabilities and net assets	<u>\$ 110,660,133</u>	<u>\$ 101,337,584</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, 2023

	Without donor restrictions	With donor restrictions	Total
<u>Revenues</u>			
Contributions	\$ 1,525,843	\$ 3,844,155	\$ 5,369,998
Government grants	24,992,482	-	24,992,482
Program fees	917,734	-	917,734
Benefit events	463,068	-	463,068
Less: direct benefit events expense	(135,911)	-	(135,911)
In-kind contribution – Note 12	146,500	-	146,500
Net investment gain – Notes 6 and 14	5,874,397	510,817	6,385,214
Reimbursements from affiliates	1,238,259	-	1,238,259
Investment loss from affiliate - Note 18	(1,789,475)	-	(1,789,475)
Other income	164,928	-	164,928
Releases from restriction – Notes 14 and 15	3,895,538	(3,895,538)	-
Total revenues	<u>37,293,363</u>	<u>459,434</u>	<u>37,752,797</u>
<u>Expenses</u>			
Program services			
Aging services	2,301,905		2,301,905
Early childhood	1,578,214		1,578,214
Family and community support	2,263,312		2,263,312
Homeless and mental health programs	7,273,299		7,273,299
Supportive housing	9,889,775		9,889,775
Youth programs	4,849,417		4,849,417
Total program services	<u>28,155,922</u>		<u>28,155,922</u>
Supporting services			
Management and general	5,394,363		5,394,363
Fund raising	1,211,784		1,211,784
Total expenses	<u>34,762,069</u>		<u>34,762,069</u>
Change in net assets	2,531,294	459,434	2,990,728
Net assets at beginning of year	<u>77,848,957</u>	<u>8,874,312</u>	<u>86,723,269</u>
Net assets at end of year	<u>\$ 80,380,251</u>	<u>\$ 9,333,746</u>	<u>\$ 89,713,997</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 Functional Expenses
For the year ended June 30, 2023

	Program services						Supporting services		Total Program and Supporting Services	
	Aging Services	Early Childhood	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	\$ 1,087,455	\$ 1,011,365	\$ 1,522,659	\$ 4,245,326	\$ 4,052,872	\$ 3,054,996	\$ 14,974,673	\$ 3,180,253	\$ 618,100	\$ 18,773,026
Fringes	250,859	213,361	384,127	1,044,883	848,803	619,979	3,362,012	666,767	113,664	4,142,443
Total personnel	1,338,314	1,224,726	1,906,786	5,290,209	4,901,675	3,674,975	18,336,685	3,847,020	731,764	22,915,469
Occupancy	-	40,854	55,327	464,261	1,339,069	108,056	2,007,567	83,174	-	2,090,741
Professional fees	346,244	49,035	92,819	468,174	2,696,531	171,713	3,824,516	1,001,368	322,580	5,148,464
Program supplies	173,259	104,849	46,251	148,220	374,074	138,152	984,805	48,756	4,018	1,037,579
Communication	20,821	9,257	21,436	79,297	48,104	41,774	220,689	26,808	5,633	253,130
Postage and messenger	141	19	2,269	616	1,465	1,198	5,708	2,952	7,773	16,433
Transportation and travel	32,585	507	1,329	190,112	21,210	22,649	268,392	28,184	413	296,989
Printing and publications	9,320	2,960	8,909	11,167	3,832	17,738	53,926	3,248	42,240	99,414
Dues and subscriptions	1,950	4,850	3,268	1,963	12,385	4,797	29,213	49,085	1,767	80,065
Insurance	36,137	34,526	33,181	199,224	116,319	78,004	497,391	42,441	3,544	543,376
Rental, repair and maintenance	29,370	40,125	52,915	174,396	219,049	69,703	585,558	19,351	5,725	610,634
Food and supplies	240,927	40,463	6,214	37,983	109,722	102,151	537,460	43,458	29,735	610,653
Training and development	304	2,500	10,862	29,011	8,793	23,320	74,790	13,118	5,706	93,614
Scholarships	-	-	-	-	-	92,417	92,417	-	-	92,417
Bad debt	14,461	18,791	-	12,919	133	1,934	48,238	78,535	-	126,773
Interest expense	-	-	-	-	-	-	-	28,313	-	28,313
Other	10,427	4,752	18,921	85,629	10,709	111,442	241,880	63,981	50,886	356,747
Depreciation	47,645	-	2,825	80,118	26,705	189,394	346,687	14,571	-	361,258
Total expenditures	<u>\$ 2,301,905</u>	<u>\$ 1,578,214</u>	<u>\$ 2,263,312</u>	<u>\$ 7,273,299</u>	<u>\$ 9,889,775</u>	<u>\$ 4,849,417</u>	<u>\$ 28,155,922</u>	<u>\$ 5,394,363</u>	<u>\$ 1,211,784</u>	<u>\$ 34,762,069</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 Program and Supporting Services	
	Aging Services	Early Childhood	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	\$ 1,068,889	\$ 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	<u>1,336,992</u>	<u>1,266,663</u>	<u>1,871,991</u>	<u>5,647,596</u>	<u>4,912,777</u>	<u>3,245,205</u>	<u>18,281,224</u>	<u>3,484,259</u>	<u>669,947</u>	<u>22,435,430</u>
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	<u>\$ 2,106,997</u>	<u>\$ 1,698,022</u>	<u>\$ 2,245,731</u>	<u>\$ 7,562,240</u>	<u>\$ 9,336,886</u>	<u>\$ 4,543,366</u>	<u>\$ 27,493,242</u>	<u>\$ 4,754,894</u>	<u>\$ 1,283,283</u>	<u>\$ 33,531,419</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,

