

Greenwich House, Inc. and Affiliate

Consolidated Financial Statements
and Supplementary Information

June 30, 2024 and 2023



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INDEPENDENT AUDITOR'S REPORT

To the Audit Committee and Board of Directors
Greenwich House, Inc. and Affiliate

Opinion

We have audited the accompanying consolidated financial statements of Greenwich House, Inc. and Affiliate (the "Agency"), which comprise the consolidated statement of financial position as of June 30, 2024, 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Greenwich House, Inc. and Affiliate as of June 30, 2024, and the changes in their net assets and their 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. 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 Greenwich House, Inc. 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 these 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 Greenwich House, Inc.'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 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, including omissions, 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, 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 Greenwich House, Inc.'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 Greenwich House, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The information on pages 28 - 30 is presented for purposes of additional analysis and is 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 auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Prior Period Financial Statements

The consolidated financial statements of Greenwich House, Inc. as of June 30, 2023, were audited by other auditors whose report dated April 9, 2024, expressed an unmodified opinion on those statements.

A handwritten signature in dark ink that reads "Armanino CPA LLP". The signature is written in a cursive, flowing style.

New York, New York

March 31, 2025

Greenwich House, Inc. and Affiliate
Consolidated Statements of Financial Position
June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and cash equivalents	\$ 2,920,178	\$ 3,087,359
Investments	9,492,349	8,718,087
Accounts receivable - medical billings, net	1,104,135	986,309
Grants receivable - government, net	3,519,529	4,011,183
Contributions receivable, net	260,698	814,939
Prepaid expenses and other assets	382,321	528,610
Beneficial interest in remainder trust	400,000	246,047
Operating right-of-use assets	32,421,059	1,327,234
Property and equipment, net	<u>5,395,312</u>	<u>4,431,061</u>
Total assets	<u>\$ 55,895,581</u>	<u>\$ 24,150,829</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 2,108,994	\$ 1,800,477
Accrued salaries and related liabilities	741,263	664,857
Deferred revenue	4,546,214	5,054,348
Lines of credit	3,490,000	2,000,050
Notes payable	359,859	600,000
Operating lease liabilities	<u>32,909,642</u>	<u>1,337,872</u>
Total liabilities	<u>44,155,972</u>	<u>11,457,604</u>
Net assets		
Without donor restrictions		
Net investment in property and equipment	5,395,312	4,431,061
Operations	<u>111,131</u>	<u>2,326,412</u>
Total without donor restrictions	<u>5,506,443</u>	<u>6,757,473</u>
With donor restrictions		
Time and purpose	4,521,905	4,224,491
Perpetual in nature	<u>1,711,261</u>	<u>1,711,261</u>
Total with donor restrictions	<u>6,233,166</u>	<u>5,935,752</u>
Total net assets	<u>11,739,609</u>	<u>12,693,225</u>
Total liabilities and net assets	<u>\$ 55,895,581</u>	<u>\$ 24,150,829</u>

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

Greenwich House, Inc. and Affiliate
Consolidated Statement of Activities
For the Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, and other support			
Government grants	\$ 7,922,386	\$ -	\$ 7,922,386
Program tuition and fees, net of financial aid	8,568,185	-	8,568,185
Medicaid and other insurance	7,452,953	-	7,452,953
Contributions	915,844	1,047,021	1,962,865
Special events, net of direct expenses	-	772,238	772,238
Rental income	439,343	-	439,343
Investment return appropriated for operations	119,788	-	119,788
Other income	442,812	-	442,812
Net assets released from restriction	<u>1,888,113</u>	<u>(1,888,113)</u>	<u>-</u>
Total revenues, gains, and other support	<u>27,749,424</u>	<u>(68,854)</u>	<u>27,680,570</u>
Functional expenses			
Program services			
Substance Abuse Services	6,418,655	-	6,418,655
Adult Services	2,719,566	-	2,719,566
Mental Health Services	3,694,362	-	3,694,362
Nursery School and Other Children's Services	5,702,273	-	5,702,273
Music School	1,127,327	-	1,127,327
Pottery School	<u>1,863,860</u>	<u>-</u>	<u>1,863,860</u>
Total program services	<u>21,526,043</u>	<u>-</u>	<u>21,526,043</u>
Support services			
Management and administration	7,170,536	-	7,170,536
Fundraising	<u>967,869</u>	<u>-</u>	<u>967,869</u>
Total support services	<u>8,138,405</u>	<u>-</u>	<u>8,138,405</u>
Total functional expenses	<u>29,664,448</u>	<u>-</u>	<u>29,664,448</u>
Change in net assets from operations	<u>(1,915,024)</u>	<u>(68,854)</u>	<u>(1,983,878)</u>
Non-operating			
Investment return, net	663,994	332,103	996,097
Investment return appropriated for operations	-	(119,788)	(119,788)
Change in value of beneficial interest in remainder trust	<u>-</u>	<u>153,953</u>	<u>153,953</u>
Total non-operating	<u>663,994</u>	<u>366,268</u>	<u>1,030,262</u>
Change in net assets	(1,251,030)	297,414	(953,616)
Net assets, beginning of year	<u>6,757,473</u>	<u>5,935,752</u>	<u>12,693,225</u>
Net assets, end of year	<u>\$ 5,506,443</u>	<u>\$ 6,233,166</u>	<u>\$ 11,739,609</u>

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

Greenwich House, Inc. and Affiliate
Consolidated Statement of Activities
For the Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, and other support			
Government grants	\$ 7,376,818	\$ -	\$ 7,376,818
Program tuition and fees, net of financial aid	8,600,039	-	8,600,039
Medicaid and other insurance	6,619,266	-	6,619,266
Contributions	1,543,364	1,578,418	3,121,782
Special events, net of direct expenses	-	602,960	602,960
Rental income	439,823	-	439,823
Investment return appropriated for operations	119,788	-	119,788
Other income	652,594	-	652,594
Net assets released from restriction	<u>1,046,671</u>	<u>(1,046,671)</u>	<u>-</u>
Total revenues, gains, and other support	<u>26,398,363</u>	<u>1,134,707</u>	<u>27,533,070</u>
Functional expenses			
Program services			
Substance Abuse Services	6,569,336	-	6,569,336
Adult Services	2,708,107	-	2,708,107
Mental Health Services	2,621,419	-	2,621,419
Nursery School and Other Children's Services	5,819,771	-	5,819,771
Music School	1,167,555	-	1,167,555
Pottery School	<u>1,537,630</u>	<u>-</u>	<u>1,537,630</u>
Total program services	<u>20,423,818</u>	<u>-</u>	<u>20,423,818</u>
Support services			
Management and administration	4,840,807	-	4,840,807
Fundraising	<u>852,674</u>	<u>-</u>	<u>852,674</u>
Total support services	<u>5,693,481</u>	<u>-</u>	<u>5,693,481</u>
Total functional expenses	<u>26,117,299</u>	<u>-</u>	<u>26,117,299</u>
Change in net assets from operations	<u>281,064</u>	<u>1,134,707</u>	<u>1,415,771</u>
Non-operating			
Investment return, net	557,687	145,127	702,814
Investment return appropriated for operations	<u>-</u>	<u>(119,788)</u>	<u>(119,788)</u>
Total non-operating	<u>557,687</u>	<u>25,339</u>	<u>583,026</u>
Change in net assets	838,751	1,160,046	1,998,797
Net assets, beginning of year	<u>5,918,722</u>	<u>4,775,706</u>	<u>10,694,428</u>
Net assets, end of year	<u>\$ 6,757,473</u>	<u>\$ 5,935,752</u>	<u>\$ 12,693,225</u>

