
GODDARD RIVERSIDE COMMUNITY CENTER AND AFFILIATES

Consolidated Financial Statements

June 30, 2025

GODDARD RIVERSIDE COMMUNITY CENTER AND AFFILIATES
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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 consolidated financial statements of Goddard Riverside Community Center and affiliates (collectively the “Organization”), which comprise the consolidated statements of financial position as of June 30, 2025, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Organization as of June 30, 2025 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated 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 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 GAAS 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 GAAS, 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 of 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.

Report on Summarized Comparative Information

We have previously audited the Organization's 2024 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated October 29, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited consolidated financial statements from which it was derived.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary schedules are presented for purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying supplementary schedules are fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

New York, New York
March 31, 2026

Handwritten signature in blue ink that reads "NChing LLP".

GODDARD RIVERSIDE COMMUNITY CENTER AND AFFILIATES

Consolidated Statement of Financial Position

As of June 30, 2025

(With comparative totals as of June 30, 2024)

	2025	2024*
<u>Assets</u>		
Cash and cash equivalents	\$ 2,313,079	\$ 589,873
Investments	70,216,675	66,277,135
Accounts receivable	439,263	44,389
Government grants receivable, net	23,857,952	20,466,055
Contributions receivable	1,394,000	1,517,494
Prepaid expenses and other assets	1,282,745	461,652
Property and equipment, net	3,103,174	2,284,135
Right-of-use assets - operating leases	9,100,047	6,350,827
Investment in affiliate	17,301,054	19,064,905
Restricted cash	586,500	537,608
Investment held for donor refundable advance	500,000	500,000
Beneficial interest in perpetual trust	690,573	649,338
Investments restricted for endowment	6,967,519	6,422,082
Total assets	<u>\$ 137,752,581</u>	<u>\$ 125,165,493</u>
<u>Liabilities and Net Assets</u>		
Liabilities		
Accounts payable and accrued expenses	\$ 11,316,495	\$ 7,221,728
Accrued salaries and related liabilities	1,796,841	1,677,803
Custodial funds	356,069	307,200
Deferred revenue	111,963	-
Government grant advances	913,810	639,448
Due to affiliates	2,005,435	648,182
Donor refundable advance	500,000	500,000
Loan payable	-	32,733
Line of credit	3,973,243	3,900,000
Operating lease liabilities	11,151,415	6,765,483
Total liabilities	<u>32,125,271</u>	<u>21,692,577</u>
Net assets		
Without donor restrictions		
Undesignated	33,673,066	35,438,582
Board designated reserve	62,483,102	59,119,596
Total net assets without donor restrictions	96,156,168	94,558,178
With donor restrictions		
Restricted for purpose or time	2,503,623	2,492,656
Restricted for endowment	6,967,519	6,422,082
Total net assets with donor restrictions	<u>9,471,142</u>	<u>8,914,738</u>
Total net assets	<u>105,627,310</u>	<u>103,472,916</u>
Total liabilities and net assets	<u>\$ 137,752,581</u>	<u>\$ 125,165,493</u>

*Reclassified for comparative purposes

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, 2025

(With comparative totals for the year ended June 30, 2024)

	Without donor restrictions	With Donor Restrictions			Total 2025	Total 2024*
		Programs and Time	Endowment	With Donor Restrictions		
Revenues						
Contributions	\$ 4,650,809	\$ 1,191,000	\$ -	\$ 1,191,000	\$ 5,841,809	\$ 5,877,595
Government grants	48,758,680	-	-	-	48,758,680	35,825,213
Forgiveness of Paycheck Protection Program loan	-	-	-	-	-	3,967,880
Special events (net of expenses with a direct benefit to donor)	327,027	-	-	-	327,027	408,618
In-kind contribution	945,395	-	-	-	945,395	812,696
Program fees	1,874,191	-	-	-	1,874,191	956,729
Rental income	317,644	-	-	-	317,644	319,164
Management fee income	21,840	-	-	-	21,840	125,000
Other income	188,771	-	-	-	188,771	525,868
Net assets released from restriction	1,294,780	(1,294,780)	-	(1,294,780)	-	-
Appropriations from board designated reserve/ endowment fund	4,409,445	-	(269,486)	(269,486)	4,139,959	6,201,406
Total revenues	62,788,582	(103,780)	(269,486)	(373,266)	62,415,316	55,020,169
Expenses						
Program services						
Aging services	4,169,815	-	-	-	4,169,815	4,104,396
Early childhood	2,270,282	-	-	-	2,270,282	1,654,186
Meals on wheels	6,913,362	-	-	-	6,913,362	4,621,379
Homeless and mental health programs	14,142,996	-	-	-	14,142,996	7,976,804
Supportive housing	10,063,320	-	-	-	10,063,320	9,161,843
Youth and family services	14,015,321	-	-	-	14,015,321	13,035,910
Total program services	51,575,096	-	-	-	51,575,096	40,554,518
Supporting services						
Management and general	10,293,787	-	-	-	10,293,787	10,148,270
Fundraising	1,474,044	-	-	-	1,474,044	1,323,996
Total supporting services	11,767,831	-	-	-	11,767,831	11,472,266
Total functional expenses	63,342,927	-	-	-	63,342,927	52,026,784
Change in net assets from operations	(554,345)	(103,780)	(269,486)	(373,266)	(927,611)	2,993,385
Non-operating activities						
Change in value of investment in affiliate	(1,763,851)	-	-	-	(1,763,851)	(1,795,964)
Investment return, net	8,056,145	73,512	814,923	888,435	8,944,580	9,648,626
Change in beneficial interest in perpetual trust	-	41,235	-	41,235	41,235	47,518
Appropriations from board designated reserve	(4,139,959)	-	-	-	(4,139,959)	(6,201,406)
Total non-operating activities	2,152,335	114,747	814,923	929,670	3,082,005	1,698,774
Change in net assets	1,597,990	10,967	545,437	556,404	2,154,394	4,692,159
Net assets at beginning of year	94,558,178	2,492,656	6,422,082	8,914,738	103,472,916	98,780,757
Net assets at end of year	\$ 96,156,168	\$ 2,503,623	\$ 6,967,519	\$ 9,471,142	\$ 105,627,310	\$ 103,472,916