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Change in net assets	\$ 2,990,728	\$ (12,662,801)
Adjustments to reconcile change in net assets to net cash used in operating activities		
Depreciation	361,258	469,496
Amortization of right-of-use assets - operating leases	1,387,891	-
Bad debt	126,773	247,932
Net realized and unrealized loss (gain) on investments	(6,487,533)	9,512,599
Donated securities	(234,597)	(56,515)
Proceeds from donated securities	234,597	56,515
Investment loss from affiliate	1,789,475	2,413,168
Change in accounts receivable	(2,580,166)	(2,469,497)
Change in contributions receivable	(1,051,948)	80,713
Change in prepaid expenses	(282,913)	(77,105)
Change in due from related parties	274,748	(626,003)
Change in accounts payable and accrued expenses	508,615	1,298,899
Change in interest payable	-	-
Change in refundable advances	685,082	1,450,884
Change in operating lease liabilities	(1,350,078)	-
Net cash used in operating activities	<u>(3,628,068)</u>	<u>(361,715)</u>
Cash flows from investing activities		
Purchase of fixed assets	(986,527)	(222,770)
Investment in affiliate	(5,497,092)	-
Distribution from affiliate	-	4,425,297
Purchase of investments	(41,934,867)	(47,211,900)
Proceeds from sale of investments	49,041,986	42,663,972
Escrow deposit	-	412,957
Net cash provided by investing activities	<u>623,500</u>	<u>67,556</u>
Cash flows from financing activities		
Proceeds of line of credit	3,850,000	-
Repayments of line of credit	(2,150,000)	-
Net cash provided by financing activities	<u>1,700,000</u>	<u>-</u>
Net change in cash	(1,304,568)	(294,159)
Cash at beginning of year	1,931,167	2,225,326
Cash at end of year	<u>\$ 626,599</u>	<u>\$ 1,931,167</u>
Supplemental information		
Cash paid for interest	<u>\$ 20,171</u>	<u>\$ -</u>
Noncash transactions		
Donated securities	<u>\$ 234,597</u>	<u>\$ 56,515</u>

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

GODDARD RIVERSIDE COMMUNITY CENTER

Notes to the Financial Statements

June 30, 2023 and 2022

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 became 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.

In June 2022, Goddard Real Estate Development LLC (“GRED”) was formed to manage the development of affordable housing projects. GRCC is the sole member of GRED.

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.

GODDARD RIVERSIDE COMMUNITY CENTER

Notes to the Financial Statements

June 30, 2023 and 2022

Note 2 Summary of significant accounting policies - (continued)

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.

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 GRCC.

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, 2023 and 2022

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, 2023 and 2022

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 statements. Periods ending June 30, 2020 and after remain open to examination by 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.

Leases. As of July 1, 2022, GRCC adopted Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*, which was amended in some respects by subsequent ASUs, collectively Accounting Standards Codification 842 (ASC 842), and supersedes existing lease guidance. The standard requires GRCC to record operating lease assets and corresponding lease liabilities on the statement of financial position and disclose key quantitative and qualitative information about lease contracts.

GODDARD RIVERSIDE COMMUNITY CENTER

Notes to the Financial Statements

June 30, 2023 and 2022

Note 2 Summary of significant accounting policies - (continued)

Under ASC 842, GRCC determines if a contract is a leasing arrangement at inception. Operating lease assets represent the right to control the use of an identified asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. GRCC uses the risk-free rate of return. GRCC recognized operating lease expense for operating leases on a straight-line basis over the lease term.