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

Greenwich House, Inc. and Affiliate
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2024

	Substance Abuse Services	Adult Services	Mental Health Services	Nursery School and Other Children's Services	Music School	Pottery School	Total Program Services	Management and Administratio n	Fundraising	Total Support Services	Total
Expenses											
Salaries and related expenses											
Salaries	\$ 2,802,865	\$ 1,171,125	\$ 1,872,444	\$ 3,209,795	\$ 643,653	\$ 1,048,667	\$ 10,748,549	\$ 3,160,903	\$ 297,232	\$ 3,458,135	\$ 14,206,684
Payroll taxes and fringe benefits	<u>1,033,470</u>	<u>276,394</u>	<u>452,828</u>	<u>1,058,728</u>	<u>152,138</u>	<u>248,154</u>	<u>3,221,712</u>	<u>914,640</u>	<u>70,256</u>	<u>984,896</u>	<u>4,206,608</u>
Total salaries and related expenses	3,836,335	1,447,519	2,325,272	4,268,523	795,791	1,296,821	13,970,261	4,075,543	367,488	4,443,031	18,413,292
Contract services	436,107	69,288	532,716	826,504	123,429	51,329	2,039,373	1,198,769	265,557	1,464,326	3,503,699
Equipment	212,609	10,987	220,519	11,576	12,570	11,178	479,439	33,365	9,204	42,569	522,008
Occupancy	1,388,459	433,235	394,016	114,608	70,640	199,874	2,600,832	709,156	-	709,156	3,309,988
Repairs and maintenance	35,239	11,118	31,917	18,105	49,970	11,078	157,427	35,408	-	35,408	192,835
Insurance	153,272	42,975	84,962	53,919	14,047	21,792	370,967	24,231	6,321	30,552	401,519
Telephone	70,373	12,557	21,466	16,852	4,434	6,101	131,783	43,989	253	44,242	176,025
Office supplies and postage	22,151	21,519	11,360	22,699	1,090	5,637	84,456	5,526	1,304	6,830	91,286
Program and other supplies	233,136	503,959	12,118	106,588	8,929	178,730	1,043,460	58,442	1,725	60,167	1,103,627
Advertising	4,432	11,480	37,694	16,560	12,538	15,387	98,091	33,067	21,146	54,213	152,304
Transportation	-	153,860	25	10,037	124	419	164,465	66,554	18	66,572	231,037
Staff training	2,261	115	4,923	-	-	-	7,299	8,045	-	8,045	15,344
Subscriptions, fees and dues	18,996	67	10,500	22,016	1,426	1,658	54,663	32,773	315	33,088	87,751
Other	5,285	512	6,874	61,499	32,339	63,856	170,365	30,480	6,920	37,400	207,765
Depreciation and amortization	-	-	-	152,787	-	-	152,787	199,116	-	199,116	351,903
Interest	-	-	-	-	-	-	-	215,917	-	215,917	215,917
Special event expense	-	-	-	-	-	-	-	-	328,142	328,142	328,142
Bad debt expense	-	375	-	-	-	-	375	400,155	-	400,155	400,530
Total expenses	<u>6,418,655</u>	<u>2,719,566</u>	<u>3,694,362</u>	<u>5,702,273</u>	<u>1,127,327</u>	<u>1,863,860</u>	<u>21,526,043</u>	<u>7,170,536</u>	<u>1,008,393</u>	<u>8,178,929</u>	<u>29,704,972</u>
Less: direct cost of special events	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(40,524)</u>	<u>(40,524)</u>	<u>(40,524)</u>
	<u>\$ 6,418,655</u>	<u>\$ 2,719,566</u>	<u>\$ 3,694,362</u>	<u>\$ 5,702,273</u>	<u>\$ 1,127,327</u>	<u>\$ 1,863,860</u>	<u>\$ 21,526,043</u>	<u>\$ 7,170,536</u>	<u>\$ 967,869</u>	<u>\$ 8,138,405</u>	<u>\$ 29,664,448</u>

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

Greenwich House, Inc. and Affiliate
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2023

	Substance Abuse Services	Adult Services	Mental Health Services	Nursery School and Other Children's Services	Music School	Pottery School	Total Program Services	Management and Administratio n	Fundraising	Total Support Services	Total
Expenses											
Salaries and related expenses											
Salaries	\$ 2,865,590	\$ 1,051,328	\$ 1,500,907	\$ 3,218,927	\$ 665,723	\$ 873,688	\$ 10,176,163	\$ 2,165,793	\$ 302,098	\$ 2,467,891	\$ 12,644,054
Payroll taxes and fringe benefits	<u>897,388</u>	<u>271,062</u>	<u>349,061</u>	<u>953,563</u>	<u>152,837</u>	<u>200,581</u>	<u>2,824,492</u>	<u>594,372</u>	<u>69,355</u>	<u>663,727</u>	<u>3,488,219</u>
Total salaries and related expenses	3,762,978	1,322,390	1,849,968	4,172,490	818,560	1,074,269	13,000,655	2,760,165	371,453	3,131,618	16,132,273
Contract services	1,023,466	213,532	398,472	784,758	169,079	63,968	2,653,275	801,157	155,963	957,120	3,610,395
Equipment	329,559	34,774	166,129	16,671	10,889	12,279	570,301	276,070	7,616	283,686	853,987
Occupancy	943,789	460,666	15,042	101,093	66,118	139,115	1,725,823	274,988	13,882	288,870	2,014,693
Repairs and maintenance	59,410	23,643	51,224	30,997	32,773	31,419	229,466	42,802	-	42,802	272,268
Insurance	114,073	66,159	31,040	65,506	18,728	24,900	320,406	23,308	12,588	35,896	356,302
Telephone	41,678	14,696	14,564	3,209	4,240	6,024	84,411	35,749	5,729	41,478	125,889
Office supplies and postage	9,866	19,554	4,694	199,370	854	5,223	239,561	6,493	418	6,911	246,472
Program and other supplies	252,981	508,887	38,131	76,667	12,347	117,105	1,006,118	78,902	47,973	126,875	1,132,993
Advertising	5,000	3,449	14,707	39,648	29,340	10,633	102,777	31,419	6,276	37,695	140,472
Transportation	5,185	503	995	16,313	-	-	22,996	126	-	126	23,122
Staff training	-	33	23,300	375	-	-	23,708	17,960	-	17,960	41,668
Subscriptions, fees and dues	15,852	4,753	1,402	23,133	379	1,711	47,230	25,662	-	25,662	72,892
Other	5,499	35,068	11,751	63,876	4,248	50,984	171,426	48,921	30,261	79,182	250,608
Depreciation and amortization	-	-	-	225,665	-	-	225,665	173,966	-	173,966	399,631
Interest	-	-	-	-	-	-	-	131,718	-	131,718	131,718
Special event expense	-	-	-	-	-	-	-	-	247,412	247,412	247,412
Bad debt expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>111,401</u>	<u>-</u>	<u>111,401</u>	<u>111,401</u>
Total expenses	6,569,336	2,708,107	2,621,419	5,819,771	1,167,555	1,537,630	20,423,818	4,840,807	899,571	5,740,378	26,164,196
Less: direct cost of special events	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(46,897)</u>	<u>(46,897)</u>	<u>(46,897)</u>
	<u>\$ 6,569,336</u>	<u>\$ 2,708,107</u>	<u>\$ 2,621,419</u>	<u>\$ 5,819,771</u>	<u>\$ 1,167,555</u>	<u>\$ 1,537,630</u>	<u>\$ 20,423,818</u>	<u>\$ 4,840,807</u>	<u>\$ 852,674</u>	<u>\$ 5,693,481</u>	<u>\$ 26,117,299</u>

