
GODDARD RIVERSIDE COMMUNITY CENTER AND AFFILIATES

Consolidated Financial Statements

June 30, 2024

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Independent Auditor's Report

To the Board of Directors of
Goddard Riverside Community Center and affiliates

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Goddard Riverside Community Center and affiliates (collectively the "Organization") which comprise the consolidated statement of financial position—regulatory basis as of June 30, 2024, and the related consolidated statements of activities—regulatory basis, functional expenses—regulatory basis, and cash flows—regulatory basis for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of the Organization as June 30, 2024, and its support, revenue, and expenses for the year then ended, in accordance with the financial reporting practices prescribed or permitted by Comptroller General of the United States as described in Note 2.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 the Organization and to meet our other ethical responsibilities in accordance with the 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 audit opinion.

Basis of Accounting

We draw attention to Note 2 of the consolidated financial statements, which describes the basis of accounting. As described in Note 2 to the consolidated financial statements, the consolidated financial statements are prepared by the Organization in accordance with the financial reporting practices prescribed or permitted by federal awarding agencies, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of federal awarding agencies. As a result, the consolidated financial statements may not be suitable for another purpose. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the financial reporting practices prescribed or permitted by the federal awarding agencies. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

Restriction on Use

Our report is intended solely for the information and use of the board of trustees and management of the Organization and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 24, 2025, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

NChing LLP

New York, New York
April 24, 2025

GODDARD RIVERSIDE COMMUNITY CENTER AND AFFILIATES
Consolidated Statement of Financial Position
As of June 30, 2024

Assets

Cash and cash equivalents	\$ 377,504
Investments	61,054,920
Accounts receivable	44,389
Government grants receivable, net	24,559,706
Contributions receivable	1,517,494
Prepaid expenses and other assets	449,508
Due from affiliates	2,429,152
Property and equipment, net	2,130,610
Right-of-use assets - operating leases	6,350,827
Investment in affiliate	19,064,905
Restricted cash	537,608
Investment held for donor refundable advance	500,000
Investments restricted for endowment	6,374,205
Total assets	<u>\$ 125,390,828</u>

Liabilities and Net Assets

Liabilities	
Accounts payable and accrued expenses	\$ 5,211,072
Accrued salaries and related liabilities	1,392,384
Custodial funds	307,200
Government grant advances	10,563,103
Donor refundable advance	500,000
Line of credit	3,900,000
Operating lease liabilities	6,584,154
Total liabilities	<u>28,457,913</u>
Net assets	
Without donor restrictions	
Undesignated	35,254,400
Board designated reserve	53,897,381
Total net assets without donor restrictions	89,151,781
With donor restrictions	
Restricted for purpose or time	1,406,929
Restricted for endowment	6,374,205
Total net assets with donor restrictions	<u>7,781,134</u>
Total net assets	<u>96,932,915</u>
Total liabilities and net assets	<u>\$ 125,390,828</u>

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

GODDARD RIVERSIDE COMMUNITY CENTER AND AFFILIATES

Consolidated Statement of Activities

For the year ended June 30, 2024

	Without donor restrictions	With Donor Restrictions			Total
		Programs and Time	Endowment	With Donor Restrictions	
<u>Revenues</u>					
Contributions	\$ 3,448,501	\$ 1,346,913	\$ -	\$ 1,346,913	\$ 4,795,414
Government grants	25,229,420	-	-	-	25,229,420
Forgiveness of Paycheck Protection Program loan	3,967,880	-	-	-	3,967,880
Special events (net of expenses with a direct benefit to donor)	358,244	-	-	-	358,244
In-kind contribution	351,170	-	-	-	351,170
Program fees	922,887	-	-	-	922,887
Rental income	455,497	-	-	-	455,497
Management fee income	1,625,000	-	-	-	1,625,000
Other income	409,933	-	-	-	409,933
Net assets released from restriction	1,544,239	(1,544,239)	-	(1,544,239)	-
Appropriations from board designated reserve/ endowment fund	6,238,835	-	(262,429)	(262,429)	5,976,406
Total revenues	44,551,606	(197,326)	(262,429)	(459,755)	44,091,851
<u>Expenses</u>					
<u>Program services</u>					
Aging services	2,186,907	-	-	-	2,186,907
Early childhood	1,654,186	-	-	-	1,654,186
Family and community support	2,490,330	-	-	-	2,490,330
Homeless and mental health programs	7,976,804	-	-	-	7,976,804
Supportive housing	9,298,176	-	-	-	9,298,176
Youth programs	6,220,165	-	-	-	6,220,165
Total program services	29,826,568	-	-	-	29,826,568
<u>Supporting services</u>					
Management and general	8,486,075	-	-	-	8,486,075
Fund raising	1,239,526	-	-	-	1,239,526
Total supporting services	9,725,601	-	-	-	9,725,601
Total functional expenses	39,552,169	-	-	-	39,552,169
Change in net assets from operations	4,999,437	(197,326)	(262,429)	(459,755)	4,539,682
<u>Non-operating activities</u>					
Change in value of investment in affiliate	(1,795,964)	-	-	-	(1,795,964)
Investment return, net	8,392,973	-	804,883	804,883	9,197,856
Appropriations from board designated reserve	(5,976,406)	-	-	-	(5,976,406)
Total non-operating activities	620,603	-	804,883	804,883	1,425,486
Change in net assets	5,620,040	(197,326)	542,454	345,128	5,965,168
Net assets at beginning of year, restated	83,531,741	1,604,255	5,831,751	7,436,006	90,967,747
Net assets at end of year	\$ 89,151,781	\$ 1,406,929	\$ 6,374,205	\$ 7,781,134	\$ 96,932,915