GRCC leases office and community service space under various non-cancelable operating leases. Leases with an initial term of 12 months or less are not recorded on the statement of financial position and are expensed on a straight-line basis.

Recently adopted accounting pronouncement. In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)* that requires a lessee to recognize on the statement of financial position a liability to make lease payments (lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term, regardless of classification of a lease as an operating or finance lease. GRCC adopted ASU 2016-02 on July 1, 2022, using the modified retrospective approach for operating leases, with a term greater than 12 months. GRCC also elected the package of practical expedients permitted under the new standard that allowed GRCC to carry forward historical lease classification for existing leases on the adoption date, and allowed GRCC not to assess whether an existing contract contains a lease or initial direct costs. As permitted by the guidance, prior comparative periods will not be adjusted under this method.

The adoption of this standard resulted in recognition of operating lease assets in the amount of \$4,788,202 and lease liabilities in the amount of \$4,788,202 for operating leases on the statement of financial position as of July 1, 2022. There was no material impact on the statement of activities, statement of functional expenses or statement of cash flows.

GODDARD RIVERSIDE COMMUNITY CENTER
Notes to the Financial Statements
June 30, 2023 and 2022

Note 3 Availability and liquidity

The following represents GRCC financial assets at June 30, 2023:

Financial assets at year-end		
Cash	\$	626,599
Accounts receivable		16,212,334
Contributions receivable		1,541,271
Investments		<u>58,972,400</u>
Total financial assets		77,352,604
Adjustments: amounts not available to be used within one year		
Net assets with donor restrictions		<u>(9,333,746)</u>
Financial assets available to meet general expenditures over the next twelve months	\$	<u><u>68,018,858</u></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, 2023 and 2022, respectively. The total expense for the years ended June 30, 2023 and 2022 was \$380,748 and \$412,280, respectively.

Note 5 Fixed assets

Fixed assets consist of the following at June 30,:

	<u>2023</u>	<u>2022</u>
Leasehold improvements	\$ 7,719,179	\$ 7,680,419
Building improvements	743,638	19,288
Equipment	1,070,000	1,055,403
Transportation equipment	1,041,262	832,442
Computer systems and software	<u>573,987</u>	<u>573,987</u>
Total fixed assets	11,148,066	10,161,539
Less: accumulated depreciation	<u>(8,823,174)</u>	<u>(8,461,916)</u>
Fixed assets, net	<u><u>\$ 2,324,892</u></u>	<u><u>\$ 1,699,623</u></u>

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

June 30, 2023 and 2022

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.

The fair value of investments as of June 30, 2023 and 2022 are as follows:

	<u>June 30, 2023</u>	
		Quoted prices in active markets for identical assets
	<u>June 30, 2023</u>	<u>Level 1</u>
Cash and cash equivalents	\$ 1,829,824	\$ 1,829,824
Total investments at published fair value	1,829,824	<u>\$ 1,829,824</u>
Alternative investments measured at Net Asset Value ("NAV"):		
Hedge equity	<u>57,142,576</u>	
Total investments at fair value	<u>\$ 58,972,400</u>	
	<u>June 30, 2022</u>	
		Quoted prices in active markets for identical assets
	<u>Total</u>	<u>Level 1</u>
Cash and cash equivalents	\$ 390,697	\$ 390,697
Total investments at published fair value	390,697	<u>\$ 390,697</u>
Alternative investments measured at Net Asset Value ("NAV"):		
Hedge equity	<u>59,201,289</u>	
Total investments at fair value	<u>\$ 59,591,986</u>	

GODDARD RIVERSIDE COMMUNITY CENTER

Notes to the Financial Statements

June 30, 2023 and 2022

Note 6 Investments and investment income - (continued)

Investment income as of June 30, is as follows:

	<u>2023</u>	<u>2022</u>
Dividends and interest	\$ 29,293	\$ 5,638
Net realized gain (loss)	93,890	(293,109)
Net unrealized gain (loss)	6,393,643	(9,219,490)
Fees	<u>(131,612)</u>	<u>(120,696)</u>
Net investment income (loss)	<u>\$ 6,385,214</u>	<u>\$ (9,627,657)</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.

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 \$1,541,271 and \$489,323 as of June 30, 2023 and 2022, respectively. Management expects all pledges to be fully collected. Accordingly, no allowance for doubtful pledges has been provided.

