

Greenwich House, Inc. and Affiliate

Consolidated Financial Statements
and Supplementary Information

June 30, 2025 and 2024



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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 statements of financial position as of June 30, 2025 and 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the years 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 the Agency as of June 30, 2025 and 2024, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 the Agency'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 the Agency'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 Agency'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.



St. Louis, Missouri

December 19, 2025

Greenwich House, Inc. and Affiliate
Consolidated Statements of Financial Position
June 30, 2025 and 2024

	2025	2024
ASSETS		
Cash and cash equivalents	\$ 3,200,462	\$ 2,920,178
Investments	8,811,230	9,492,349
Accounts receivable - medical billings, net	1,479,512	1,104,135
Grants receivable - government, net	3,104,716	3,519,529
Contributions receivable, net	123,179	260,698
Prepaid expenses and other assets	276,759	382,321
Beneficial interest in remainder trust	400,000	400,000
Operating right-of-use assets	26,570,944	32,421,059
Property and equipment, net	8,849,178	5,395,312
Total assets	\$ 52,815,980	\$ 55,895,581
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 2,928,788	\$ 2,108,994
Accrued salaries and related liabilities	886,109	741,263
Deferred revenue	4,920,554	4,546,214
Lines of credit	2,902,070	3,490,000
Notes payable	3,442,462	359,859
Operating lease liabilities	27,325,061	32,909,642
Total liabilities	42,405,044	44,155,972
Net assets		
Without donor restrictions		
Net investment in property and equipment	6,204,996	5,395,312
Operations	(1,064,991)	111,131
Total without donor restrictions	5,140,005	5,506,443
With donor restrictions		
Time and purpose	3,559,670	4,521,905
Perpetual in nature	1,711,261	1,711,261
Total with donor restrictions	5,270,931	6,233,166
Total net assets	10,410,936	11,739,609
Total liabilities and net assets	\$ 52,815,980	\$ 55,895,581

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, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, and other support			
Government grants	\$ 8,887,279	\$ -	\$ 8,887,279
Program tuition and fees, net of financial aid	10,016,080	-	10,016,080
Medicaid and other insurance, net	7,854,859	-	7,854,859
Contributions	1,249,614	388,313	1,637,927
Special events, net of direct expenses	-	721,804	721,804
Rental income	580,477	-	580,477
Investment return appropriated for operations	119,788	-	119,788
Other income	389,570	-	389,570
Net assets released from restriction	<u>2,297,855</u>	<u>(2,297,855)</u>	<u>-</u>
Total revenues, gains, and other support	<u>31,395,522</u>	<u>(1,187,738)</u>	<u>30,207,784</u>
Functional expenses			
Program services			
Substance Abuse Services	6,876,261	-	6,876,261
Adult Services	2,869,985	-	2,869,985
Mental Health Services	4,552,952	-	4,552,952
Nursery School and Other Children's Services	6,421,273	-	6,421,273
Music School	1,162,453	-	1,162,453
Workforce	917,854	-	917,854
Pottery School	<u>2,282,151</u>	<u>-</u>	<u>2,282,151</u>
Total program services	<u>25,082,929</u>	<u>-</u>	<u>25,082,929</u>
Support services			
Management and administration	6,394,621	-	6,394,621
Fundraising	<u>972,566</u>	<u>-</u>	<u>972,566</u>
Total support services	<u>7,367,187</u>	<u>-</u>	<u>7,367,187</u>
Total functional expenses	<u>32,450,116</u>	<u>-</u>	<u>32,450,116</u>
Change in net assets from operations	<u>(1,054,594)</u>	<u>(1,187,738)</u>	<u>(2,242,332)</u>
Non-operating			
Investment return, net	688,156	345,291	1,033,447
Investment return appropriated for operations	<u>-</u>	<u>(119,788)</u>	<u>(119,788)</u>
Total non-operating	<u>688,156</u>	<u>225,503</u>	<u>913,659</u>
Change in net assets	(366,438)	(962,235)	(1,328,673)
Net assets, beginning of year	<u>5,506,443</u>	<u>6,233,166</u>	<u>11,739,609</u>
Net assets, end of year	<u>\$ 5,140,005</u>	<u>\$ 5,270,931</u>	<u>\$ 10,410,936</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