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

GODDARD RIVERSIDE COMMUNITY CENTER AND AFFILIATES

Consolidated Statement of Functional Expenses

For the year ended June 30, 2024

	Program services						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	Total Supporting Services	Total Expenses
Salary and wages	\$ 1,070,938	\$ 982,490	\$ 1,756,125	\$ 4,746,572	\$ 4,751,658	\$ 3,421,613	\$ 16,729,396	\$ 3,381,479	\$ 648,067	\$ 4,029,546	\$ 20,758,942
Payroll taxes and employee benefits	231,606	199,750	384,539	1,082,798	951,212	638,333	3,488,238	616,151	115,433	731,584	4,219,822
Total salaries and related expenses	1,302,544	1,182,240	2,140,664	5,829,370	5,702,870	4,059,946	20,217,634	3,997,630	763,500	4,761,130	24,978,764
Occupancy	-	40,854	51,461	610,494	1,330,584	477,584	2,510,977	34,315	-	34,315	2,545,292
Professional fees	331,598	98,510	94,912	348,833	2,430,823	666,790	3,971,466	1,763,216	290,163	2,053,379	6,024,845
Office expenses	13,993	1,802	23,593	85,505	67,957	32,124	224,974	239,432	34,527	273,959	498,933
Program supplies	111,421	145,000	29,915	130,474	203,741	99,757	720,308	31,458	461	31,919	752,227
Event expenses	-	-	-	-	-	-	-	-	107,158	107,158	107,158
Telecommunication	13,100	9,950	22,793	80,036	49,022	33,032	207,933	180,283	3,692	183,975	391,908
Postage	99	-	4,214	653	691	865	6,522	2,575	7,584	10,159	16,681
Transportation	14,573	481	2,052	20,082	12,387	105,375	154,950	24,069	2,716	26,785	181,735
Vehicle maintenance	3,255	-	-	138,353	5,730	384	147,722	37	-	37	147,759
Printing and publications	2,165	2,021	9,130	19,681	3,739	17,479	54,215	338	41,035	41,373	95,588
Dues and subscriptions	1,950	2,640	8,252	4,740	7,226	4,480	29,288	39,910	8,739	48,649	77,937
Insurance	31,338	102,457	27,431	237,291	227,124	86,116	711,757	481,594	3,883	485,477	1,197,234
Rental, repair and maintenance	41,560	25,071	37,019	215,863	146,996	32,678	499,187	68,597	7,370	75,967	575,154
Food and beverage	241,639	33,329	7,820	39,957	86,255	117,938	526,938	34,382	1,059	35,441	562,379
Training and development	935	1,365	11,958	12,617	11,548	46,580	85,003	28,862	4,888	33,750	118,753
Direct assistance	-	-	12,881	69,981	1,024	47,103	130,989	129,491	-	129,491	260,480
Scholarships	-	-	-	-	-	89,100	89,100	-	-	-	89,100
Bad debt	-	-	-	-	-	-	-	1,062,322	-	1,062,322	1,062,322
Interest expense	-	-	-	-	-	-	-	228,543	-	228,543	228,543
Other	19,092	8,466	2,894	27,756	15,336	52,834	126,378	122,452	69,909	192,361	318,739
Depreciation	57,645	-	3,341	105,118	48,705	250,000	464,809	16,569	-	16,569	481,378
Total expenses	2,186,907	1,654,186	2,490,330	7,976,804	10,351,758	6,220,165	30,880,150	8,486,075	1,346,684	9,832,759	40,712,909
Less: direct costs netted with revenue	-	-	-	-	-	-	-	-	(107,158)	(107,158)	(107,158)
Less: affiliate expense recovery	-	-	-	-	(1,053,582)	-	(1,053,582)	-	-	-	(1,053,582)
Total functional expenses	<u>\$ 2,186,907</u>	<u>\$ 1,654,186</u>	<u>\$ 2,490,330</u>	<u>\$ 7,976,804</u>	<u>\$ 9,298,176</u>	<u>\$ 6,220,165</u>	<u>\$ 29,826,568</u>	<u>\$ 8,486,075</u>	<u>\$ 1,239,526</u>	<u>\$ 9,725,601</u>	<u>\$ 39,552,169</u>

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

GODDARD RIVERSIDE COMMUNITY CENTER AND AFFILIATES**Consolidated Statement of Cash Flows**

For the year ended June 30, 2024

Cash flows from operating activities

Change in net assets	\$ 5,965,168
Adjustments to reconcile change in net assets to net cash used in operating activities	
Depreciation	481,378
Change in operating lease right-of-use asset and liability	195,514
Bad debt	1,062,322
Paycheck Protection Program loan forgiveness	(3,967,880)
Realized and unrealized gain on investments	(9,181,086)
Change in value of investment in affiliate	1,795,964
Change in accounts receivable	5,943
Change in government grants receivable	(6,893,519)
Change in contributions receivable	(226,223)
Change in prepaid expenses and other assets	104,269
Change in due from affiliates	(2,141,940)
Change in accounts payable and accrued expenses	2,752,882
Change in accrued salaries and related liabilities	(1,629,008)
Change in custodial funds	(26,818)
Change in government grant advances	1,979,887
Net cash used in operating activities	<u>(9,723,147)</u>

Cash flows from investing activities

Purchase of fixed assets	(287,096)
Purchase of investments	(25,517,387)
Proceeds from sale of investments	31,764,323
Net cash provided by investing activities	<u>5,959,840</u>

Cash flows from financing activities

Proceeds of line of credit	2,200,000
Net cash provided by financing activities	<u>2,200,000</u>

Net change in cash, cash equivalents, and restricted cash	(1,563,307)
Cash, cash equivalents, and restricted cash, beginning of year	1,086,035
Cash, cash equivalents, and restricted cash, end of year	<u><u>\$ (477,272)</u></u>

Cash, cash equivalents and restricted cash:

Cash and cash equivalents	377,504
Restricted cash	537,608
Total cash, cash equivalents, and restricted cash	<u><u>\$ 915,112</u></u>

Supplemental information

Cash paid for interest	<u><u>\$ 228,543</u></u>
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The accompanying notes are an integral part of these consolidated financial statements.

GODDARD RIVERSIDE COMMUNITY CENTER AND AFFILIATES

Notes to the Consolidated Financial Statements

June 30, 2024

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 is affiliated with two entities: Goddard Real Estate Development LLC (“GRED”), Stanley M. Isaacs Neighborhood Center, Inc. (“SINC”) through common control by GRCC.