Note 9 Line of credit

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 is renewed annually. As of June 30, 2023 and 2022, the outstanding balance was \$1,700,000 and \$-, respectively.

GODDARD RIVERSIDE COMMUNITY CENTER

Notes to the Financial Statements

June 30, 2023 and 2022

Note 10 Due from (to) related parties

The balance due from (to) related parties in connection with services provided at June 30, 2023 and 2022 consists of:

	<u>2023</u>	<u>2022</u>
Capitol Hall Preservation HDFC	\$ (437,799)	\$ (463,473)
Corner House Associates HDFC	109,920	101,944
Phelps House Associates, L.P.	90,711	550,150
New Senate Associates, L.P.	394,308	121,491
140 W 140 th St. HDFC	157,682	163,936
235 W 107th St. LLC	-	215,733
The Stanley M. Isaacs Neighborhood Center	175,304	319,612
Goddard Real Estate Development LLC	244,519	-
Due from related parties	<u>\$ 734,645</u>	<u>\$ 1,009,393</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, 2023 and 2022, PPP loan payable was \$3,967,880. PPP loan was fully forgiven in March 2024.

GODDARD RIVERSIDE COMMUNITY CENTER

Notes to the Financial Statements

June 30, 2023 and 2022

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, 2023 and 2022, are as follows:

	<u>Program</u>	<u>Fair value technique</u>	<u>2023</u>	<u>2022</u>
Program services	Aging services and Early childhood	Estimated based on current rate of service provided by donor.	\$ 62,500	\$ 73,200
Program supplies	All programs	Estimated based on US wholesale prices of identical or similar products.	84,000	277,335
Total			<u>\$ 146,500</u>	<u>\$ 350,535</u>

Note 13 Operating lease

GRCC leases office and community service space under various non-cancelable operating leases.

GRCC determines if an arrangement is a lease at the inception of a contract, and recognizes operating lease expense on a straight-line basis over the lease term. Leases with an initial term of twelve months or less are not recorded on the statement of financial position and are expensed on a straight-line basis.

Operating expenses for the leasing activity of GRCC as lessee for the year ended June 30, 2023 are as follows:

<u>Lease type</u>	
Operating lease costs	\$ 1,507,045
Short-term lease costs	316,214
Total	<u>\$ 1,823,259</u>

Total rent expense was \$1,823,259 and \$1,755,604 for the years ended June 30, 2023 and 2022, respectively, and is included in occupancy on the accompanying statements of functional expenses.

GODDARD RIVERSIDE COMMUNITY CENTER

Notes to the Financial Statements

June 30, 2023 and 2022

Note 13 Operating lease - (continued)

The aggregate future lease payments below summarize the remaining future undiscounted cash flows for operating leases as of June 30, 2023, and a reconciliation to operating lease liabilities reported on the statement of financial position:

2024	\$	1,431,973
2025		1,389,502
2026		203,975
2027		133,994
2028		123,558
Thereafter		343,263
Total lease payments		<u>3,626,265</u>
Less interest		(188,141)
Present value of lease liabilities	\$	<u><u>3,438,124</u></u>

Operating lease terms and discount rate at June 30, 2023 are as follows:

Weighted average remaining lease term (years)	3
Weighted average discount rate	2.86%

The following summarizes cash paid for operating lease liabilities and other non-cash information as of June 30, 2023:

Cash paid for amounts included in measurement of operating lease liabilities	\$	1,469,342
Operating lease right-of-use assets obtained in exchange for operating lease obligations	\$	4,788,202

GODDARD RIVERSIDE COMMUNITY CENTER

Notes to the Financial Statements

June 30, 2023 and 2022

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, 2023 and 2022

Note 14 Endowment and board designated funds – (continued)

The endowment and board designated funds consist of the following as of June 30, 2023:

	Without donor restrictions	With donor restrictions	Total
Donor restricted			
Lester Martin scholarship fund	\$ -	\$ 131,224	\$ 131,224
Community Arts	-	547,279	547,279
Options endowment	-	1,824,625	1,824,625
Bernie Wohl endowment	-	2,851,082	2,851,082
Total donor restricted funds	-	5,354,210	5,354,210
Board designated funds			
Other	80,380,251	-	80,380,251
Total donor restricted and board designated funds as of June 30, 2023	<u>\$ 80,380,251</u>	<u>\$ 5,354,210</u>	<u>\$ 85,734,461</u>

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>

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

June 30, 2023 and 2022

Note 14 Endowment and board designated funds – (continued)