*Reclassified for comparative purposes

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, 2025

(With comparative totals for the year ended June 30, 2024)

	Program services						Supporting services		Total Supporting Services	Total Expenses 2025	Total Expenses 2024*	
	Aging Services	Early Childhood	Meals on Wheels	Homeless and Mental Health Programs	Supportive Housing	Youth and Family Services	Total Program Services	Management and General				Fundraising
Salary and wages	\$ 1,935,896	\$ 1,214,663	\$ 1,928,558	\$ 7,631,727	\$ 5,391,670	\$ 8,063,211	\$ 26,165,725	\$ 4,640,996	\$ 606,298	\$ 5,247,294	\$ 31,413,019	\$ 25,862,620
Payroll taxes and employee benefits	580,922	233,839	338,328	1,763,978	1,137,463	1,771,801	5,826,331	907,603	98,749	1,006,352	6,832,683	5,455,413
Total salaries and related expenses	2,516,818	1,448,502	2,266,886	9,395,705	6,529,133	9,835,012	31,992,056	5,548,599	705,047	6,253,646	38,245,702	31,318,033
Occupancy	39,150	40,826	-	1,738,163	1,593,013	904,807	4,315,959	38,082	-	38,082	4,354,041	3,032,935
Professional fees	684,726	303,045	145,964	1,570,903	2,435,671	1,256,501	6,396,810	1,676,824	460,880	2,137,704	8,534,514	6,779,468
Office expenses	6,284	1,828	966	54,866	43,293	47,743	154,980	378,671	74,625	453,296	608,276	492,839
Subcontractors	1,127	-	3,056,917	-	-	-	3,058,044	-	-	-	3,058,044	1,923,550
Supplies	136,005	262,232	151,852	231,447	179,514	512,870	1,473,920	170,256	8,042	178,298	1,652,218	1,214,439
Event expenses	-	-	-	-	-	-	-	-	87,529	87,529	87,529	178,331
Telecommunication	26,976	23,716	21,390	119,733	47,431	69,643	308,889	54,504	3,429	57,933	366,822	460,646
Transportation	29,701	88	3,240	44,458	28,526	120,192	226,205	62,582	1,695	64,277	290,482	256,668
Vehicle maintenance	22,598	786	132,696	161,434	6,863	-	324,377	59	-	59	324,436	241,023
Printing and publications	16,176	5,756	1,746	27,065	2,163	33,069	85,975	6,570	51,675	58,245	144,220	141,113
Dues and subscriptions	9,145	5,358	-	10,691	4,460	37,374	67,028	107,368	1,364	108,732	175,760	98,347
Insurance	84,608	39,546	187,415	314,395	170,614	239,531	1,036,109	138,975	19,739	158,714	1,194,823	1,451,958
Rental, repair and maintenance	164,103	30,539	70,146	296,559	151,964	149,855	863,166	49,332	15,507	64,839	928,005	678,039
Food and beverage	367,667	77,619	834,140	40,715	63,972	284,035	1,668,148	53,224	10,711	63,935	1,732,083	1,527,984
Training and development	1,525	14,021	525	39,259	35,074	54,072	144,476	98,089	4,688	102,777	247,253	149,006
Direct assistance	-	-	-	55,575	101	55,352	111,028	-	-	-	111,028	260,480
Stipends and scholarships	-	-	-	-	-	289,067	289,067	-	-	-	289,067	200,503
Loss on insurance claim	-	-	-	-	-	-	-	-	-	-	-	272,754
Bad debt	-	-	-	-	-	-	-	686,665	-	686,665	686,665	1,422,556
Interest expense	-	-	-	-	-	-	-	299,098	-	299,098	299,098	229,934
Depreciation	-	-	28,000	3,092	-	-	31,092	671,422	-	671,422	702,514	505,801
Other	63,206	16,420	11,479	38,936	16,238	126,198	272,477	253,467	116,642	370,109	642,586	422,290
Total expenses	4,169,815	2,270,282	6,913,362	14,142,996	11,308,030	14,015,321	52,819,806	10,293,787	1,561,573	11,855,360	64,675,166	53,258,697
Less: direct costs netted with revenue	-	-	-	-	-	-	-	-	(87,529)	(87,529)	(87,529)	(178,331)
Less: affiliate expense recovery	-	-	-	-	(1,244,710)	-	(1,244,710)	-	-	-	(1,244,710)	(1,053,582)
Total functional expenses	\$ 4,169,815	\$ 2,270,282	\$ 6,913,362	\$ 14,142,996	\$ 10,063,320	\$ 14,015,321	\$ 51,575,096	\$ 10,293,787	\$ 1,474,044	\$ 11,767,831	\$ 63,342,927	\$ 52,026,784

*Reclassified for comparative purposes

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, 2025

(With comparative totals for the year ended June 30, 2024)