In addition, GRCC is affiliated with 140 West 140th Housing Development Fund Corporation (“140 HDFC”), a not-for-profit entity established to operate an affordable housing property located at 140 West 140th Street. GRCC is responsible for managing the day-to-day operations and administration of government contracts on behalf of 140 HDFC.

These consolidated financial statements include GRCC’s standalone activity and the activities of 140 HDFC and GRED, but do not reflect the activities SINC. GRCC and the affiliates presented in these consolidated financial statements are collectively referred to as the “Organization”. See Note 2 for details on the basis of accounting under this special purpose framework.

The following are significant programs offered by the Organization:

Aging Services – Help older adults in their homes while keeping them active, social, and healthy, and provide nutritious meals.

Early Childhood – Provide comprehensive early childhood education programs for children ages two to five, using the Creative Curriculum as a foundation for classroom activities that promote intellectual, social, emotional, and physical growth through hands-on exploration of science, nature, and art.

Family and Community – Help families and communities be self-directed and thriving by providing free legal services and tenant-organizing support to low-income residents on the West Side of Manhattan to preserve affordable housing and improve living conditions.

Homeless and Mental Health Programs – Provide homeless outreach, shelter, mental health services, social club, and placement services for low-income and vulnerable New Yorkers living on the streets.

Supportive Housing – Provide safe, affordable homes, mental health care, and social activities for low-income, homeless people, and those with mental illness.

GODDARD RIVERSIDE COMMUNITY CENTER AND AFFILIATES

Notes to the Consolidated Financial Statements

June 30, 2024

Note 1 Organization - (continued)

Youth Programs – Support youth to thrive, contribute positively, and prepare for the next stages in their lives by providing recreational, educational, tutoring, and college counseling services.

The primary sources of revenue are grants from government agencies, private grants, and contributions. GRCC has been notified by the Internal Revenue Service that it is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been reflected in the accompanying consolidated financial statements. GRCC has not been designated as a private foundation.

Note 2 Summary of significant accounting policies

Basis of accounting. The consolidated financial statements were prepared to provide federal awarding agencies with activity related to the standalone operations of GRCC and 140 HDHC and GRED, excluding the consolidation of SINC. This presentation is not in accordance with U.S. GAAP, and as such, these consolidated financial statements do not represent a complete presentation under U.S. GAAP.

These consolidated financial statements are not the general-purpose consolidated financial statements of the reporting entity and are prepared for limited distribution in accordance with the requirements of contractual agreements.

Other than not consolidating SINC and excluding activity from 140 HDHC, the accompanying consolidated financial statements have otherwise been prepared using the accrual basis of accounting, which is the process of recognizing revenue and expenses when earned or incurred rather than received or paid.

Recently adopted accounting pronouncement. On July 1, 2023, the Organization adopted Financial Accounting Standards Board's ("FASB") Accounting Standards Update ("ASU") 2016-13, Financial Instruments - Credit Losses (Topic 326). Financial assets, which potentially subject the Organization to credit losses, consist of receivables from program fees. Expected losses are recorded to an allowance for credit losses valuation account that is net against the corresponding asset to present the net amount expected to be collected on the financial asset. The credit loss allowance is determined through analysis of the financial assets and assessments of risk that are based on historical trends and evaluation of the impact of current and projected economic conditions.

Measure of operations. The consolidated statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Organization's ongoing services. Non-operating activities consist of investment return, net in excess of amounts appropriated for spending, and change in value of investment in affiliate.

GODDARD RIVERSIDE COMMUNITY CENTER AND AFFILIATES

Notes to the Consolidated Financial Statements

June 30, 2024

Note 2 Summary of significant accounting policies - (continued)

Basis of presentation. The Organization reports information regarding its financial position and activities according to the following classes of net assets:

Net Assets Without Donor Restrictions – represents all activity without donor-imposed restrictions. The board designated reserve is included within net assets without donor restrictions as these funds are internally designated. The board designated reserve was established to serve as a working capital fund, providing financial stability and liquidity for operational needs.

Net Assets With Donor Restrictions – represents those resources, the uses of which have been restricted by donors to specific purposes or the passage of time and/or must remain intact, in perpetuity. The release from restrictions results from the satisfaction of the restricted purposes specified by the donor.

Revenue recognition. The Organization follows the requirements of FASB Accounting Standards Codification (“ASC”) 958-605 for recording contributions, which are recorded when it becomes unconditional in nature. Contributions are recorded in one of the classes of net assets described above, depending on the existence and/or nature of any donor- imposed restriction. When a restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions. If donor restricted contributions are satisfied in the same period they are received, they are classified as without donor restrictions.

Unconditional promises to give are recorded at net realizable value if expected to be received in less than one year, or at fair value using a risk-adjusted discount rate if expected to be received in greater than one year.

Contributions may be subject to conditions which are defined as both a barrier to entitlement and a right of return of payments, or release from obligations, and are recognized as income once the conditions have been substantially met. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. The Organization recognizes the exchange element as the fair value of the direct benefit to donors when the event takes place. Contributions to special events fall under FASB ASC 958-605 and are considered to be conditional upon the event taking place unless the donor explicitly waives the condition.

GODDARD RIVERSIDE COMMUNITY CENTER AND AFFILIATES

Notes to the Consolidated Financial Statements

June 30, 2024

Note 2 Summary of significant accounting policies - (continued)

The Organization receives program fees that fall under FASB ASC 606. Program fees for providing various social service programs are recognized in the period the services are performed. Program service fees collected that relate to future periods are recorded as deferred income and will be recognized as income in the period earned.

Rental income is recognized as rentals become due. Rental payments received in advance are deferred until earned. All leases between the Organization and the tenants are operating leases.

Management assesses the collectability of all receivables based upon historical trends and experience with donors, grantors, and tenants. Based on that review, management has established a reserve for government grant receivables in the amount of \$624,018 as of June 30, 2024. All other receivables are deemed collectible.

Cash and cash equivalents. The Organization considers all liquid investments with an initial maturity of three months or less to be cash and cash equivalents, which includes cash held in banks and money market funds other than those held by the investment manager.