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

Greenwich House, Inc. and Affiliate
Consolidated Statements of Cash Flows
For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Change in net assets	\$ (953,616)	\$ 1,998,797
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	351,903	399,631
Bad debt	400,530	111,401
Change in allowance for credit losses	41,119	-
Change in allowance for doubtful accounts	115,713	-
Net realized and unrealized gain on investments	(768,097)	(530,270)
Change in value of beneficial interest in remainder trust	(153,953)	-
Net change in right-of-use assets and operating lease liabilities	477,945	10,638
Changes in operating assets and liabilities		
Accounts receivable - medical billings, net	(158,945)	(158,107)
Grants receivable - government, net	375,411	-
Contributions receivable, net	154,241	(296,589)
Prepaid expenses and other assets	146,289	(123,242)
Accounts payable and accrued expenses	308,517	576
Accrued salaries and related liabilities	76,406	32,111
Deferred revenue	(508,134)	856,565
Net cash provided by (used in) operating activities	<u>(94,671)</u>	<u>2,301,511</u>
Cash flows from investing activities		
Proceeds from sale of investments	705,114	-
Purchase of investments	(711,279)	(5,247,379)
Purchases of property and equipment	<u>(1,316,154)</u>	<u>(1,894,726)</u>
Net cash used in investing activities	<u>(1,322,319)</u>	<u>(7,142,105)</u>
Cash flows from financing activities		
Payments on notes payable	(240,141)	(200,000)
Borrowings on notes payable	-	307,500
Payments on lines of credit	(10,050)	-
Borrowings on lines of credit	<u>1,500,000</u>	<u>1,247,405</u>
Net cash provided by financing activities	<u>1,249,809</u>	<u>1,354,905</u>
Net decrease in cash and cash equivalents	(167,181)	(3,485,689)
Cash and cash equivalents, beginning of year	<u>3,087,359</u>	<u>6,573,048</u>
Cash and cash equivalents, end of year	<u><u>\$ 2,920,178</u></u>	<u><u>\$ 3,087,359</u></u>

Supplemental disclosure of cash flow information

Cash paid during the year interest	\$ 215,917	\$ 131,718
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The accompanying notes are an integral part of these consolidated financial statements.

Greenwich House, Inc. and Affiliate
Notes to Consolidated Financial Statements
June 30, 2024 and 2023

1. NATURE OF OPERATIONS

Greenwich House, Inc. ("Greenwich House") was formed in 1902 for the purpose of providing health and human services, cultural and educational programs, and opportunities for civic and social engagement for communities in New York City's West Village and beyond.

The work of Greenwich House with government partners includes behavioral health and wellness programs for children and adults; substance disorder services; four older adult centers, and a workforce and training center. Additionally, Greenwich House provides a variety of community oriented arts and enrichment programs that include a music school, pottery school, and a youth community center with after school, holiday camp, and summer camp programs. Greenwich House's primary sources of funding are Medicaid, government grants, and program tuition and fees. Greenwich House is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code.

Barrow Street Nursery School at Greenwich House, Inc. (the "School" or "Affiliate") is a pre-school located in Manhattan, New York which began operations in September 2005. It is supported primarily by tuition. The School is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Greenwich House is the sole member of the School.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

The consolidated financial statements include the activities of Greenwich House and the School (collectively referred to as the "Agency"). Upon consolidation, all significant intercompany balances and transactions are eliminated.

Basis of accounting and financial statement presentation

The Agency's consolidated financial statements are prepared on the accrual basis of accounting. The Agency adheres to accounting principles generally accepted in the United States of America ("U.S. GAAP").

The Agency maintains its accounts in accordance with the following net asset classifications:

- *Net assets without donor restrictions* - This represents net assets not subject to donor-imposed stipulations and that have no time restrictions. Such resources are available for support of the Agency's operations over which the Board of Directors has discretionary control.

Greenwich House, Inc. and Affiliate
Notes to Consolidated Financial Statements
June 30, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of accounting and financial statement presentation (continued)

- *Net assets with donor restrictions* - This represents net assets subject to donor-imposed stipulations that will be met by actions of the Agency or by the passage of time and donor-restricted endowment funds. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished or investment earnings are appropriated, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. The Agency reports donor restricted funds that are received and released in the same year to be net assets without donor restrictions.

Use of estimates

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

Cash and cash equivalents

The Agency considers highly liquid debt instruments with maturities of three months or less when acquired to be cash and cash equivalents, except for cash held for long-term investments. The Agency's cash deposits exceeded the Federal Deposit Insurance Corporation limits at various times during the years ended June 30, 2024 and 2023.

Investments

Investments are stated at fair value in the consolidated statements of financial position. Unrealized gains and losses and interest and dividend income are included in investment income in the consolidated statements of activities. Investment expenses related to investment income include management fees and have been netted against investment income. Purchases and sales of securities are recorded on a trade date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Fair value measurements

Fair value measurements are based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three levels, as described below:

Greenwich House, Inc. and Affiliate
Notes to Consolidated Financial Statements
June 30, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurements (continued)

- *Level 1* - Valuations based on quoted prices (unadjusted) in an active market that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.
- *Level 2* - Valuations based on observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.
- *Level 3* - Valuations based on unobservable inputs are used when little to no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

Property and equipment

Property and equipment is stated at cost less accumulated depreciation and amortization. Items with a cost in excess of \$2,000 and an estimated useful life of greater than one year are capitalized. Depreciation is provided using the straight-line method over the estimated useful lives of the assets. Amortization of leasehold improvements is provided on the straight-line method over the shorter of the term of the lease or the estimated useful life of the asset. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are recorded as unrestricted support unless the donor has restricted the donated assets for a specific purpose.

Depreciation and amortization of property and equipment is computed over the following estimated useful lives:

Buildings	30 years
Furniture, fixtures and equipment	5-10 years
Building improvements	15-30 years
Leasehold improvements	3-10 years

Leases

The Agency recognizes and measures its leases in accordance with FASB ASC 842, Leases. The determination of whether an arrangement is a lease is made at the lease's inception. A contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

Greenwich House, Inc. and Affiliate
Notes to Consolidated Financial Statements
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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

For operating leases, the Agency recognizes a lease liability and a right-of-use ("ROU") asset at the commencement date of the lease. The lease liability is initially and subsequently recognized based on the present value of its future lease payments. When the implicit lease rate is not provided, the Agency has elected to use a risk-free rate based on the U.S. Treasury zero coupon rate for a period comparable with that of the lease term in determining the present value of future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. The ROU asset is subsequently measured throughout the lease term at the amount of the remeasured lease liability, plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received and any impairment recognized. Operating lease expense is recognized on a straight-line basis over the lease term. Finance lease expense is recognized as straight-line amortization of the building or equipment and interest expense on the lease liability. The Agency's lease terms may include options to extend or terminate the lease when it is reasonably certain the option will be exercised.