	2,025	2024*
Cash flows from operating activities		
Change in net assets	\$ 2,154,394	\$ 4,692,159
Adjustments to reconcile change in net assets to net cash used in operating activities		
Depreciation	702,514	505,801
Change in operating lease right-of-use asset and liability	1,636,712	376,843
Bad debt	686,665	1,422,556
Paycheck Protection Program loan forgiveness	-	(3,967,880)
Realized and unrealized gain on investments	(8,753,034)	(9,527,936)
Change in beneficial interest in perpetual trust	(41,235)	(47,518)
Change in value of investment in affiliate	1,763,851	1,795,964
Change in accounts receivable	(394,874)	5,943
Change in government grants receivable	(4,078,562)	645,433
Change in contributions receivable	123,494	(186,222)
Change in prepaid expenses and other assets	(821,093)	126,663
Change in due from/to affiliates	1,357,253	727,739
Change in accounts payable and accrued expenses	4,094,767	3,487,665
Change in accrued salaries and related liabilities	119,038	(203,360)
Change in custodial funds	48,869	(26,818)
Change in deferred revenue	111,963	-
Change in government grant advances	274,362	(8,163,036)
Net cash used in operating activities	(1,014,916)	(8,336,004)
Cash flows from investing activities		
Purchase of fixed assets	(1,521,553)	(303,297)
Purchase of investments	(51,931,431)	(27,265,522)
Proceeds from sale of investments	56,199,488	33,638,240
Net cash provided by investing activities	2,746,504	6,069,421
Cash flows from financing activities		
Repayments of loan payable	(32,733)	(212,941)
Proceeds of line of credit	3,990,000	2,200,000
Repayments of line of credit	(3,916,757)	-
Net cash provided by financing activities	40,510	1,987,059
Net change in cash, cash equivalents, and restricted cash	1,772,098	(279,524)
Cash, cash equivalents, and restricted cash, beginning of year	1,127,481	1,407,005
Cash, cash equivalents, and restricted cash, end of year	\$ 2,899,579	\$ 1,127,481
Cash, cash equivalents and restricted cash:		
Cash and cash equivalents	2,313,079	589,873
Restricted cash	586,500	537,608
Total cash, cash equivalents, and restricted cash	\$ 2,899,579	\$ 1,127,481
Supplemental information		
Cash paid for interest	\$ 299,098	\$ 229,934
Cash paid for taxes	\$ -	\$ -

*Reclassified for comparative purposes

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, 2025

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.

On June 30, 2025 GRCC legally merged with Stanley M. Isaacs Neighborhood Center, Inc. (“Center”) pursuant to a certificate of merger filed under the New York Not-for-Profit Corporation Law. GRCC is the surviving corporation.

Management evaluated the transaction in accordance with the guidance on combinations of not-for-profit entities. Under this guidance, the transaction is accounted for as a transfer between entities under common control. Accordingly, the assets and liabilities received were recorded by GRCC at their historical carrying amounts as of the merger date, and no goodwill or other intangible asset was recognized. All assets of Center—whether restricted or unrestricted—must continue to be used solely for the purposes for which they were originally intended. Accordingly, donor-imposed restrictions associated with the transferred net assets continue to apply following the transaction, and such net assets are administered in accordance with the original donor restrictions and applicable legal requirements.

Prior to the merger, the Center was a wholly controlled affiliate of GRCC, with GRCC serving as its sole member. Effective June 30, 2025, all assets, liabilities, and net assets of the Center were transferred to and assumed by GRCC.

Because the Center had historically been included in GRCC’s consolidated financial statements, the merger did not have a material impact on total net assets or the change in net assets for the year ended June 30, 2025.

As of June 30, 2025, the Center’s assets of \$13,165,273, liabilities of \$6,780,433, and net assets of \$6,384,840 were assumed by GRCC.

Additionally, GRCC is affiliated with Goddard Real Estate Development LLC (“GRED”) through common control. Following the merger of the Center into GRCC, these consolidated financial statements of Goddard Riverside Community Center and its affiliates include the activities of GRCC together with those of GRED, which are collectively referred to as the “Organization.”

GODDARD RIVERSIDE COMMUNITY CENTER AND AFFILIATES

Notes to the Consolidated Financial Statements

June 30, 2025

Note 1 Organization - (continued)

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.

Meals on Wheels – focuses on reducing hunger and hospitalizations among older adults. It provides meal preparation and delivery services, ensuring seniors have access to nutritious food. Surveys indicate that food insecurity is a major concern, with many seniors struggling to afford food, rent, and medical care. By offering meals through the senior center, the program helps ease financial worries while also promoting social interaction among participants.

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.

Youth and Family Services – Provide comprehensive support to help families and young people overcome systemic barriers to thrive, contribute positively, prepare for the next stages in their lives and achieve long-term stability. Provide educational tutoring, recreational activities, college counseling, internships, employment placement, sector-specific job training in culinary arts, health services, and technology. Addresses out-of-school and unemployed youth facing significant barriers, including homelessness, gang involvement, and single parenthood.

The primary sources of revenue are grants from government agencies, private grants, and contributions. The Organization has not been designated as a private foundation.

Note 2 Summary of significant accounting policies

Basis of consolidation. The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The assets, liabilities, net assets, revenues and expenses of GRCC and GRED have been consolidated and are presented as the consolidated financial statements of Goddard Riverside Community Center and affiliates. All significant intercompany transactions have been eliminated in consolidation.

GODDARD RIVERSIDE COMMUNITY CENTER AND AFFILIATES

Notes to the Consolidated Financial Statements

June 30, 2025

Note 2 Summary of significant accounting policies - (continued)

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 change in beneficial interest in perpetual trust, investment return, net in excess of amounts appropriated for spending, and change in value of investment in affiliate.

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, 2025

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 \$997,873 and \$945,905 as of June 30, 2025 and 2024, respectively. All other receivables are deemed collectible.

Credit losses. 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.

Based on the analysis performed on the open accounts receivable aging and detail analysis of the customers, the Organization did not record an allowance for bad debt as of June 30, 2025 and 2024.

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. Restricted cash includes funds held on behalf of 140 HDFC, a GRCC affiliate through membership, and funds held on behalf of clients. GRCC serves as a representative payee for clients receiving services through programs at New Senate Associates, L.P. (“New Senate LP”). Client funds, consisting of Social Security and retirement benefits, are deposited into JP Morgan Chase accounts maintained on behalf of each client. Disbursements are made to New Senate LP for rent, and clients receive monthly cash allowances based on their individual needs. Restricted cash consists of the following:

	2025	2024
Held on behalf of 140 HDFC	\$ 230,431	\$ 230,408
Held on behalf of clients	356,069	307,200
	<u>\$ 586,500</u>	<u>\$ 537,608</u>

GODDARD RIVERSIDE COMMUNITY CENTER AND AFFILIATES

Notes to the Consolidated Financial Statements

June 30, 2025

Note 2 Summary of significant accounting policies - (continued)

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.