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
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, net	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 Functional Expenses
For the Year Ended June 30, 2025

	Substance Abuse Services	Adult Services	Mental Health Services	Nursery School and Other Children's Services	Music School	Workforce	Pottery School	Total Program Services	Management and Administration	Fundraising	Total Support Services	Total
Expenses												
Salaries and related expenses												
Salaries	\$ 2,866,503	\$ 1,253,029	\$ 2,434,063	\$ 3,845,110	\$ 639,518	\$ 454,840	\$ 1,178,359	\$ 12,671,422	\$ 2,765,874	\$ 392,927	\$ 3,158,801	\$ 15,830,223
Payroll taxes and fringe benefits	1,134,784	262,282	623,274	1,360,132	154,966	136,343	287,243	3,959,024	642,132	95,213	737,345	4,696,369
Total salaries and related expenses	4,001,287	1,515,311	3,057,337	5,205,242	794,484	591,183	1,465,602	16,630,446	3,408,006	488,140	3,896,146	20,526,592
Contract services	718,065	120,580	566,351	561,212	148,991	161,228	69,865	2,346,292	1,367,884	96,070	1,463,954	3,810,246
Equipment	92,682	19,917	44,718	16,129	6,857	6,627	6,431	193,361	9,803	29,088	38,891	232,252
Occupancy	1,461,023	493,379	593,264	102,212	72,774	71,484	449,907	3,244,043	629,207	-	629,207	3,873,250
Repairs and maintenance	37,965	11,317	15,577	29,203	50,812	5,748	28,924	179,546	79,699	-	79,699	259,245
Insurance	156,943	41,605	91,138	56,097	16,875	14,877	34,634	412,169	51,145	7,141	58,286	470,455
Telephone	130,390	13,664	141,741	4,394	8,070	8,492	9,729	316,480	49,683	1,413	51,096	367,576
Office supplies and postage	14,600	12,240	11,795	35,832	588	4,091	5,028	84,174	11,436	2,664	14,100	98,274
Program and other supplies	198,314	563,141	3,614	172,199	5,193	28,971	125,019	1,096,451	13,256	409	13,665	1,110,116
Advertising	6,128	1,893	11,158	14,332	23,263	1,356	9,075	67,205	43,376	33,383	76,759	143,964
Transportation	11,447	73,591	4,527	8,452	202	21,180	113	119,512	2,038	-	2,038	121,550
Staff training	6,561	400	700	437	-	919	-	9,017	2,004	125	2,129	11,146
Subscriptions, fees and dues	37,974	2,857	3,780	25,989	461	-	163	71,224	15,391	120	15,511	86,735
Other	2,882	90	7,252	92,115	33,883	1,698	77,661	215,581	55,484	9,232	64,716	280,297
Depreciation and amortization	-	-	-	97,428	-	-	-	97,428	214,056	-	214,056	311,484
Interest	-	-	-	-	-	-	-	-	442,153	-	442,153	442,153
Special event expense	-	-	-	-	-	-	-	-	-	346,396	346,396	346,396
Total expenses	6,876,261	2,869,985	4,552,952	6,421,273	1,162,453	917,854	2,282,151	25,082,929	6,394,621	1,014,181	7,408,802	32,491,731
Less: direct cost of special events	-	-	-	-	-	-	-	-	-	(41,615)	(41,615)	(41,615)
	<u>\$ 6,876,261</u>	<u>\$ 2,869,985</u>	<u>\$ 4,552,952</u>	<u>\$ 6,421,273</u>	<u>\$ 1,162,453</u>	<u>\$ 917,854</u>	<u>\$ 2,282,151</u>	<u>\$ 25,082,929</u>	<u>\$ 6,394,621</u>	<u>\$ 972,566</u>	<u>\$ 7,367,187</u>	<u>\$ 32,450,116</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