The Agency has elected, for all underlying classes of assets, to not recognize ROU assets and lease liabilities for short-term leases that have an expected lease term of 12 months or less at lease commencement. The Agency recognizes lease cost associated with short-term leases on a straight-line basis over the lease term.

Government grants and contracts and contributions

Government grants and contracts and contributions are non-exchange transactions and accounted for under Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2018-08. Grants and contracts are recognized as revenue when barriers within the contract are overcome, and there is no right of return. Government grants revenue amounted to \$7,922,386 and \$7,376,818 for the years ended June 30, 2024 and 2023, respectively, and are included in the consolidated statements of activities. The Agency expects to collect grants receivable in less than one year. There are instances when the Agency receives advances from the governmental funding sources. Such advances are recorded as deferred revenue in the accompanying consolidated statements of financial position.

As of June 30, 2024 and 2023, the Agency has been awarded conditional grants and contracts from government agencies in the aggregate amounts of \$17,996,093 and \$20,933,192, respectively. Such grants have not been recognized in the accompanying consolidated financial statements as they are for future periods and will be recognized when contract barriers are overcome. Such barriers include expending these funds in accordance with the agreements. If such services are not provided, the governmental entities are not obligated to expend the funds allotted under the grants and contracts and the Agency may be required to return the funds already remitted.

Greenwich House, Inc. and Affiliate
Notes to Consolidated Financial Statements
June 30, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government grants and contracts and contributions (continued)

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Contributions of assets other than cash are recorded at their estimated fair value at the date of the gift. Support that is restricted by the donor is reported as an increase in net assets with donor restrictions depending on the nature of the restriction until the restrictions are satisfied, at which time net assets with donor restrictions are reclassified to net assets without donor restrictions.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. When material, the discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. The Agency reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets.

Promises to give are considered conditional when a measurable barrier and right of return or release exists. The promise to give becomes unconditional and are recognized as revenue when the barriers upon which they depend are overcome. When the satisfaction of a barrier is accomplished in the same period that the contribution is made, contributions are recorded as unconditional. Conditional gifts received are reported as refundable advances in the statements of financial position until the barriers are overcome.

Revenue recognition

Revenue from medical services are recognized when the service is rendered, collection is reasonably assured, and the amount of revenue can be measured reliably and accounted for under ASC Topic 606, Revenue from Contracts with Customers. Revenue is determined based on contractual rates negotiated with payers, government reimbursement rates, or standard charges for self-pay patients, less applicable discounts and allowances. Variable consideration, including adjustments for insurance denials, contractual allowances, and patient payment behavior, is estimated at the time of service based on historical experience, trends, and payer-specific factors. These estimates are updated periodically to reflect changes in expected collections. Revenue is reported net of contractual adjustments, discounts, and other allowances, while charity care is not recognized as revenue.

Accounts receivable - medical billings are initially recorded at the transaction price determined at the time of service. Receivables are evaluated for collectability using historical data, payer-specific trends, aging of receivables, and other relevant factors.

Greenwich House, Inc. and Affiliate
Notes to Consolidated Financial Statements
June 30, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Tuition and fees are recognized at the time the contractual service is delivered and are accounted for under FASB Accounting Standards Codification ("ASC") Topic 606, Revenue from Contracts with Customers. Performance obligations are determined based on the nature of the services provided by the Agency in accordance with the contract. Revenue for performance obligations are satisfied over time as the services are provided. The Agency believes this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation.

Tuition and fees are recorded in the period in which the tuition and fees are earned. Deferred tuition is tuition payments received prior to year-end, but which are applicable to the following academic year. These amounts are recognized as revenue in the fiscal year in which educational services are provided.

The beginning and ending deferred revenue balances related to tuition and fees were as follows as of June 30:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Deferred revenue	<u>\$ 4,546,214</u>	<u>\$ 5,054,348</u>	<u>\$ 4,197,783</u>

Allowance for doubtful accounts and current expected credit losses

An allowance for doubtful accounts on grants receivable - government is charged if the receivable is determined to be uncollectible based on periodic review by management. Factors used to determine whether an allowance should be recorded include the age of the receivable, the creditworthiness of its customers and a review of payments subsequent to year-end. As of June 30, 2024 and 2023, the Agency determined an allowance of \$15,403 and \$131,116, respectively, was necessary. The Agency determined an allowance for contributions receivable of \$400,000 and \$0 was necessary at June 30, 2024 and 2023, respectively.

The Agency applies the Current Expected Credit Losses ("CECL") model to measure expected credit losses over the lifetime of accounts receivable - medical billings. The CECL estimate incorporates historical loss rates, current economic conditions, and reasonable forecasts of future conditions. Adjustments to the CECL reserve are recorded in the provision for bad debts and disclosed in the consolidated financial statements. An allowance for credit losses is maintained to reflect expected uncollectible amounts and is reviewed and updated quarterly based on changes in payer behavior, economic conditions, collection efforts, and reasonable and supportable expectation of future conditions. As of June 30, 2024 and 2023, the Agency determined an allowance for credit losses of \$33,416 and \$74,535, respectively, was necessary.

Greenwich House, Inc. and Affiliate
Notes to Consolidated Financial Statements
June 30, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributed items and services

Contributed items are recorded at their estimated fair values at the date the contribution is received.

Contributed services are recognized as contributions if the services create or enhance nonfinancial assets or require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Agency. In addition, many individuals volunteer their time and perform, a variety of tasks that assist the Agency with specific assistance programs, campaign solicitations and various committee assignments that are not recorded in the consolidated financial statements, since the recognition criteria are not met.

There were no in-kind goods and services contributed to the Agency for the years ended June 30, 2024 and 2023.

Functional allocation of expenses

The costs of providing the Agency's services have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include salaries and payroll taxes and benefits, which are allocated on the basis of time and effort, and occupancy, depreciation and amortization, insurance, telephone and repairs and maintenance, which are allocated on a square footage basis.

Operating measure

The Agency includes, in its definition of operations, all revenues and expenses that are an integral part of its programs and supporting activities.

Reclassifications

Certain prior year amounts have been reclassified for consistency with the current year presentation. These classifications had no effect on total assets, liabilities, net assets or the change in net assets.

Change in accounting principle

In June 2016, the FASB issued guidance (FASB ASC 326 Financial Instruments - Credit Losses), which significantly changed how entities measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through the change in net assets. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses.

Greenwich House, Inc. and Affiliate
Notes to Consolidated Financial Statements
June 30, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Change in accounting principle (continued)

The Agency adopted the standard effective July 1, 2023. The impact of the adoption was nominal to the consolidated financial statements and primarily resulted in new/enhanced disclosures.

Income tax status

The Agency is a qualified not-for-profit Organization under section 501(c)(3) of the Internal Revenue Code and is, therefore, exempt from federal income taxes.

The Agency has addressed the provisions of FASB ASC 740, Accounting for Income Taxes. In that regard, the Agency has evaluated its tax positions, expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings and believes that no provision for income taxes is necessary, at this time, to cover any uncertain tax positions.