Fair value measurements/investments. Accounting standards have established a fair value hierarchy, giving the highest priority to quoted market prices in active markets (Level 1) and the lowest priority to unobservable data (Level 3).

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 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.

GODDARD RIVERSIDE COMMUNITY CENTER AND AFFILIATES

Notes to the Consolidated Financial Statements

June 30, 2025

Note 2 Summary of significant accounting policies - (continued)

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.

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. Building improvements are amortized over the shorter of the life of the building or the useful life of the improvement.

Useful lives are as follows:

Furniture and equipment - 3-7 year life

Transportation equipment and automobiles – 5-year life

Computer systems and software - 3-7 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.

GODDARD RIVERSIDE COMMUNITY CENTER AND AFFILIATES

Notes to the Consolidated Financial Statements

June 30, 2025

Note 2 Summary of significant accounting policies - (continued)

Beneficial interest in perpetual trust. The beneficial interest in a perpetual trust represents funds held by an external trustee for the benefit of the Organization under the terms of an irrevocable trust. The Organization does not have possession or control of the trust assets but is entitled to receive a portion of the income earned annually, as specified in the trust agreement.

At the time the trust is established, the Organization recognizes its beneficial interest as an asset and gift income. This interest is reported at fair value, which is determined based on the Organization's proportionate share of the trust's total fair value at the measurement date. Distributions received and changes in fair value are recorded as investment return. Under the trust terms, the Organization's proportionate share is 5% of the trust assets and distributions are restricted for the Organization's programming.

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.

Donated goods, services, and spaces. Donated marketable securities and other non-cash donations are recorded as contributions at fair value on the date of receipt. 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.

GODDARD RIVERSIDE COMMUNITY CENTER AND AFFILIATES

Notes to the Consolidated Financial Statements

June 30, 2025

Note 2 Summary of significant accounting policies - (continued)

These expenditures are allocated based on square footage, full-time equivalents, or management's estimates of time and effort. Occupancy and insurance costs are allocated based on square footage and full-time equivalents. Telecommunication costs are allocated based on full-time equivalents. 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 Internal Revenue Service has notified GRCC 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. The Organization does not believe its consolidated financial statements include any material, uncertain tax positions. Tax filings for periods ending June 30, 2022 and later are subject to examination by applicable taxing authorities.

Note 3 Investments and fair value measurements

Investments are held for the following purposes:

	2025	2024
Designated for operating activities	\$ 7,624,132	\$ 7,079,610
Held for board-designated reserve	62,483,102	59,119,596
Held for donor refundable advances	500,000	500,000
Restricted for programmatic use	109,441	77,929
Restricted for endowment	6,967,519	6,422,082
	<u>\$ 77,684,194</u>	<u>\$ 73,199,217</u>

GODDARD RIVERSIDE COMMUNITY CENTER AND AFFILIATES

Notes to the Consolidated Financial Statements

June 30, 2025

Note 3 Investments and fair value measurements - (continued)

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 consists of the following:

	<u>2025</u>	<u>2024</u>
Principal	\$ 500,000	\$ 500,000
Accumulated earnings	109,441	77,929
	<u>\$ 609,441</u>	<u>\$ 577,929</u>

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:

	June 30, 2025			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Fixed income				
Government and agency	\$ 1,187,430	\$ 1,187,430	\$ -	\$ -
Corporate bonds	398,737	-	398,737	-
Exchange-traded-funds	129,601	129,601	-	-
Mutual funds	10,107,307	10,107,307	-	-
Equities				
Common stock	3,303,753	3,303,753	-	-
Exchange-traded-funds	271,031	271,031	-	-
Mutual funds	20,707,265	20,707,265	-	-
Total	<u>\$ 36,105,124</u>	<u>\$ 35,706,387</u>	<u>\$ 398,737</u>	<u>\$ -</u>
Cash and cash equivalents - at cost	700,419			
Alternative investments measured at NAV	40,878,651			
Total investments	<u>\$ 77,684,194</u>			
Beneficial interest in perpetual trust	<u>\$ 690,573</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 690,573</u>

GODDARD RIVERSIDE COMMUNITY CENTER AND AFFILIATES

Notes to the Consolidated Financial Statements

June 30, 2025

Note 3 Investments and fair value measurements - (continued)

	June 30, 2024			
	Total	Level 1	Level 2	Level 3
Fixed income				
Certificates of deposit	\$ 20,103	\$ -	\$ 20,103	\$ -
Government and agency	1,115,302	1,115,302	-	-
Corporate bonds	350,522	-	350,522	-
Exchange-traded-funds	632,605	632,605	-	-
Mutual funds	2,283,254	2,283,254	-	-
Equities				
Common stock	3,144,286	3,144,286	-	-
Exchange-traded-funds	1,335,347	1,335,347	-	-
Mutual funds	5,283,102	5,283,102	-	-
Total	<u>\$ 14,164,521</u>	<u>\$ 13,793,896</u>	<u>\$ 370,625</u>	<u>\$ -</u>
Cash and cash equivalents - at cost	631,342			
Alternative investments measured at NAV	58,403,354			
Total investments	<u>\$ 73,199,217</u>			
Beneficial interest in perpetual trust	<u>\$ 649,338</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 649,338</u>

Level 1 securities are valued at the closing price reported on the active market that they are traded on. Level 2 securities are valued using observable market inputs for securities that are similar to those owned. Those methods produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurements. The beneficial interest in perpetual trust is categorized as a level 3 fair value measurement because the Organization will never receive the trust's assets.