Restricted cash. At year-end, restricted cash includes \$230,408 held on behalf of 140 HDFC and \$307,200 held on behalf of clients. The Organization serves as a representative payee for various clients receiving services through several programs. Funds received on behalf of each client are deposited into individual client accounts, from which disbursements are made to cover client expenses and provide cash allowances based on individual needs.

Concentration of credit risk. Financial instruments, which potentially subject the Organization to a concentration of credit risk have been placed with financial institutions that management feels are creditworthy. Although at times and at year-end, cash and cash equivalent balances exceeded federally insured limits under the Federal Deposit Insurance Corporation (FDIC), the Organization has not experienced any losses in such accounts and management believes it is not exposed to any significant financial risk therein.

The Organization has investments which are held by the financial institutions in brokerage accounts. These brokerage accounts are protected by the Securities Investor Protection Corporation (SIPC) insurance which offers limited coverage up to a ceiling of \$500,000 (including a maximum of \$250,000 for claims of uninvested cash). The SIPC insurance does not protect against market losses on investments.

The market value of investments is subject to fluctuation and principal is not guaranteed. Management believes that the investment policy is prudent for the long-term welfare of the Organization.

GODDARD RIVERSIDE COMMUNITY CENTER AND AFFILIATES

Notes to the Consolidated Financial Statements

June 30, 2024

Note 2 Summary of significant accounting policies - (continued)

Fair value measurements/investments. Accounting standards have established a fair value hierarchy, giving the highest priority to quoted market prices in active markets and the lowest priority to unobservable data.

The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets - or liabilities that the Organization has the ability to access.

Level 2 – Valuations based on quoted prices in markets that are not active or for which all - significant inputs are not observable, either directly or indirectly.

Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

Investments are stated at fair value, which is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Net realized and unrealized gains and losses are reported on the consolidated statement of activities.

Investments are recorded at fair value, which is defined as the price that would be received when selling an asset in an orderly transaction between market participants at the measurement date. Investment return consists of interest and dividend income, realized and unrealized gains and losses, net of investment fees, which are included on the consolidated statement of activities.

Alternative investments consist of those investments that do not trade in secondary markets and are not redeemable with the issuer on demand in current transactions and consist of non-marketable hedge funds and private equity assets. The underlying funds invest in a range of partnership interests, managed accounts, and other vehicles to generate investment return. These investments are reported at fair value, which is estimated using the net asset value (NAV) provided by the respective fund managers. Investments valued using NAV as a practical expedient are not classified within the fair value hierarchy.

Donated securities are recorded at fair value on the date of the gift. Donated securities are classified as operating activities in the consolidated statement of cash flows unless the donor restricts the use of the contributed resources to long-term purposes, in which case those cash receipts are classified as cash flows from financing activities.

GODDARD RIVERSIDE COMMUNITY CENTER AND AFFILIATES

Notes to the Consolidated Financial Statements

June 30, 2024

Note 2 Summary of significant accounting policies - (continued)

Investment in affiliates. The Organization accounts for investments in entities over which it has significant influence, but not control, under the equity method of accounting. Under this method, such investments are reported at their carrying value, which includes the original cost adjusted for the Organization's proportionate share of the investee's net income or loss. These investments are not classified within the fair value hierarchy, as they are not measured at fair value on a recurring basis. Annual changes in net income from these investments are reflected as change in value of investment in affiliate on the consolidated statement of activities. If the carrying value of an investment falls to zero, the Organization does not recognize additional losses unless it has a legal or constructive obligation to fund further losses.

Property and equipment. The Organization capitalizes all purchases of property and equipment in excess of \$3,000 and a useful life of greater than one year. Property and equipment are recorded at cost or at the fair value at the date of gift. Depreciation is computed using the straight-line method over the estimated useful life of the respective asset. Leasehold improvements are amortized over the shorter of the remaining term or the useful life of the improvement.

Useful lives are as follows:

Leasehold improvements - 3-15 year life
Office equipment and computers - 3-15 year life
Transportation vehicles – 5-year life

Maintenance and repairs, which neither materially add to the value of the asset nor appreciably prolong its life are charged to expenses as incurred.

Leases. Under FASB ASC 842, adopted as of July 1, 2022, the Organization determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities in the consolidated statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. The change in operating lease right-of-use asset and liability on the consolidated statement of cash flows includes the amortization of the ROU asset and cash payments for leases offset by the accretion of the discounted lease liability. Operating lease expense is recognized on a straight-line basis over the lease term.

The Organization does not report ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option.

GODDARD RIVERSIDE COMMUNITY CENTER AND AFFILIATES

Notes to the Consolidated Financial Statements

June 30, 2024

Note 2 Summary of significant accounting policies - (continued)

Donated goods, services, and spaces. Donated marketable securities and other non-cash donations are recorded as contributions at fair value on the date of donation. Donated services are recognized in circumstances where those services create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided in-kind.

Board members and other individuals volunteer their time and perform a variety of services that assist the Organization. Other than services that involve specific professional skills, these volunteer activities do not meet the criteria to be recorded and have not been included in the consolidated financial statements.

Functional allocation of expenses. The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated financial statements. Expenses are recorded directly to either program, management and general, or fundraising whenever possible. However, certain categories of expenditures are attributable to more than one function and therefore, require allocation on a reasonable basis that is consistently applied. These expenditures are allocated on the basis of square footage or time and effort estimates made by management of the Organization. Insurance is allocated based on square footage. Salaries, payroll taxes and benefits, and professional fees are allocated based on time and effort.

Advertising costs. The cost of advertising is expensed as incurred.

Use of estimates. In preparing consolidated financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Contingencies. Government contracts are subject to audit by the grantor. Management does not believe that any audits, if they were to occur, would result in material disallowed costs, and has not established any reserves. Any disallowed costs would be recorded in the period notified, if it is probable that a liability has been incurred.

Accounting for uncertainty of income taxes. The Organization does not believe its consolidated financial statements include any material, uncertain tax positions. Tax filings for periods ending June 30, 2021 and later are subject to examination by applicable taxing authorities.