3. LIQUIDITY AND AVAILABILITY OF RESOURCES FOR GENERAL EXPENDITURES

The Agency regularly monitors liquidity required to meet its operating needs and other contractual commitments while also striving to maximize the investment of its available funds. The Agency has various sources of liquidity at its disposal, including cash and cash equivalents and investments.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Agency considers all expenditures related to its ongoing programs and other expenses, as well as the conduct of services undertaken to support these activities, to be general expenditures. In addition to financial assets available to meet general expenditures over the next 12 months, the Agency operates with a budgeted surplus and anticipates collecting sufficient revenue to cover general expenditure.

The Agency has lines of credit of \$4 million as more fully explained in Note 8, which may be drawn upon for operating cash flow. The available balance for the lines of credit amounted to \$510,000 and \$0 as of June 30, 2024 and 2023, respectively. The Agency also has earnings on endowment funds as more fully explained in Note 11. During the years ended June 30, 2024 and 2023, the Agency appropriated \$119,788 of earnings.

Greenwich House, Inc. and Affiliate
Notes to Consolidated Financial Statements
June 30, 2024 and 2023

3. LIQUIDITY AND AVAILABILITY OF RESOURCES FOR GENERAL EXPENDITURES
(continued)

The following financial assets could be made readily available within one year of the consolidated financial statement date to meet general expenditures as of June 30:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 2,920,178	\$ 3,087,359
Investments	9,492,349	8,718,087
Accounts receivable - medical billings, net	1,104,135	986,309
Grants receivable - government, net	3,519,529	4,011,183
Contributions receivable, net	<u>260,698</u>	<u>814,939</u>
	17,296,889	17,617,877
Net assets with donor restrictions	<u>(6,233,166)</u>	<u>(5,935,752)</u>
	<u><u>\$ 11,063,723</u></u>	<u><u>\$ 11,682,125</u></u>

4. INVESTMENTS AND FAIR VALUE MEASUREMENTS

In determining the fair value of its investments, the Agency utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible, and it also considers counterparty credit risk in its assessment of fair value.

Following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying consolidated statements of financial position, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the Securities Exchange Commission. These funds are required to publish their daily net asset value ("NAV") and to transact at that price. The mutual funds held by the Agency are deemed to be actively traded.

Fixed income: Valued using custodian-provided quotations from pricing services, with all significant inputs derived from or corroborated with observable market data.

Management determines the fair value measurement valuation policies and procedures, which are subject to Board of Directors assessment and approval. At least annually, Management determines if the current valuation techniques used in fair value measurements are still appropriate. During the year, there were no changes in the methods or assumptions utilized to derive the fair value of the Agency's assets and liabilities. There were no transfers between levels in the fair value hierarchy for the years ended June 30, 2024 and 2023.

Greenwich House, Inc. and Affiliate
Notes to Consolidated Financial Statements
June 30, 2024 and 2023

4. INVESTMENTS AND FAIR VALUE MEASUREMENTS (continued)

The following table sets forth by level, within the fair value hierarchy, the Agency's assets at fair value as of June 30, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
Mutual funds	<u>\$ 8,544,739</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,544,739</u>
	<u><u>\$ 8,544,739</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u>8,544,739</u>
Cash and money market funds				<u>947,610</u>
				<u><u>\$ 9,492,349</u></u>

The following table sets forth by level, within the fair value hierarchy, the Agency's assets at fair value as of June 30, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
Mutual funds	<u>\$ 7,583,135</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,583,135</u>
Fixed income	<u>-</u>	<u>14,850</u>	<u>-</u>	<u>14,850</u>
	<u><u>\$ 7,583,135</u></u>	<u><u>\$ 14,850</u></u>	<u><u>\$ -</u></u>	<u>7,597,985</u>
Cash and cash equivalents				<u>1,120,102</u>
				<u><u>\$ 8,718,087</u></u>

The following table summarizes investment activity for the years ended June 30:

	<u>2024</u>	<u>2023</u>
Interest and dividends	\$ 268,398	\$ 195,569
Realized and unrealized gain on investments	768,097	530,270
Investment fees	<u>(40,398)</u>	<u>(23,025)</u>
	<u><u>\$ 996,097</u></u>	<u><u>\$ 702,814</u></u>

Greenwich House, Inc. and Affiliate
Notes to Consolidated Financial Statements
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5. CONTRIBUTIONS RECEIVABLE

Contributions receivable were due to be collected during the following years as of June 30:

	<u>2024</u>	<u>2023</u>
Less than one year	\$ 169,620	\$ 747,653
One to five years	<u>97,500</u>	<u>72,500</u>
	267,120	820,153
Less: discount to present value (4.42%-4.71%)	<u>(6,422)</u>	<u>(5,214)</u>
	<u><u>\$ 260,698</u></u>	<u><u>\$ 814,939</u></u>

6. BENEFICIAL INTEREST IN REMAINDER TRUST

During 2005, Greenwich House was named a beneficiary of a trust in which Greenwich House has an irrevocable remainder trust interest and the assets are placed under the control of a trustee other than Greenwich House. The trustee acts as a fiduciary of the assets and, upon termination of the trust, these assets will be transferred to Greenwich House. This receivable has been discounted at a rate of 5% using actuarially based mortality tables. The value of the beneficial interest in remainder trust at June 30, 2024 and 2023 was \$400,000 and \$246,047, respectively.

7. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

	<u>2024</u>	<u>2023</u>
Buildings	\$ 450,605	\$ 450,605
Furniture, fixtures and equipment	595,412	437,536
Building improvements	3,285,638	3,285,638
Leasehold improvements	2,884,769	2,654,759
Construction in progress	<u>3,638,628</u>	<u>2,710,360</u>
	10,855,052	9,538,898
Accumulated depreciation	<u>(5,459,740)</u>	<u>(5,107,837)</u>
	<u><u>\$ 5,395,312</u></u>	<u><u>\$ 4,431,061</u></u>

Depreciation and amortization expense amounted to \$351,903 and \$399,631 for the years ended June 30, 2024 and 2023, respectively.

Construction in progress relates to costs incurred to renovate and expand the pottery school, the music school, 27 Barrow Street, and costs to conform to New York City Local Law 11. Construction is expected to be completed for the three projects by the end of fiscal year 2025. The estimated costs to complete the projects are approximately \$2,100,000.

Greenwich House, Inc. and Affiliate
Notes to Consolidated Financial Statements
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8. LINES OF CREDIT

In August 2014, Greenwich House obtained a \$2,000,050 commercial line of credit from the Emigrant Funding Corporation. The line of credit requires interest-only monthly payments at the higher of 100 basis points in excess of the prime rate or 4.50% until March 2026, when all unpaid principal is due in full. Interest charged was 9.5% and 4.5% at June 30, 2024 and 2023. The line of credit is secured by Greenwich House's real property.

In May 2024, Greenwich House obtained a \$2,000,000 commercial line of credit from JPMorgan Chase Bank N.A with a maturity date of May 6, 2025. The line of credit requires interest-only monthly payments at the Secured Overnight Financing Rate ("SOFR") plus a margin of 3.15%. Interest charged was 10.35% at June 30, 2024. The line of credit is secured by a continuing security interest in all of Greenwich House's assets.

Interest expense for the years ended June 30, 2024 and 2023 was \$215,917 and \$131,718, respectively. As of June 30, 2024 and 2023, the balance due on the lines of credit was \$3,490,000 and \$2,000,050, respectively.