The changes in assets measured at fair value for which the Organization has used Level 3 inputs to determine fair value are as follows:

	2025	2024
Balance, beginning of year	\$ 649,338	\$ 601,820
Change in fair value of beneficial interest in perpetual trust	41,235	47,518
Balance, end of year	<u>\$ 690,573</u>	<u>\$ 649,338</u>

GODDARD RIVERSIDE COMMUNITY CENTER AND AFFILIATES

Notes to the Consolidated Financial Statements

June 30, 2025

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, 2025 and 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, 2025 and 2024, their significant investment strategies, and the conditions upon which the Organization may redeem its investments 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, 2025 and 2024. Generally, the Organization may not transfer, or withdraw, its investments in investment funds prior to their termination. Most investment funds have an original term of ten years, with the right to extend the term of the investment funds up to two to four years. The major categories held at those dates 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, 2025 and 2024, the Organization did not have any unfunded outstanding commitments.

GODDARD RIVERSIDE COMMUNITY CENTER AND AFFILIATES

Notes to the Consolidated Financial Statements

June 30, 2025

Note 3 Investments and fair value measurements - (continued)

Investment return consisted of following:

	<u>2025</u>	<u>2024</u>
Interest and dividends income	\$ 376,797	\$ 295,384
Realized/unrealized gain on investments	8,753,034	9,527,936
Investment fees	(185,251)	(174,694)
Investment return, net	<u>\$ 8,944,580</u>	<u>\$ 9,648,626</u>

Note 4 Contributions receivable

Unconditional promises to give are estimated to be collected as follows:

	<u>2025</u>	<u>2024</u>
Within one year	\$ 1,379,000	\$ 1,017,494
In one to two years	<u>15,000</u>	<u>500,000</u>
Total	<u>\$ 1,394,000</u>	<u>\$ 1,517,494</u>

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

Note 5 Property and equipment

Property and equipment consist of the following:

	<u>2025</u>	<u>2024</u>
Leasehold improvements	\$ 7,719,179	\$ 11,564,749
Building improvements	5,154,898	892,688
Furniture and equipment	2,334,078	2,082,055
Transportation equipment and automobiles	1,829,141	1,488,608
Computer systems and software	<u>1,144,103</u>	<u>631,746</u>
Total fixed assets	18,181,399	16,659,846
Less: accumulated depreciation	<u>(15,078,225)</u>	<u>(14,375,711)</u>
Property and equipment, net	<u>\$ 3,103,174</u>	<u>\$ 2,284,135</u>

GODDARD RIVERSIDE COMMUNITY CENTER AND AFFILIATES

Notes to the Consolidated Financial Statements

June 30, 2025

Note 6 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 are presented as follows:

	<u>2025</u>	<u>2024</u>
Weighted-average remaining lease term (years)	3.40 years	5.51 years
Weighted-average discount	2.39%	4.12%

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, 2026	\$	6,707,913
June 30, 2027		1,641,259
June 30, 2028		1,636,067
June 30, 2029		556,983
June 30, 2030		340,968
Thereafter		<u>954,196</u>
Total minimum lease payments		11,837,386
Less: amount of lease payments representing interest		<u>(685,971)</u>
Present value of future minimum lease payments	\$	<u><u>11,151,415</u></u>

The lease cost is presented as follows:

	<u>2025</u>	<u>2024</u>
Operating lease cost	\$ 2,887,063	\$ 1,591,007
Short-term lease cost	332,372	498,524
Total lease cost	<u><u>\$ 3,219,435</u></u>	<u><u>\$ 2,089,531</u></u>

GODDARD RIVERSIDE COMMUNITY CENTER AND AFFILIATES

Notes to the Consolidated Financial Statements

June 30, 2025

Note 6 Leases - (continued)

Total cash paid for operating leases for the years ended June 30, 2025 and 2024 was \$2,768,789 and \$1,528,556, respectively. 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 one lease agreement for which total future commitments under these agreements are approximately \$1,051,000.

Note 7 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.

Therefore, the Organization recorded its investment in affiliate under the equity method of accounting, reflecting its proportionate share of the investee’s net assets at June 30, 2025 and 2024, which amounted to \$17,301,054 and \$19,064,905, respectively. The change in the Organization’s proportionate share of the investee’s net assets for the years ended June 30, 2025 and 2024 resulted in a loss of \$1,763,851 and \$1,795,964, respectively, and is reflected in the consolidated statement of activities as investment income (loss) from affiliate. For the years ended June 30, 2025 and 2024, net income before depreciation and amortization was \$1,317,397 and \$1,268,343, respectively; after including depreciation and amortization of \$3,081,845 and \$3,064,307 respectively, this resulted in a net loss of \$1,763,851 and \$1,795,964, respectively, thereby decreasing the carrying value of the investment in each year.

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, 2025 and 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.

GODDARD RIVERSIDE COMMUNITY CENTER AND AFFILIATES

Notes to the Consolidated Financial Statements

June 30, 2025

Note 8 Due to 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.

A summary of the transactions between the Organization and affiliates is listed below:

	June 30, 2025					
	Phelps LP	New Senate LP	Capitol Hall LP	140 HDFC	Other Affiliates	Total
Beginning balance	\$ (992,392)	\$ 280,810	\$ (29,734)	\$ (24,235)	\$ 117,369	\$ (648,182)
Shared cost	906,232	(397,397)	237,252	(282,147)	(79,013)	384,927
Advances from GRCC	-	-	-	223,227	34,593	257,820
Advances from affiliate	(1,600,000)	-	(400,000)	-	-	(2,000,000)
Ending balance	<u>\$ (1,686,160)</u>	<u>\$ (116,587)</u>	<u>\$ (192,482)</u>	<u>\$ (83,155)</u>	<u>\$ 72,949</u>	<u>\$ (2,005,435)</u>

	June 30, 2024					
	Phelps LP	New Senate LP	Capitol Hall LP	140 HDFC	Other Affiliates	Total
Beginning balance	\$ 90,711	\$ 388,732	\$ (437,799)	\$ (72,007)	\$ 109,920	\$ 79,557
Shared cost	666,897	(139,172)	408,065	(172,228)	(82,551)	681,011
Advances from GRCC	-	-	-	220,000	90,000	310,000
Advances from affiliate	(3,100,000)	-	-	-	-	(3,100,000)
Repayments of advances to GRCC	-	(93,750)	-	-	-	(93,750)
Repayments of advances to affiliate	1,350,000	-	-	-	-	1,350,000
Management fee charged by GRCC	-	125,000	-	-	-	125,000
Ending balance	<u>\$ (992,392)</u>	<u>\$ 280,810</u>	<u>\$ (29,734)</u>	<u>\$ (24,235)</u>	<u>\$ 117,369</u>	<u>\$ (648,182)</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.