GODDARD RIVERSIDE COMMUNITY CENTER AND AFFILIATES**Notes to the Consolidated Financial Statements**

June 30, 2024

Note 3 Investments and fair value measurements

Investments are held for the following purposes:

Designated for operating activities	\$ 7,079,610
Held for board-designated reserve	53,897,381
Held for donor refundable advances	500,000
Restricted for programmatic use	77,929
Restricted for endowment	6,374,205
	<u>\$ 67,929,125</u>

During the year ended June 30, 2014, the Organization received a donor-restricted investment of \$500,000, to be held for a period of five years, with income generated to be used in support of the Organization's programs while the principal remains intact. At the conclusion of the five-year period, the donor retains the right to reassign the principal to another qualified charitable organization. The donor has since renewed the original agreement, which is now set to expire in March 2029.

Annually, the Organization appropriates for spending from the accumulated earnings generated by the principal in accordance with the Organization's endowment spending policy. The balance at year-end consists of the \$500,000 principal and accumulated earnings not yet appropriated of \$77,929. As the principal may be due back to the donor, the \$500,000 is presented as donor refundable advance on the consolidated statement of financial position.

Investments consist of the following at June 30, 2024:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Fixed income				
Exchange-traded-funds	\$ 632,605	\$ 632,605	\$ -	\$ -
Mutual funds	1,767,970	1,767,970	-	-
Equities				
Exchange-traded-funds	1,308,340	1,308,340	-	-
Mutual funds	5,283,102	5,283,102	-	-
Total	<u>\$ 8,992,017</u>	<u>\$ 8,992,017</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and cash equivalents - at cost	533,754			
Alternative investments measured at NAV	58,403,354			
Total investments	<u>\$ 67,929,125</u>			

GODDARD RIVERSIDE COMMUNITY CENTER AND AFFILIATES

Notes to the Consolidated Financial Statements

June 30, 2024

Note 3 Investments and fair value measurements - (continued)

The estimated fair value of alternative investments, that is hedge funds, limited partnerships, or other private investment fund structures is based on the practical expedient of the reported net asset values provided by the respective external investment fund managers, adjusted for cash flows through June 30, 2024. The Organization also takes into consideration discussions with fund investment managers and audited financial information to determine overall reasonableness of the recorded value. Audited information is only available annually, based on the partnerships' year-end. Because of the inherent uncertainty of valuations, values may differ from the values that would have been used had a ready market existed.

The Organization's major categories of alternative marketable investments held at June 30, 2024 their significant investment strategies, and the conditions upon which the Organization may redeem its investment for each category are summarized below:

<u>Investment Category</u>	<u>Investment Strategy</u>	<u>Redemption Terms</u>
CF Credit Series	Fixed	Monthly (15% NAV) with 5 business days prior notice or any amount with 90 days notice
CF Strategic Solutions Global Equity LLC	Equity	Monthly with 5 business days prior notice
CFI High Quality Bond Fund, LLC	Fixed	Weekly with 5 business days prior notice
Citadel Kensington Global Strategies Fund Ltd.	Multi-Strategy	Quarterly with 60 days prior notice

The Organization's nonmarketable investments are generally not redeemable as of June 30, 2024. Major categories held at June 30, 2024 and their significant investment strategies include:

<u>Investment Category</u>	<u>Investment Strategy</u>
CCI-OCIO Global Private Equity Fund IV	Private Equity
OCIO Global Private Equity Fund V	Private Equity
Secondary Partners III	Private Equity
Venture Partners XIV	Venture
Venture Partners XV	Venture

At June 30, 2024, the Organization did not have any unfunded outstanding commitments.

GODDARD RIVERSIDE COMMUNITY CENTER AND AFFILIATES**Notes to the Consolidated Financial Statements**

June 30, 2024

Note 3 Investments and fair value measurements - (continued)

Investment return consisted of following for the year ended June 30, 2024:

Interest and dividends income	\$ 145,050
Realized/unrealized gain on investments	9,181,086
Investment fees	<u>(128,280)</u>
Investment return, net	9,197,856
Appropriations for endowment	(262,429)
Appropriations for operations	(5,976,406)
Investment return, net in excess of amounts appropriated for spending	<u><u>\$ 2,959,021</u></u>

Note 4 Contributions receivable

Unconditional promises to give are estimated to be collected as follows as of June 30, 2024:

Within one year	\$ 1,017,494
In one to two years	<u>500,000</u>
Total	<u><u>\$ 1,517,494</u></u>

Due to its immaterial nature, no discount to present value has been taken.

Note 5 Due from affiliates

The Organization shares the costs of staffing and other expenditures with its affiliates. Additionally, the Organization provides its affiliates with advances for working capital purposes and in some cases charges certain affiliates a management fee, which covers the costs associated with administrative services, oversight, and support provided by the Organization.

GODDARD RIVERSIDE COMMUNITY CENTER AND AFFILIATES

Notes to the Consolidated Financial Statements

June 30, 2024

Note 5 Due from affiliates - (continued)

A summary of the transactions between the Organization and affiliates for the year ended June 30, 2024 is listed below:

	SINC	Phelps LP	New Senate LP	Capitol Hall LP	Other Affiliates	Total
Beginning balance	\$ 207,655	\$ 90,711	\$ 388,732	\$ (437,799)	\$ 37,913	\$ 287,212
Shared cost	583,956	666,897	(139,172)	408,065	(82,551)	1,437,195
Advances from GRCC	2,600,848	-	-	-	137,772	2,738,620
Advances from affiliate	-	(3,100,000)	-	-	-	(3,100,000)
Repayments of advances to GRCC	(1,815,125)	-	(93,750)	-	-	(1,908,875)
Repayments of advances to affiliate	-	1,350,000	-	-	-	1,350,000
Management fee charged by GRCC	1,500,000	-	125,000	-	-	1,625,000
Ending balance	<u>\$ 3,077,334</u>	<u>\$ (992,392)</u>	<u>\$ 280,810</u>	<u>\$ (29,734)</u>	<u>\$ 93,134</u>	<u>\$ 2,429,152</u>

Other affiliates consist of 235 W 107th St, LLC and Corner House Associates HDfC.