9. NOTES PAYABLE

On June 9, 2022, Greenwich House obtained a short-term loan with the Fund for the City of New York for \$500,000. The loan was subject to a 1.5% service charge of the principal amount for the initial three month loan period. If the Greenwich House did not pay back the loan within three months, the lender could impose an additional 1.5% service charge for any additional periods of three months or less that the loan remains outstanding. If the loan was not fully repaid by the end of the original loan period, the lender may charge interest of prime plus 3% of the principal amount outstanding in lieu of the service charge, until the loan and all related charges are fully repaid. As of June 30, 2024 and 2023, the loan is subject to interest of prime plus 3% of the outstanding principal. As of June 30, 2024 and 2023, the balance due on the loan was \$75,000 and \$300,000, respectively.

On December 19, 2022, Greenwich House obtained a loan from the New York City Historic Properties Fund for \$300,000 for the restoration of 27 Barrow Street. The loan is subject to interest of 3% per annum and matures in September 2033. As of June 30, 2024 and 2023, the balance due on the loan was \$284,859 and \$300,000, respectively. The loan is secured by the investments held by Greenwich House.

Greenwich House, Inc. and Affiliate
Notes to Consolidated Financial Statements
June 30, 2024 and 2023

9. NOTES PAYABLE (continued)

The future maturities of the notes payable are as follows:

<u>Year ending June 30,</u>	
2025	\$ 101,580
2026	27,388
2027	28,221
2028	29,079
2029	29,964
Thereafter	<u>143,627</u>
	<u><u>\$ 359,859</u></u>

10. LEASES

The Agency has lease commitments for certain facilities expiring on various dates through 2039.

As of June 30, 2024 and 2023, the operating ROU asset balance totaled \$32,421,059 and \$1,327,234 and operating lease liabilities totaled \$32,909,642 and \$1,337,872, respectively, as shown on the accompanying consolidated statements of financial position.

Lease expense on operating leases totaled \$1,963,947 and \$1,000,016 for the years ended June 30, 2024 and 2023, respectively.

Cash paid for amounts included in the measurement of the operating lease liability was \$1,479,870 and \$989,378 for the years ended June 30, 2024 and 2023, respectively. ROU assets obtained in exchange of operating lease liabilities totaled \$33,076,731 and \$373,566 for the years ended June 30, 2024 and 2023, respectively.

The weighted average discount rate on operating leases was 4.01% and 3.12% at June 30, 2024 and 2023. The weighted average remaining lease term in years was 14.2 and 1.44 years at June 30, 2024 and 2023, respectively. The weighted average discount rate is based on the U.S. Treasury zero coupon rate.

The School has a lease commitment with Greenwich House with lease payments ranging from \$43,902 to \$47,974 through June 30, 2026. as of June 30, 2024 and 2023 the operating ROU asset balance totaled \$1,068,163 and \$1,577,217 and operating lease liabilities totaled \$1,100,728 and \$1,601,402, respectively. The School paid Greenwich House a security deposit of \$413,000 which is held as a security deposit receivable and payable by the School and Greenwich House, respectively. The balances associated with this lease were eliminated in consolidation.

Greenwich House, Inc. and Affiliate
Notes to Consolidated Financial Statements
June 30, 2024 and 2023

10. LEASES (continued)

Future maturities of capital lease obligations are as follows:

<u>Year ending June 30,</u>	
2025	\$ 2,515,759
2026	2,443,388
2027	2,525,583
2028	2,646,402
2029	2,714,702
Thereafter	<u>31,818,350</u>
	44,664,184
Imputed interest	<u>(11,754,542)</u>
	<u><u>\$ 32,909,642</u></u>

11. NET ASSET WITH DONOR RESTRICTIONS

Net assets with donor restrictions were as follows as of June 30:

	<u>2024</u>	<u>2023</u>
Children's program	\$ -	\$ 35,000
Music school	219,877	229,287
Pottery school	1,338,750	1,790,133
Senior services	2,212	40,425
Methadone and maintenance & treatment program	616,616	502,089
Workforce	224,812	203,370
Other programs	1,125,988	796,805
Beneficial interest in remainder trust	400,000	246,047
Unappropriated endowment earnings	593,650	381,335
Endowment corpus	<u>1,711,261</u>	<u>1,711,261</u>
	<u><u>\$ 6,233,166</u></u>	<u><u>\$ 5,935,752</u></u>

Greenwich House, Inc. and Affiliate
Notes to Consolidated Financial Statements
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11. NET ASSET WITH DONOR RESTRICTIONS (continued)

Net assets were released from restrictions by incurring expenses or the passage of time, thus satisfying the restricted purpose as follows for the years ended June 30:

	<u>2024</u>	<u>2023</u>
Children's program	\$ 35,000	\$ 25,000
Music school	67,962	61,949
Pottery school	782,675	168,138
Scholarships	290,027	257,479
Senior services	61,030	14,225
Methadone maintenance & treatment program	203,612	337,222
Workforce	295,435	25,825
Other programs	152,372	156,833
Endowment appropriations	<u>119,788</u>	<u>119,788</u>
	<u>\$ 2,007,901</u>	<u>\$ 1,166,459</u>

Donor-restricted endowment funds consist of funds with income restricted for the following as of June 30:

	<u>2024</u>	<u>2023</u>
Children's program	\$ 45,887	\$ 45,887
General operating	217,522	217,522
Music therapy	200,000	200,000
Leadership awards	47,433	47,433
Pottery school	75,000	75,000
Music school	<u>1,125,419</u>	<u>1,125,419</u>
	<u>\$ 1,711,261</u>	<u>\$ 1,711,261</u>

The Agency recognizes that New York State adopted as law the New York Prudent Management of Institutional Funds Act ("NYPMIFA"). NYPMIFA replaced the prior law, which was the Uniform Management of Institutional Funds Act ("UMIFA"). In addition, NYPMIFA created a rebuttable presumption of imprudence if an organization appropriates more than seven percent of a donor-restricted endowment fund's fair value (averaged over a period of not less than the preceding five years) in any year. Any unappropriated earnings that would otherwise not be restricted by the donor will be reflected as net assets with donor restrictions until appropriated.

The Agency's Board of Directors has interpreted NYPMIFA as allowing the Agency to appropriate for expenditure or accumulate so much of an endowment fund as the Agency determines is prudent for the uses, benefits, purposes and duration for which the endowment fund was established, subject to the intent of the donor as expressed in the gift instrument. Unless stated otherwise, the assets in a donor-restricted endowment fund shall be donor-restricted assets until appropriated for expenditure by the Board.

Greenwich House, Inc. and Affiliate
Notes to Consolidated Financial Statements
June 30, 2024 and 2023

11. NET ASSET WITH DONOR RESTRICTIONS (continued)

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Agency to retain as a fund of perpetual duration. In accordance with the Agency's policy noted in Note 2, deficiencies of this nature are reported in net assets with donor restrictions. As of June 30, 2024 and 2023, the Agency had not incurred a deficiency in its donor-restricted endowment funds.