Roll-forward of the fund balances as of June 30, 2023, is as follows:

	Without donor restrictions	With donor restrictions	Total
Fund net assets, July 1, 2022	\$ 77,848,957	\$ 5,048,196	\$ 82,897,153
Investment returns:			
Investment income	26,950	2,343	29,293
Realized/unrealized gain	5,847,447	508,474	6,355,921
	83,723,354	5,559,013	89,282,367
Appropriation of fund assets for expenditure	(1,553,628)	(204,803)	(1,758,431)
Investment loss from affiliate	(1,789,475)	-	(1,789,475)
Fund net assets, June 30, 2023	<u>\$ 80,380,251</u>	<u>\$ 5,354,210</u>	<u>\$ 85,734,461</u>

For fiscal year ended June 30, 2023, the Board approved \$1,553,628 to be used for operations.

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 loss	(8,958,965)	(674,331)	(9,633,296)
	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	(2,413,168)	-	(2,413,168)
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.

GODDARD RIVERSIDE COMMUNITY CENTER
Notes to the Financial Statements
June 30, 2023 and 2022

Note 15 Net assets with donor restrictions - all sources

As of June 30, 2023 net assets with donor restrictions from all sources consist of:

	As of July 1, 2022	Additions	Releases	As of June 30, 2023
Donor time and program restricted:				
Time restricted	\$ 1,203,611	\$ 1,376,655	\$ (1,169,395)	\$ 1,410,871
Program restricted:				
Youth	1,898,905	1,762,000	(1,914,998)	1,745,907
Housing and mental health	326,594	425,000	(333,608)	417,986
Family and community services	301,621	250,500	(272,734)	279,387
Senior citizens and adults	95,385	30,000	-	125,385
Donor restricted	497,032	510,817	(204,803)	803,046
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>\$ 8,874,312</u>	<u>\$ 4,354,972</u>	<u>\$ (3,895,538)</u>	<u>\$ 9,333,746</u>

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	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>

GODDARD RIVERSIDE COMMUNITY CENTER

Notes to the Financial Statements

June 30, 2023 and 2022

Note 16 Client representative payee accounts

GRCC is acting as “rep-payee” for 26 clients in 2023 and 27 clients in 2022 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>2023</u>	<u>2022</u>
Balance at beginning of year	\$ 307,668	\$ 340,555
Deposits during the year	335,586	341,821
Disbursements during the year	<u>(313,714)</u>	<u>(374,708)</u>
Balance at end of year	<u>\$ 329,540</u>	<u>\$ 307,668</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 63% and 70% of total revenue for the years ended June 30, 2023 and 2022.

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. (“Phelps House”), 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 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 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, of which \$37,350,817 was distributed to 595 Columbus Avenue LLC and, in turn, to GRCC. Net income or loss passed from Phelps House is recorded as investment income or loss from affiliate on the accompanying statements of activities. Distributions from Phelps House is recorded as a deduction of investment in affiliate. As of June 30, 2023 and 2022, investment in Phelps House was \$20,860,869 and \$22,650,344, respectively.

As of June 30, 2023 and 2022, GRCC’s investment in GRED was \$5,497,092 and \$-, respectively.

GODDARD RIVERSIDE COMMUNITY CENTER

Notes to the Financial Statements

June 30, 2023 and 2022

Note 19 Subsequent events

Management has evaluated subsequent events occurring after June 30, 2023 through March 29, 2024, 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 March 2024, GRCC received the forgiveness notice for its PPP loan from U.S. Small Business Administration. The loan was fully forgiven.

GODDARD RIVERSIDE COMMUNITY CENTER
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2023