GRCC maintains a managerial and fiscal relationship with Corner House Associates HDfC, serving as the sponsor and administrator of government contracts awarded by New York City Department of Homeless Services (NYCDHS) and the U.S. Department of Housing and Urban Development (HUD). The Organization oversees the use of grant funds and provides programmatic and operational support in connection with these publicly funded initiatives.

GRCC is indirectly affiliated with 235 W 107th St. LLC (LLC) through its sole membership in GRCC 107th Street LLC, which owns 51% of 235 W 107th St. MM LLC, the managing member of the LLC. The managing member holds a 0.01% in 235 W 107th St. LLC, with the remaining interest held by third-party investors. Although GRCC has an indirect ownership interest through this structure, it does not have a controlling financial interest in 235 W 107th St. LLC and, accordingly, the entity is not consolidated in these consolidated financial statements.

Additionally, GRCC is affiliated with Capitol Hall Preservation L.P (“Capitol Hall LP”). through its ownership interest in Capitol Hall GP, Inc., which serves as the general partner of the limited partnership.

GRCC is affiliated with Capitol Hall LP through its ownership interest in Capitol Hall GP, Inc., which serves as the general partner of the limited partnership and holds a 0.01% interest in the entity. The remaining 99.99% limited partner interest is held by a third-party investor. The operations of Capitol Hall LP are significantly restricted by agreements with the New York City Housing Development Corporation, which limit the authority of the general partner. As a result, GRCC does not have a controlling financial interest, and the partnership is not consolidated in these consolidated financial statements.

GODDARD RIVERSIDE COMMUNITY CENTER AND AFFILIATES**Notes to the Consolidated Financial Statements**

June 30, 2024

Note 6 Property and equipment

Property and equipment consist of the following at June 30, 2024:

Leasehold improvements	\$ 7,719,179
Building improvements	892,688
Equipment	1,119,556
Transportation equipment	1,071,993
Computer systems and software	<u>631,746</u>
Total fixed assets	11,435,162
Less: accumulated depreciation	<u>(9,304,552)</u>
Fixed assets, net	<u>\$ 2,130,610</u>

Note 7 Leases

The Organization evaluated current contracts to determine which met the criteria of a lease. The Organization leases office and community service spaces through various non-cancelable operating lease agreements with initial terms of 3 to 10 years. The leases include options to renew at the Organization's discretion, with renewals that extend the lease term from 2 to 5 years. Renewal options are assessed at the commencement date, modification date and when a reassessment event has occurred. The renewal option is included in the lease term when it is reasonably certain to be exercised. When leases include rental escalation clauses, they are factored into the Organization's determination of lease expense when appropriate.

The weighted average lease terms and discount rates for operating leases at June 30, 2024 are presented in the following table:

Weighted-average remaining lease term (years)	5.51 years
Weighted-average discount	4.12%

GODDARD RIVERSIDE COMMUNITY CENTER AND AFFILIATES**Notes to the Consolidated Financial Statements**

June 30, 2024

Note 7 Leases - (continued)

The table below reconciles the undiscounted cash flows for each of the first five years and total of the remaining years to the operating lease liability recorded on the consolidated statement of financial position.

For the year ending:

June 30, 2025	\$	1,636,651
June 30, 2026		1,456,100
June 30, 2027		1,381,653
June 30, 2028		1,368,673
June 30, 2029		281,567
Thereafter		<u>1,245,079</u>
Total minimum lease payments		7,369,723
Less: amount of lease payments representing interest		<u>(785,569)</u>
Present value of future minimum lease payments	\$	<u><u>6,584,154</u></u>

The table below presents the lease cost for the year ended June 30, 2024:

Operating lease cost	\$	1,591,007
Short-term lease cost		<u>498,524</u>
Total lease cost	\$	<u><u>2,089,531</u></u>

Total cash paid for operating leases for the year ended June 30, 2024 is \$1,528,556. Except for the initial recognition of right-of-use assets and lease liabilities, there were no noncash investing or financing transactions related to leasing. Subsequent to year-end, the Organization entered into two lease agreements for which total future commitments under these agreements are approximately \$1,200,000.

Note 8 Investment in affiliate

GRCC has full ownership over Phelps House Associates, L.P. ("Phelps LP") through its ownership of Phelps House, Inc. and 595 Columbus Ave, LLC. Phelps House Inc is the General Partner of Phelps LP. and is fully owned by Phelps House HDFC, which is solely owned by GRCC. Similarly, 595 Columbus Ave, LLC is the Limited Partner of Phelps LP. and is also fully owned by GRCC through its sole ownership of HDFC. GRCC's control over Phelps LP. is effectively overridden due to contractual restrictions imposed by the New York City Housing Development Corporation. Under U.S. GAAP, consolidation of Phelps LP with the Organization is not permitted.

GODDARD RIVERSIDE COMMUNITY CENTER AND AFFILIATES

Notes to the Consolidated Financial Statements

June 30, 2024

Note 8 Investment in affiliate - (continued)

Therefore, the Organization recorded the investment in affiliate based on the equity method of accounting, reflecting its proportionate share of the investee's net assets at year-end, which amounted to \$19,064,905. The change in the Organization's proportionate share of the investee's net assets for the year ended June 30, 2024 amounted to a loss of \$1,795,964 and is reflected on the consolidated statement of activities as investment income from affiliate.

New Senate Associates, L.P. ("New Senate LP") is a partnership where the General Partner is SRO-GP Housing Corp. and the Limited Partner is Senate Residence Owners, Inc., both of which are 100% owned by GRCC. The investment in New Senate LP is not reported in the consolidated financial statements as of June 30, 2024, as the partnership is in an accumulated deficit position at year-end, resulting in a zero-investment balance. GRCC does not have a legal or constructive obligation to fund further losses.

Note 9 Line of credit

In September 2022, the Organization entered into a line of credit agreement with JPMorgan Chase Bank, N.A. for a total borrowing capacity of \$4,000,000. The agreement carried a variable interest rate defined as 2.947% plus the daily Secured Overnight Financing Rate (SOFR) and matured on September 7, 2023. The line of credit is secured by all business assets, including inventory, equipment, accounts receivable, and general intangibles.