The Agency's endowment investment policy is to invest primarily in a mix of equities and fixed-income securities based on an asset allocation to satisfy its overall endowment financial and investment objectives, such as to preserve the principal, protect against inflation, receive stable returns and achieve long-term growth. The Agency relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

Changes in endowment net assets for the fiscal year ended June 30, 2024 is as follows:

	Unappropriated Earnings	Endowment Corpus	Total
Balance, June 30, 2023	\$ 381,335	\$ 1,711,261	\$ 2,092,596
Investment return	332,103	-	332,103
Appropriated for operations	<u>(119,788)</u>	<u>-</u>	<u>(119,788)</u>
Balance, June 30, 2024	<u><u>\$ 593,650</u></u>	<u><u>\$ 1,711,261</u></u>	<u><u>\$ 2,304,911</u></u>

Changes in endowment net assets for the fiscal year ended June 30, 2023 is as follows:

	Unappropriated Earnings	Endowment Corpus	Total
Balance, June 30, 2022	\$ 355,996	\$ 1,711,261	\$ 2,067,257
Investment return	145,127	-	145,127
Appropriated for operations	<u>(119,788)</u>	<u>-</u>	<u>(119,788)</u>
Balance, June 30, 2023	<u><u>\$ 381,335</u></u>	<u><u>\$ 1,711,261</u></u>	<u><u>\$ 2,092,596</u></u>

12. PENSION PLAN

Certain of the Agency's employees in government-funded programs are covered by a multi-employer pension plan covering union employees. The Agency contributes to the 1199 SEIU Health Care Employees Pension Fund (the "Plan"), a multi-employer, non-contributory, defined benefit pension plan which provides retirement benefits to employees who are covered under collective bargaining agreements. The Plan is administered by a Board of Trustees and is subject to the provisions of the Employee Retirement Income Security Act of 1974.

Greenwich House, Inc. and Affiliate
Notes to Consolidated Financial Statements
June 30, 2024 and 2023

12. PENSION PLAN (continued)

The risks of participating in multi-employer pension plans are different from single-employer plans in that: assets contributed to a multi-employer plan by one employer may be used to provide benefits to employees of other participating employers; if a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers; and if the Agency stops participating in the multi-employer plan, the Agency may be required to pay the Plan an amount based on the underfunded status of the Plan, referred to as a withdrawal liability. The Agency contributed \$201,987 and \$160,587 to the Plan for the years ended June 30, 2024 and 2023, respectively.

The Plan was certified by its actuary to be in "green zone" status - not endangered seriously or critically as of January 1, 2024.

The following information was obtained from the Greenwich House union-managed pension plan:

<u>Pension Plan</u>	<u>Employer Identification Number</u>	<u>Pension Plan Number</u>	<u>PPA Zone Status January 1, 2022</u>	<u>FIP/RP Status Pending/ Implemen ted</u>	<u>Surcharge Imposed</u>	<u>Expiration Date of Collective Bargaining Agreement</u>
1199 SEIU Health Care Employees Pension Fund	13-3604862	1	Green	N.A	No	June 30, 2027

Greenwich House established a 403(b) defined contribution plan covering all employees. Greenwich House does not make contributions to this plan.

In 2014, the School established a tax deferred annuity plan for all employees who work 20 or more hours per week or 1,000 or more hours for the 12-month period beginning on the hire date. The School makes discretionary contributions to the plan. Contributions to the plan totaled \$113,427 and \$71,808 for the years ended June 30, 2024 and 2023, respectively.

13. RELATED PARTY MANAGEMENT FEE

Greenwich House and the School have entered into a management agreement whereby Greenwich House provides certain management functions to the School and charges a management fee. During the years ended June 30, 2024 and 2023 the School paid Greenwich House a management fee of \$910,139 and \$766,839, respectively. The management fee was eliminated in consolidation.

14. COMMITMENTS AND CONTINGENCIES

The Agency is subject to legal proceedings and claims that have recently been filed, and is unable to anticipate the impact, if any, these will have on the consolidated financial statements.

Greenwich House, Inc. and Affiliate
Notes to Consolidated Financial Statements
June 30, 2024 and 2023

15. SUBSEQUENT EVENTS

Management has evaluated, for potential recognition or disclosure, events subsequent to the date of the consolidated statement of financial position through March 31, 2025, the date the consolidated financial statements were available to be issued.

On December 23, 2024, Greenwich House obtained a mortgage loan from JPMorgan Chase Bank N.A. for \$2,700,000 to complete the construction at 27 Barrow Street. The loan is subject to interest of 6.91% per annum and matures on December 23, 2029. Installments of \$24,282 are due monthly with all unpaid principal and interest due at maturity. The loan is secured by the property at 27 Barrow Street.

SUPPLEMENTARY INFORMATION

Greenwich House, Inc. and Affiliate
Consolidating Statement of Financial Position
June 30, 2024

ASSETS

	Greenwich House, Inc.	Barrow Street Nursery School	Eliminating Entries	Total
Cash and cash equivalents	\$ 403,888	\$ 2,516,290	\$ -	\$ 2,920,178
Investments	4,010,584	5,481,765	-	9,492,349
Accounts receivable - medical billings, net	1,104,135	-	-	1,104,135
Grants receivable - government, net	3,519,529	-	-	3,519,529
Contributions receivable, net	260,698	-	-	260,698
Prepaid expenses and other assets	338,762	43,559	-	382,321
Beneficial interest in remainder trust	400,000	-	-	400,000
Due from related party	454,677	357,566	(812,243)	-
Security deposit receivable	-	413,000	(413,000)	-
Operating right-of-use assets	32,421,059	1,068,163	(1,068,163)	32,421,059
Property and equipment, net	<u>5,200,658</u>	<u>194,654</u>	<u>-</u>	<u>5,395,312</u>
Total assets	<u>\$ 48,113,990</u>	<u>\$ 10,074,997</u>	<u>\$ (2,293,406)</u>	<u>\$ 55,895,581</u>

LIABILITIES AND NET ASSETS

	Greenwich House, Inc.	Barrow Street Nursery School	Eliminating Entries	Total
Liabilities				
Accounts payable and accrued expenses	\$ 1,872,807	\$ 203,622	\$ 32,565	\$ 2,108,994
Accrued salaries and related liabilities	606,276	134,987	-	741,263
Due to related parties	357,566	454,677	(812,243)	-
Deferred revenue	605,539	3,940,675	-	4,546,214
Lines of credit	3,490,000	-	-	3,490,000
Notes payable	359,859	-	-	359,859
Security deposit payable	413,000	-	(413,000)	-
Operating lease liabilities	<u>32,909,642</u>	<u>1,100,728</u>	<u>(1,100,728)</u>	<u>32,909,642</u>
Total liabilities	<u>40,614,689</u>	<u>5,834,689</u>	<u>(2,293,406)</u>	<u>44,155,972</u>
Net assets				
Without donor restrictions				
Net investment in property and equipment	5,200,658	194,654	-	5,395,312
Operations	<u>(2,808,533)</u>	<u>2,919,664</u>	<u>-</u>	<u>111,131</u>
Total without donor restrictions	<u>2,392,125</u>	<u>3,114,318</u>	<u>-</u>	<u>5,506,443</u>
With donor restrictions				
Time and purpose	3,395,915	1,125,990	-	4,521,905
Perpetual in nature	<u>1,711,261</u>	<u>-</u>	<u>-</u>	<u>1,711,261</u>
With donor restrictions	<u>5,107,176</u>	<u>1,125,990</u>	<u>-</u>	<u>6,233,166</u>
Total net assets	<u>7,499,301</u>	<u>4,240,308</u>	<u>-</u>	<u>11,739,609</u>
Total liabilities and net assets	<u>\$ 48,113,990</u>	<u>\$ 10,074,997</u>	<u>\$ (2,293,406)</u>	<u>\$ 55,895,581</u>