Federal Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-through Identifying Entity	Passed Through to Subrecipients	Federal Expenditures
Aging Cluster				
Department of Health and Human Services				
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	The City of New York Department for the Aging	\$ -	\$ 6,229
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	The City of New York Department for the Aging	-	76,966
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	The City of New York Department for the Aging	-	61,462
Nutrition Services Incentive Program	93.053	The City of New York Department for the Aging	-	35,299
Total Department of Health and Human Services			-	179,956
Total Aging Cluster			-	179,956
477 Cluster				
Department of Health and Human Services				
Child Care and Development Block Grant	93.575	New York State Office of Children and Family Services	-	2,256
Total Department of Health and Human Services			-	2,256
Total 477 Cluster			-	2,256
Other Programs				
Department of Agriculture				
Child and Adult Care Food Program	10.558	New York State Department of Health	-	57,306
Total Department of Agriculture			-	57,306
Department of Housing and Urban Development				
Continuum of Care Program	14.267		-	661,097
Total Department of Housing and Urban Development			-	661,097
Department of the Treasury				
Coronavirus State and Local Fiscal Recovery Funds	21.027	The City of New York Department of Social Services	-	370,645
Coronavirus State and Local Fiscal Recovery Funds	21.027	The City of New York Department for the Aging	-	373,424
Total Coronavirus State and Local Fiscal Recovery Funds			-	744,069
Total Department of the Treasury			-	744,069
Department of Education				
Rehabilitation Services Vocational Rehabilitation Grants to States	84.126	New York State Education Department	-	64,981
Education Stabilization Fund	84.425	The City of New York Department of Education	-	174,935
Total Department of Education			-	239,916
Department of Health and Human Services				
Temporary Assistance for Needy Families	93.558	The City of New York Department of Social Services	-	67,806
Social Services Block Grant	93.667	The City of New York Department of Social Services	-	2,292
Block Grants for Community Mental Health Services	93.958	The City of New York Department of Health and Mental Hygiene	-	452,244
Block Grants for Community Mental Health Services	93.958	New York State Office of Mental Health	-	14,000
Total Block Grants for Community Mental Health Services			-	466,244
Total Department of Health and Human Services			-	536,342
Total Expenditures of Federal Awards			\$ -	\$ 2,420,942

The accompanying notes are an integral part of this schedule.

GODDARD RIVERSIDE COMMUNITY CENTER
Notes to Schedule of Expenditures of Federal Awards
For the year ended June 30, 2023

Note 1 Basis of presentation

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of Goddard Riverside Community Center (“GRCC”) under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). Because the Schedule presents only a selected portion of the operations of GRCC, it is not intended to and does not present the financial position, changes in net assets or cash flows of GRCC.

Note 2 Summary of significant accounting policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3 Indirect cost rate

GRCC has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

To the Board of Directors of
Goddard Riverside Community Center

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Goddard Riverside Community Center, which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 29, 2024.

Report on internal control over financial reporting

In planning and performing our audit of the financial statements, we considered Goddard Riverside Community Center's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Goddard Riverside Community Center's internal control. Accordingly, we do not express an opinion on the effectiveness of Goddard Riverside Community Center's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on compliance and other matters

As part of obtaining reasonable assurance about whether Goddard Riverside Community Center's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Goddard Riverside Community Center's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Goddard Riverside Community Center's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

NChing LLP

New York, New York
March 29, 2024

Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

To the Board of Directors of
Goddard Riverside Community Center

Report on compliance for each major federal program

Opinion on each major federal program

We have audited Goddard Riverside Community Center’s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Goddard Riverside Community Center’s major federal programs for the year ended June 30, 2023. Goddard Riverside Community Center’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, Goddard Riverside Community Center complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for opinion on each major federal program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance 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 relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Goddard Riverside Community Center’s compliance with the compliance requirements referred to above.

Responsibilities of management for compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Goddard Riverside Community Center's federal programs.

Auditor's responsibilities for the audit of compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Goddard Riverside Community Center's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Goddard Riverside Community Center's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Goddard Riverside Community Center's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Goddard Riverside Community Center's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Goddard Riverside Community Center's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on internal control over compliance

A deficiency *in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

NChing LLP

New York, New York
March 29, 2024

GODDARD RIVERSIDE COMMUNITY CENTER
Schedule of Findings and Questioned Costs
For the year ended June 30, 2023

Section I – Summary of auditor’s results

Financial statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

yes no
 yes none reported

Noncompliance material to financial statements noted?

yes no

Federal awards

Internal control over major federal programs:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

yes no
 yes none reported

Type of auditor’s report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

yes no

Identification of major federal programs:

Federal Assistance

<u>Listing number(s)</u>	<u>Name of federal program or cluster</u>
21.027	Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee?

yes no

GODDARD RIVERSIDE COMMUNITY CENTER
Schedule of Findings and Questioned Costs
For the year ended June 30, 2023

Section II – Financial Statements findings

None

Section III - Federal award findings and questioned costs

None

GODDARD RIVERSIDE COMMUNITY CENTER
Summary Schedule of Prior Year Audit Findings and Questioned Costs
For the year ended June 30, 2023

Financial statements findings

None

Federal award findings and questioned costs

None

GODDARD RIVERSIDE COMMUNITY CENTER
Corrective Action Plan
For the year ended June 30, 2023

None