GODDARD RIVERSIDE COMMUNITY CENTER AND AFFILIATES

Notes to the Consolidated Financial Statements

June 30, 2025

Note 8 Due to affiliates - (continued)

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.

Note 9 Loan payable

On April 22, 2020, the Organization obtained a loan from the Small Business Administration (“SBA”) in the amount of \$736,500 through the Paycheck Protection Program (“PPP”). Terms of the loan indicated that if certain conditions were met, which included maintaining average work forces during periods subsequent to receipt of the loan funds that were greater than pre-determined historical periods, that the loan, or a portion thereof, would be forgiven. Portions that were not forgiven would be payable over a five-year period, with a ten-month deferral of payments and interest would accrue at 1%. As of June 30, 2024, the outstanding loan balance was \$32,733. The loan remained outstanding as of that date and was paid in full during the year ended June 30, 2025.

Note 10 Line of credit

The Organization has a line of credit with JPMorgan Chase Bank, N.A. with a total borrowing capacity of \$4,000,000. The line of credit has a maturity date of July 22, 2025. Interest is charged at a rate of 3.488% plus the daily Secured Overnight Financing Rate (SOFR). The outstanding balance on the line of credit was \$3,973,243 and \$3,900,000 as of June 30, 2025 and 2024, respectively. Upon maturity, the account was closed, and a new revolving line of credit was opened with M&T Bank with a maximum commitment of \$14,000,000. The line of credit is secured by certain pledged marketable securities held at City National Securities, Inc., with advances limited to the lesser of \$14,000,000 or 75% of the value of the pledged securities. The facility matures three years from the closing date of July 21, 2025, at which time all outstanding borrowings are due and payable. The interest rate on the loan is variable, equal to the greater of 1.50% above the Daily Simple SOFR or 3.00%.

GODDARD RIVERSIDE COMMUNITY CENTER AND AFFILIATES

Notes to the Consolidated Financial Statements

June 30, 2025

Note 10 Line of credit - (continued)

Additionally, the Organization has a revolving line of credit in the amount of \$1,355,755 with Bank of America with a variable interest rate. The variable rate is defined as 2.25% plus the SOFR effective August 19, 2024. The revolving line of credit remains available as long as the brokerage account with the financial institution is active. The proceeds of the line of credit may not be used to purchase securities, including crypto investment products and private equity funds. The revolving line of credit is collateralized by the Organization's securities held at Bank of America, with a fair value of \$1,717,071 and \$1,688,923 as of June 30, 2025 and 2024, respectively.

Note 11 Net assets with donor restrictions

The following summarizes the nature of net assets with donor restrictions:

	<u>2025</u>	<u>2024</u>
Program restricted:		
Youth and family service programs	\$ 738,609	\$ 690,389
Housing and mental health homeless	-	75,000
Senior citizens and adults	15,000	-
All programming	<u>109,441</u>	<u>77,929</u>
Total program restricted	863,050	843,318
Time restricted:	<u>950,000</u>	<u>1,000,000</u>
Total program and time restricted	1,813,050	1,843,318
Beneficial interest in perpetual trust	690,573	649,338
Donor restricted endowment	<u>6,967,519</u>	<u>6,422,082</u>
Total	<u>\$ 9,471,142</u>	<u>\$ 8,914,738</u>

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

June 30, 2025

Note 11 Net assets with donor restrictions - (continued)

Net assets were released from donor restrictions by satisfying the following restrictions:

	<u>2025</u>	<u>2024</u>
Program restricted:		
Youth and family service programs	\$ 677,780	\$ 938,551
Housing and mental health homeless	75,000	230,490
Senior citizens and adults	-	73,121
All programming	<u>42,000</u>	<u>23,271</u>
Total program restricted	794,780	1,265,433
Time restricted:	<u>500,000</u>	<u>588,772</u>
Total program and time restricted	1,294,780	1,854,205
Appropriated endowment earnings	<u>269,486</u>	<u>264,126</u>
Total	<u><u>\$ 1,564,266</u></u>	<u><u>\$ 2,118,331</u></u>

Note 12 Endowment funds

The endowment consists of the following:

	June 30, 2025		
	<u>Corpus</u>	<u>Accumulated Earnings</u>	<u>Total</u>
Stanley M. Isaacs Neighborhood Center, Inc. education scholarships	\$ 50,564	\$ -	\$ 50,564
Lester Martin scholarship fund	106,000	48,320	154,320
Community Arts	500,000	227,922	727,922
Options endowment	1,805,000	822,799	2,627,799
Bernie Wohl endowment	<u>2,340,164</u>	<u>1,066,750</u>	<u>3,406,914</u>
Total donor restricted funds	<u><u>\$ 4,801,728</u></u>	<u><u>\$ 2,165,791</u></u>	<u><u>\$ 6,967,519</u></u>

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

June 30, 2025

Note 12 Endowment funds - (continued)

	June 30, 2024		
	Corpus	Accumulated Earnings	Total
Stanley M. Isaacs Neighborhood Center, Inc. education scholarships	\$ 47,877	\$ -	\$ 47,877
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	<u>\$ 4,799,041</u>	<u>\$ 1,623,041</u>	<u>\$ 6,422,082</u>

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 accordance with NYPMIFA, which sets guidelines under which an institution’s spending is reasonably deemed imprudent. 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 Organization 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.

GODDARD RIVERSIDE COMMUNITY CENTER AND AFFILIATES

Notes to the Consolidated Financial Statements

June 30, 2025

Note 12 Endowment funds - (continued)

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.