Greenwich House, Inc. and Affiliate
Consolidating Statement of Financial Position
June 30, 2023

ASSETS

	Greenwich House, Inc.	Barrow Street Nursery School	Eliminating Entries	Total
Cash and cash equivalents	\$ 1,015,864	\$ 2,071,495	\$ -	\$ 3,087,359
Investments	3,453,763	5,264,324	-	8,718,087
Accounts receivable - medical billings, net	986,309	-	-	986,309
Grants receivable - government, net	4,011,183	-	-	4,011,183
Contributions receivable, net	813,689	1,250	-	814,939
Prepaid expenses and other assets	460,870	67,740	-	528,610
Beneficial interest in remainder trust	246,047	-	-	246,047
Due from related party	185,834	-	(185,834)	-
Operating right-of-use assets	1,327,234	1,577,217	(1,577,217)	1,327,234
Property and equipment, net	<u>4,092,032</u>	<u>339,029</u>	<u>-</u>	<u>4,431,061</u>
Total assets	<u>\$ 16,592,825</u>	<u>\$ 9,321,055</u>	<u>\$ (1,763,051)</u>	<u>\$ 24,150,829</u>

LIABILITIES AND NET ASSETS

	Greenwich House, Inc.	Barrow Street Nursery School	Eliminating Entries	Total
Liabilities				
Accounts payable and accrued expenses	\$ 1,679,402	\$ 96,890	\$ 24,185	\$ 1,800,477
Accrued salaries and related liabilities	556,619	108,238	-	664,857
Due to related parties	98,589	87,245	(185,834)	-
Deferred revenue	1,096,910	3,957,438	-	5,054,348
Lines of credit	2,000,050	-	-	2,000,050
Notes payable	600,000	-	-	600,000
Operating lease liabilities	<u>1,337,872</u>	<u>1,601,402</u>	<u>(1,601,402)</u>	<u>1,337,872</u>
Total liabilities	<u>7,369,442</u>	<u>5,851,213</u>	<u>(1,763,051)</u>	<u>11,457,604</u>
Net assets				
With donor restrictions				
Net investment in property and equipment	4,092,032	339,029	-	4,431,061
Operations	<u>(21,600)</u>	<u>2,348,012</u>	<u>-</u>	<u>2,326,412</u>
Total without donor restrictions	<u>4,070,432</u>	<u>2,687,041</u>	<u>-</u>	<u>6,757,473</u>
With donor restrictions				
Time and purpose	3,441,690	782,801	-	4,224,491
Perpetual in nature	<u>1,711,261</u>	<u>-</u>	<u>-</u>	<u>1,711,261</u>
With donor restrictions	<u>5,152,951</u>	<u>782,801</u>	<u>-</u>	<u>5,935,752</u>
Total net assets	<u>9,223,383</u>	<u>3,469,842</u>	<u>-</u>	<u>12,693,225</u>
Total liabilities and net assets	<u>\$ 16,592,825</u>	<u>\$ 9,321,055</u>	<u>\$ (1,763,051)</u>	<u>\$ 24,150,829</u>

Greenwich House, Inc. and Affiliate
Consolidating Statement of Activities
For the Year Ended June 30, 2024
(With Comparative Totals for the Year Ended June 30, 2023)

	Greenwich House, Inc			Barrow Street Nursery School					2023
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Eliminating Entries	Consolidated Total	Consolidated Total
Operating revenue and support:									
Government grants	\$ 7,922,386	\$ -	\$ 7,922,386	\$ -	\$ -	\$ -	\$ -	\$ 7,922,386	\$ 7,376,818
Program tuition and fees, net of financial aid	2,949,679	-	2,949,679	5,731,000	-	5,731,000	(112,494)	8,568,185	8,600,039
Medicaid and other insurance	7,452,953	-	7,452,953	-	-	-	-	7,452,953	6,619,266
Contributions	771,228	1,047,021	1,818,249	144,616	-	144,616	-	1,962,865	3,121,782
Special events, net of direct expenses	-	-	-	-	772,238	772,238	-	772,238	602,960
Rental income	990,369	-	990,369	-	-	-	(551,026)	439,343	439,823
Investment return appropriated for operations	119,788	-	119,788	-	-	-	-	119,788	119,788
Management fees	910,139	-	910,139	-	-	-	(910,139)	-	-
Other income	239,881	-	239,881	202,931	-	202,931	-	442,812	652,594
Net assets released from restriction	1,459,064	(1,459,064)	-	429,049	(429,049)	-	-	-	-
Total operating revenue and support:	22,815,487	(412,043)	22,403,444	6,507,596	343,189	6,850,785	(1,573,659)	27,680,570	27,533,070
Operating expenses									
Program services									
Substance abuse services	6,418,655	-	6,418,655	-	-	-	-	6,418,655	6,569,336
Adult services	2,719,566	-	2,719,566	-	-	-	-	2,719,566	2,708,107
Mental health services	3,694,362	-	3,694,362	-	-	-	-	3,694,362	2,621,419
Nursery school and other children's services	586,606	-	586,606	5,779,187	-	5,779,187	(663,520)	5,702,273	5,819,771
Music school	1,127,327	-	1,127,327	-	-	-	-	1,127,327	1,167,555
Pottery school	1,863,860	-	1,863,860	-	-	-	-	1,863,860	1,537,630
	16,410,376	-	16,410,376	5,779,187	-	5,779,187	(663,520)	21,526,043	20,423,818
Supporting services									
Management and administration	7,170,536	-	7,170,536	910,139	-	910,139	(910,139)	7,170,536	4,840,807
Fundraising	946,435	-	946,435	21,434	-	21,434	-	967,869	852,674
	8,116,971	-	8,116,971	931,573	-	931,573	(910,139)	8,138,405	5,693,481
Total operating expenses	24,527,347	-	24,527,347	6,710,760	-	6,710,760	(1,573,659)	29,664,448	26,117,299
Changes in net assets from operations	(1,711,860)	(412,043)	(2,123,903)	(203,164)	343,189	140,025	-	(1,983,878)	1,415,771
Non-operating activities									
Investment return, net	33,553	332,103	365,656	630,441	-	630,441	-	996,097	702,814
Investment return appropriated for operations	-	(119,788)	(119,788)	-	-	-	-	(119,788)	(119,788)
Change in value of beneficial interest in remainder trust	-	153,953	153,953	-	-	-	-	153,953	-
Total non-operating activities	33,553	366,268	399,821	630,441	-	630,441	-	1,030,262	583,026
Change in net assets	(1,678,307)	(45,775)	(1,724,082)	427,277	343,189	770,466	-	(953,616)	1,998,797
Net assets, beginning of year	4,070,432	5,152,951	9,223,383	2,687,041	782,801	3,469,842	-	12,693,225	10,694,428
Net assets, end of year	\$ 2,392,125	\$ 5,107,176	\$ 7,499,301	\$ 3,114,318	\$ 1,125,990	\$ 4,240,308	\$ -	\$ 11,739,609	\$ 12,693,225