The agreement was renewed on January 30, 2024, with a new maturity date of June 15, 2024, at a revised interest rate of 4.310% plus SOFR. Subsequent to year end, on July 22, 2024, the line of credit was further renewed with a maturity date of July 22, 2025, at an interest rate of 3.488% plus SOFR. As of June 30, 2024, the outstanding balance on the line of credit was \$3,900,000.

Note 10 Net assets with donor restrictions

The following summarizes the nature of net assets with donor restrictions as of June 30, 2024:

Program restricted:	
Youth	\$ 150,000
Housing and mental health homeless	75,000
Family and community services	104,000
All programming	<u>77,929</u>
Total program restricted	406,929
Time restricted:	<u>1,000,000</u>
Total program and time restricted	1,406,929
Donor restricted endowment	<u>6,374,205</u>
Total	<u><u>\$ 7,781,134</u></u>

GODDARD RIVERSIDE COMMUNITY CENTER AND AFFILIATES**Notes to the Consolidated Financial Statements**

June 30, 2024

Note 10 Net assets with donor restrictions - (continued)

Net assets were released from donor restrictions by satisfying the following restrictions for the year ended June 30, 2024:

Program restricted:

Youth	\$	571,085
Housing and mental health homeless		230,490
Family and community services		87,500
Senior citizens and adults		43,121
All programming		23,271
Total program restricted		955,467
Time restricted:		588,772
Total program and time restricted		1,544,239
Appropriated endowment earnings		262,429
Total	\$	1,806,668

Note 11 Endowment funds

The endowment consists of the following as of June 30, 2024:

	Corpus	Accumulated Earnings	Total
Lester Martin scholarship fund	\$ 106,000	\$ 36,211	\$ 142,211
Community Arts	500,000	170,805	670,805
Options endowment	1,805,000	616,604	2,421,604
Bernie Wohl endowment	2,340,164	799,421	3,139,585
Total donor restricted funds	\$ 4,751,164	\$ 1,623,041	\$ 6,374,205

GODDARD RIVERSIDE COMMUNITY CENTER AND AFFILIATES

Notes to the Consolidated Financial Statements

June 30, 2024

Note 11 Endowment funds - (continued)

Interpretation of law. The Organization follows New York Prudent Management of Institutional Funds Act (“NYPMIFA”), which the board of directors has interpreted as requiring certain amounts to be retained permanently. Absent explicit donor stipulations to the contrary, the Organization will preserve the fair value of the original gift as of the gift date for all donor-restricted endowment funds. However, under certain circumstances, the Organization has the right to appropriate for expenditure the fair value of the original gift in a manner consistent with the standard of prudence specifically prescribed by NYPMIFA. As a result of this interpretation, the Organization classifies as endowment corpus (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

Spending policy. In accordance with NYPMIFA, the Organizatin considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund;
- (2) The purposes of the Organization and the donor-restricted endowment fund;
- (3) General economic conditions;
- (4) The possible effect of inflation and deflation;
- (5) The expected total return from income and the appreciation of investments;
- (6) Other resources of the Organization;
- (7) The investment policies of the Organization;
- (8) Where appropriate and circumstances would otherwise warrant, alternatives to expenditure of the endowment fund, giving due consideration to the effect that such alternatives may have on the Organization.

The Organization, on an annual basis, appropriates expenditures up to 4.5% of a 20-quarter rolling average of the value of the endowment fund. This amount is calculated and set by the Board of Directors during the approval of the annual operating budget.

The following summarizes the changes in endowment net assets for the year ended June 30, 2024:

	Endowment Earnings	Donor Restricted Endowment Corpus	Total
Endowment and reserve net assets, beginning of year	\$ 1,080,587	\$ 4,751,164	\$ 5,831,751
Activities 2024			
Net investment income	804,883	-	804,883
Appropriations for expenditure	(262,429)	-	(262,429)
Endowment and reserve net assets, end of year	<u>\$ 1,623,041</u>	<u>\$ 4,751,164</u>	<u>\$ 6,374,205</u>

GODDARD RIVERSIDE COMMUNITY CENTER AND AFFILIATES

Notes to the Consolidated Financial Statements

June 30, 2024

Note 11 Endowment funds - (continued)

Endowment investment policies. The Organization employs a strategic asset allocation strategy with its asset allocations diversified over multiple classes and sub classes. The Organization's investment objective is for the asset value, exclusive of contributions or withdrawals, to grow over the long run and earn, through a combination of investment income and capital appreciation, a time-weighted total rate of return in excess of the established medium- and long-term benchmarks. The Organization expects the portfolio's asset allocation to reflect the investment objectives, goals, time horizon, risk tolerances and any investment restrictions that may exist within the policy.

Funds with deficiencies. From time-to-time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or NYPMIFA requires to be retained as a fund of perpetual duration. There were no such deficiencies as of June 30, 2024.

Note 12 Forgiveness of Paycheck Protection Program loan

On August 4, 2020, the Organization received a loan from U.S. Small Business Administration ("SBA") in the amount of \$3,967,880 to fund payroll, rent, and utilities through the Paycheck Protection Program ("PPP"). The PPP loan bears interest at a fixed rate of 1.0% per annum, with the first ten months of interest deferred, has a term of five years, and is unsecured and guaranteed by the SBA.

The Organization treated the PPP proceeds as a loan payable in accordance with FASB ASC 470. During the year ended June 30, 2024, the SBA approved full forgiveness of the PPP loan, which is recognized as income on the consolidated statement of activities.

Note 13 In-kind contributions

During the year ended June 30, 2024, the Organization occupied rent-free two public schools to conduct programming for Youth Programs. In valuing the donated space for Youth Programs, the Organization estimated the fair value on the basis of recent comparable rental prices in the metropolitan real estate market.

Additionally, specialists provided services without charge for the Organization's Aging Services. Contributed services from consultants are valued at the estimated fair value based on current rates for similar services.