For the Organization’s education scholarships endowment, donor stipulations require that the original gift be held in perpetuity, with income restricted to funding education scholarships. In addition, under donor stipulations unrealized gains and losses are added to or deducted from the corpus.

The following summarizes the changes in endowment net assets:

	June 30, 2025		
	Endowment Earnings	Donor Restricted Endowment Corpus	Total
Endowment and reserve net assets, beginning of year	\$ 1,623,041	\$ 4,799,041	\$ 6,422,082
Activities 2024			
Interest and dividends	20,339	-	20,339
Unrealized gains	(93,220)	2,687	(90,533)
Realized gains, net of fees	885,117	-	885,117
Appropriations for expenditure	(269,486)	-	(269,486)
Endowment and reserve net assets, end of year	<u>\$ 2,165,791</u>	<u>\$ 4,801,728</u>	<u>\$ 6,967,519</u>
			June 30, 2024
	Endowment Earnings	Donor Restricted Endowment Corpus	Total
Endowment and reserve net assets, beginning of year	\$ 1,080,587	\$ 4,794,642	\$ 5,875,229
Activities 2024			
Interest and dividends	8,515	-	8,515
Unrealized gains	720,016	4,399	724,415
Realized gains, net of fees	78,049	-	78,049
Appropriations for expenditure	(264,126)	-	(264,126)
Endowment and reserve net assets, end of year	<u>\$ 1,623,041</u>	<u>\$ 4,799,041</u>	<u>\$ 6,422,082</u>

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.

GODDARD RIVERSIDE COMMUNITY CENTER AND AFFILIATES

Notes to the Consolidated Financial Statements

June 30, 2025

Note 12 Endowment funds - (continued)

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, 2025 and 2024.

Note 13 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 14 In-kind contributions

During the years ended June 30, 2025 and 2024, the Organization occupied, on a rent-free basis, two premises in New York City Housing Authority-owned buildings for senior service programming and four public schools to conduct programming for Youth and Family Services. In valuing the donated space for Youth and Family services, the Organization estimated the fair value on the basis of recent comparable rental prices in the metropolitan real estate market. In valuing the donated space for Senior services, the Organization estimated the fair value on the basis of rental fees charged by New York City Housing Authority for similar properties.

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.

The following summarizes the donated services and space:

	June 30, 2025		
	<u>Aging Services</u>	<u>Youth and Family Services</u>	<u>Total Program Services</u>
Donated space	\$ 38,942	\$ 715,828	\$ 754,770
Consultant	190,625	-	190,625
Total program	<u>\$ 229,567</u>	<u>\$ 715,828</u>	<u>\$ 945,395</u>

GODDARD RIVERSIDE COMMUNITY CENTER AND AFFILIATES

Notes to the Consolidated Financial Statements

June 30, 2025

Note 14 In-kind contributions - (continued)

	June 30, 2024		
	Aging Services	Youth and Family Services	Total Program Services
Donated space	\$ 37,900	\$ 696,670	\$ 734,570
Consultant	78,126	-	78,126
Total program	<u>\$ 116,026</u>	<u>\$ 696,670</u>	<u>\$ 812,696</u>

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

Note 15 Retirement plan

The Organization maintains tax-deferred 403(b) retirement plans 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. Although employer contributions are not required to be made, the Organization contributed \$205,715 and \$36,686 to the plan for the years ended June 30, 2025 and 2024, respectively.

Note 16 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, 2025

Note 16 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 is as follows:

							June 30, 2025	
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	6/30/2025	Green	N/A	N/A	6/30/2026	\$ 69,712	No	
							June 30, 2024	
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	N/A	6/30/2025	\$ 120,110	No	

Note 17 Significant concentration and uncertainty related to future funding

The Organization provides various social services, and the majority of this revenue is generated from government funding, which accounted for approximately 79% and 65% for the years ended June 30, 2025 and 2024, respectively.

The Organization’s operations are partially funded through external sources, including government grants and contracts, which are subject to changes in funding priorities, regulatory environments, and economic conditions. Such changes may affect the availability, timing, and level of funding received. Management monitors these factors on an ongoing basis and evaluates strategies to address potential impacts, including adjusting operations and identifying alternative funding sources. However, the extent to which these factors may affect the Organization’s future financial position and operations cannot be reasonably estimated at this time.

Note 18 Commitments and contingencies

The Organization is involved in litigation arising during the normal course of business. Management estimates that such matters will be resolved without a material adverse effect on the Organization’s future financial position, liquidity and results from operations.

GODDARD RIVERSIDE COMMUNITY CENTER AND AFFILIATES

Notes to the Consolidated Financial Statements

June 30, 2025

Note 19 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:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 2,313,079	\$ 589,873
Investments	70,216,675	66,277,135
Accounts receivable	439,263	44,389
Government grants receivable, net	23,857,952	20,466,055
Contributions receivable due within one year	<u>1,379,000</u>	<u>1,017,494</u>
Total financial assets	<u>98,205,969</u>	<u>88,394,946</u>
Less : amounts not available to be used within one year		
Donor restricted for specific purposes	(863,050)	(843,318)
Investments held for board-designated reserve	<u>(62,483,102)</u>	<u>(59,119,596)</u>
Financial assets at year end available to meet cash needs for general expenditure within one year	<u>\$ 34,859,817</u>	<u>\$ 28,432,032</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.

Note 20 Subsequent events

Subsequent events have been evaluated through March 31, 2026, the date the consolidated financial statements were available to be issued. Adjustments and disclosures have been made for all subsequent events that have occurred.