GODDARD RIVERSIDE COMMUNITY CENTER AND AFFILIATES

Notes to the Consolidated Financial Statements

June 30, 2024

Note 13 In-kind contributions - (continued)

The following summarizes the donated services and space:

	<u>Aging Services</u>	<u>Youth Programs</u>	<u>Total Program Services</u>
Donated space	\$ -	\$ 326,170	\$ 326,170
Consultant	25,000	-	25,000
Total program	<u>\$ 25,000</u>	<u>\$ 326,170</u>	<u>\$ 351,170</u>

There were no donor restrictions associated with any of the donated services and space.

Note 14 Retirement plan

The Organization maintains a tax-deferred 403(b) retirement plan on behalf of participating employees. All employees who are at least 21 years of age and have completed one year of service with at least 1,000 hours worked during the plan year are eligible to receive employer base contributions. Employees may participate by electing to contribute a percentage of their salaries on a pre-tax or post-tax (Roth) basis, subject to IRS limits. Employer contributions are discretionary, and the Organization did not contribute to the plan for the year ended June 30, 2024.

Note 15 Multi-employer pension

The Organization participates in a multi-employer pension plan ("MEPP") that provides defined benefits to certain contract labor covered by collective bargaining agreements. The risks of participating in MEPPs differ from single-employer plans. As one of many participating employers in this MEPP, the Organization may be responsible with the other participating employers for any plan underfunding. the Organization's contributions to the MEPP are established by the applicable collective bargaining agreements; however, its required contributions may increase based on the funded status of the MEPP and the legal requirements of the Pension Protection Act of 2006 (the "PPA"), which requires substantially underfunded MEPPs to implement a funding improvement plan ("FIP") or a rehabilitation plan ("RP") to improve their funded status.

Factors that could impact the funded status of the MEPP include, without limitation, investment performance, changes in the participant demographics, decline in the number of contributing employers, changes in actuarial assumptions, and the utilization of extended amortization provisions.

In the event of the termination of a MEPP or if the Organization were to withdraw from a MEPP, under current law, the Organization would have material liabilities for its share of the unfunded vested liabilities of each such plan. The Organization has not received notification of any plan termination, and the Organization does not currently intend to withdraw from the plans. Therefore, the Organization believes the occurrence of events that would require recognition of liabilities for its share of unfunded vested benefits is remote.

GODDARD RIVERSIDE COMMUNITY CENTER AND AFFILIATES

Notes to the Consolidated Financial Statements

June 30, 2024

Note 15 Multi-employer pension - (continued)

The “EIN/Pension Plan Number” column provides the Employer Identification Number (“EIN”) and the three-digit plan number. The zone status is based on information that the Organization received from the plan and is certified by the plan’s actuary. Among other factors, plans in the red zone are generally less than 65% funded, plans in the yellow zone are less than 80% funded and plans in the green zone are more than 80% funded.

Information on the MEPP as of June 30, 2024 is as follows:

EIN/Pension Plan Number	Plan End Date	PPA Zone Status	RP Status	Surcharge Imposed	Collective Bargaining Agreement Expiration Date	Contribution	More Than 5% of Employer Contributions
11-2001170	6/30/2024	Green	N/A	No	6/30/2025	<u>\$ 120,110</u>	No

Note 16 Significant concentration and uncertainty related to future funding

The Organization provides various social services, and the majority of this revenue is generated from government funds which account for approximately 57% for the year ended June 30, 2024.

The Organization’s operations are partially funded through government grants and contracts. Recent regulatory changes have introduced uncertainties regarding the availability and continuity of such funding. While management is actively monitoring the impact of these changes and exploring alternative funding sources, there is no assurance that current levels of government support will be maintained.

The potential reduction or modification of government funding could impact the Organization’s ability to continue certain programs and services at their current levels. Management is assessing various strategies to mitigate this risk, including diversifying funding sources and adjusting operational plans as needed.

At the date of these consolidated financial statements, the ultimate impact of the regulatory changes on the Organization’s financial position and operations cannot be reasonably estimated.

Note 17 Prior period adjustment

Prior period adjustments were made to recognize the release of certain restricted contributions, to account for restricted net asset previously classified as unrestricted, to remove liabilities and assets that did not exist as of the beginning of the year, and to fully reflect GRED’s activity which was partially omitted in the prior year.

GODDARD RIVERSIDE COMMUNITY CENTER AND AFFILIATES**Notes to the Consolidated Financial Statements**

June 30, 2024

Note 17 Prior period adjustment - (continued)

As a result, the beginning balances of net assets were restated as follows:

	Balance as Originally Stated	Adjustments	Restated Balance
Net assets - without donor restrictions	\$ 80,380,251	\$ 3,151,490	\$ 83,531,741
Net assets - with donor restrictions	9,333,746	(1,897,740)	7,436,006
Total net assets	<u>\$ 89,713,997</u>	<u>\$ 1,253,750</u>	<u>\$ 90,967,747</u>

Note 18 Liquidity and availability of financial assets

The Organization maintains cash on hand to be available for its general expenditures, liabilities, and other obligations for on-going operations. As part of its liquidity management, the Organization operates its programs within a board-approved budget and relies on government grants and contributions to fund its operations and program activities.

Financial assets available within one year of the date of the consolidated statement of financial position for general expenditure are as follows:

Cash and cash equivalents	\$ 377,504
Investments	61,054,920
Accounts receivable	44,389
Government grants receivable, net	24,559,706
Contributions receivable due within one year	1,017,494
Due from related parties	<u>2,429,152</u>
Total financial assets	<u>89,483,165</u>
Less : amounts not available to be used within one year	
Net assets with donor restrictions	(406,929)
Investments held for board-designated reserve	<u>(53,897,381)</u>
Financial assets at year end available to meet cash needs for general expenditure within one year	<u>\$ 35,178,855</u>

The board designated reserve is not considered available for general expenditures until it is appropriated for spending. The Board of Directors approves appropriations from this fund as part of the budgeting process and may also do so at other times as needed.

GODDARD RIVERSIDE COMMUNITY CENTER AND AFFILIATES

Notes to the Consolidated Financial Statements

June 30, 2024

Note 19 Subsequent events

Subsequent events have been evaluated through April 24, 2025, the date the consolidated financial statements were available to be issued. Adjustments and disclosures have been made for all subsequent events that have occurred.