GODDARD RIVERSIDE COMMUNITY CENTER AND AFFILIATES
Supplementary Schedules - Statement of Financial Position by Operating Unit
As of June 30, 2025

	GRCC	Center	GRED	Eliminations	Consolidated Total
<u>Assets</u>					
Cash and cash equivalents	\$ 2,221,766	\$ 90,223	\$ 1,090	\$ -	\$ 2,313,079
Investments	57,106,904	5,485,639	7,624,132	-	70,216,675
Accounts receivable	422,195	17,068	1,107,552	(1,107,552)	439,263
Government grants receivable, net	17,812,770	6,045,182	-	-	23,857,952
Contributions receivable	1,394,000	-	-	-	1,394,000
Prepaid expenses and other assets	886,336	396,409	-	-	1,282,745
Property and equipment, net	2,713,559	389,615	-	-	3,103,174
Right-of-use assets - operating leases	9,100,047	-	-	-	9,100,047
Investment in affiliate	17,301,054	-	-	-	17,301,054
Restricted cash	586,500	-	-	-	586,500
Investment held for donor refundable advance	500,000	-	-	-	500,000
Beneficial interest in perpetual trust	-	690,573	-	-	690,573
Investments restricted for endowment	6,916,955	50,564	-	-	6,967,519
Total assets	\$ 116,962,086	\$ 13,165,273	\$ 8,732,774	\$ (1,107,552)	\$ 137,752,581
<u>Liabilities and Net Assets</u>					
Liabilities					
Accounts payable and accrued expenses	\$ 8,395,355	\$ 2,921,140	\$ -	\$ -	\$ 11,316,495
Accrued salaries and related liabilities	1,476,752	320,089	-	-	1,796,841
Custodial funds	356,069	-	-	-	356,069
Deferred revenue	111,963	-	-	-	111,963
Government grant advances	730,679	183,131	-	-	913,810
Due to affiliates	(8,631,755)	3,356,073	7,281,117	-	2,005,435
Donor refundable advance	500,000	-	-	-	500,000
Loan payable	-	-	-	-	-
Line of credit	3,973,243	-	-	-	3,973,243
Operating lease liabilities	11,151,415	-	-	-	11,151,415
Total liabilities	18,063,721	6,780,433	7,281,117	-	32,125,271
Net assets					
Without donor restrictions					
Undesignated	33,594,506	(265,545)	1,451,657	(1,107,552)	33,673,066
Board designated reserve	56,997,463	5,485,639	-	-	62,483,102
Total net assets without donor restrictions	90,591,969	5,220,094	1,451,657	(1,107,552)	96,156,168
With donor restrictions					
Restricted for purpose or time	1,389,441	1,114,182	-	-	2,503,623
Restricted for endowment	6,916,955	50,564	-	-	6,967,519
Total net assets with donor restrictions	8,306,396	1,164,746	-	-	9,471,142
Total net assets	98,898,365	6,384,840	1,451,657	(1,107,552)	105,627,310
Total liabilities and net assets	\$ 116,962,086	\$ 13,165,273	\$ 8,732,774	\$ (1,107,552)	\$ 137,752,581

GODDARD RIVERSIDE COMMUNITY CENTER AND AFFILIATES

Supplementary Schedules - Statement of Activities by Operating Unit

For the year ended of June 30, 2025

	GRCC	Center	GRED	Eliminations	Consolidated Total
<u>Revenues</u>					
Contributions	\$ 4,685,666	\$ 1,156,143	\$ -	\$ -	\$ 5,841,809
Government grants	34,868,473	13,890,207	-	-	48,758,680
Special events (net of expenses with a direct benefit to donor)	327,027	-	-	-	327,027
In-kind contribution	378,890	566,505	-	-	945,395
Program fees	1,696,817	177,374	-	-	1,874,191
Rental income	317,644	-	-	-	317,644
Management fee income	1,521,840	-	-	(1,500,000)	21,840
Other income	129,536	59,235	-	-	188,771
Appropriations from board designated reserve/ endowment fund	3,889,959	250,000	-	-	4,139,959
Total revenues	<u>47,815,852</u>	<u>16,099,464</u>	<u>-</u>	<u>(1,500,000)</u>	<u>62,415,316</u>
<u>Expenses</u>					
Program services					
Aging services	2,067,125	2,102,690	-	-	4,169,815
Early childhood	2,270,282	-	-	-	2,270,282
Meals on wheels	-	6,913,362	-	-	6,913,362
Homeless and mental health programs	14,142,996	-	-	-	14,142,996
Supportive housing	9,734,489	-	328,831	-	10,063,320
Youth and family services	8,883,494	5,131,827	-	-	14,015,321
Total program services	<u>37,098,386</u>	<u>14,147,879</u>	<u>328,831</u>	<u>-</u>	<u>51,575,096</u>
Supporting services					
Management and general	9,457,493	2,336,294	-	(1,500,000)	10,293,787
Fundraising	1,391,099	82,945	-	-	1,474,044
Total supporting services	<u>10,848,592</u>	<u>2,419,239</u>	<u>-</u>	<u>(1,500,000)</u>	<u>11,767,831</u>
Total functional expenses	<u>47,946,978</u>	<u>16,567,118</u>	<u>328,831</u>	<u>(1,500,000)</u>	<u>63,342,927</u>
Change in net assets from operations	(131,126)	(467,654)	(328,831)	-	(927,611)
<u>Non-operating activities</u>					
Change in value of investment in affiliate	(1,763,851)	-	-	-	(1,763,851)
Investment return, net	7,750,386	521,258	672,936	-	8,944,580
Change in beneficial interest in perpetual trust	-	41,235	-	-	41,235
Appropriations from board designated reserve	(3,889,959)	(250,000)	-	-	(4,139,959)
Total non-operating activities	<u>2,096,576</u>	<u>312,493</u>	<u>672,936</u>	<u>-</u>	<u>3,082,005</u>
Change in net assets	1,965,450	(155,161)	344,105	-	2,154,394
Net assets at beginning of year	<u>96,932,915</u>	<u>6,540,001</u>	<u>1,107,552</u>	<u>(1,107,552)</u>	<u>103,472,916</u>
Net assets at end of year	<u>\$ 98,898,365</u>	<u>\$ 6,384,840</u>	<u>\$ 1,451,657</u>	<u>\$ (1,107,552)</u>	<u>\$ 105,627,310</u>