Expenses	Substance Abuse Services	Adult Services	Mental Health Services	Nursery School and Other Children's Services	Music School	Workforce	Pottery School	Total Program Services	Management and Administration	Fundraising	Total Support Services	Total
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	-	-	-	-	-	-	-	-	-	(40,524)	(40,524)	(40,524)
	<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>\$ -</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 Statements of Cash Flows
For the Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities		
Change in net assets	\$ (1,328,673)	\$ (953,616)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	311,484	351,903
Bad debt	-	400,530
Change in allowance for credit losses	(28,181)	41,119
Change in allowance for doubtful accounts	1,647	115,713
Realized and unrealized gain on investments	(808,994)	(768,097)
Change in value of beneficial interest in remainder trust	-	(153,953)
Net change in right-of-use assets and operating lease liabilities	265,534	477,945
Changes in operating assets and liabilities		
Accounts receivable - medical billings, net	(347,196)	(158,945)
Grants receivable - government, net	413,166	375,411
Contributions receivable, net	137,519	154,241
Prepaid expenses and other assets	105,562	146,289
Accounts payable and accrued expenses	819,794	308,517
Accrued salaries and related liabilities	144,846	76,406
Deferred revenue	374,340	(508,134)
Net cash provided by (used in) operating activities	<u>60,848</u>	<u>(94,671)</u>
Cash flows from investing activities		
Proceeds from sale of investments	1,741,238	705,114
Purchase of investments	(251,125)	(711,279)
Purchases of property and equipment	(3,765,350)	(1,316,154)
Net cash used in investing activities	<u>(2,275,237)</u>	<u>(1,322,319)</u>
Cash flows from financing activities		
Payments on notes payable	(117,397)	(240,141)
Borrowings on notes payable	3,200,000	-
Payments on lines of credit	(2,637,930)	(10,050)
Borrowings on lines of credit	2,050,000	1,500,000
Net cash provided by financing activities	<u>2,494,673</u>	<u>1,249,809</u>
Net increase (decrease) in cash and cash equivalents	280,284	(167,181)
Cash and cash equivalents, beginning of year	<u>2,920,178</u>	<u>3,087,359</u>
Cash and cash equivalents, end of year	<u>\$ 3,200,462</u>	<u>\$ 2,920,178</u>

Supplemental disclosure of cash flow information

Cash paid during the year interest	\$ 289,038	\$ 215,917
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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, 2025 and 2024

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, 2025 and 2024

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.

Measure of Operations

The Agency defines its measure of operations as the change in net assets from operating activities, which includes all revenues and expenses that are integral to its programs and supporting services. Investment return and related gains or losses are excluded from operating revenues and are reported separately as non-operating activities.

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, 2025 and 2024.

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 return 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.

Greenwich House, Inc. and Affiliate
Notes to Consolidated Financial Statements
June 30, 2025 and 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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:

- *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.

The Agency reviews the carrying value of long-lived assets to determine if they have been permanently impaired by adverse conditions that may affect the Agency, or whenever events or changes in circumstances indicate that the carrying value may not be recoverable. No impairment of long-lived assets was deemed necessary during the years ended June 30, 2025 and 2024.

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

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

Leases

The Agency recognizes and measures its leases in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("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.

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 FASB ASC 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 \$8,887,279 and \$7,922,386 for the years ended June 30, 2025 and 2024, 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.

Greenwich House, Inc. and Affiliate
Notes to Consolidated Financial Statements
June 30, 2025 and 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government grants and contracts and contributions (continued)

As of June 30, 2025 and 2024, the Agency has been awarded conditional grants and contracts from government agencies in the aggregate amounts of \$17,103,193 and \$17,996,093, 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.

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 is recognized as revenue when the barrier upon which it depends is overcome. 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 is recognized when the service is rendered, collection is reasonably assured, and the amount of revenue can be measured reliably and accounted for under FASB 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.

Greenwich House, Inc. and Affiliate
Notes to Consolidated Financial Statements
June 30, 2025 and 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

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.

Tuition and fees are recognized at the time the contractual service is delivered and are accounted for under FASB 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:

	2025	2024	2023
Deferred revenue	\$ 4,920,554	\$ 4,546,214	\$ 5,054,348

Allowance for doubtful accounts and current expected credit losses

An allowance for doubtful accounts on grants receivable - government and contributions receivable 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 grantors and donors and a review of payments subsequent to year-end. As of June 30, 2025 and 2024, the Agency determined an allowance for grants receivable - government of \$13,756 and \$15,403, respectively, was necessary. The Agency determined an allowance for contributions receivable of \$0 and \$400,000 was necessary at June 30, 2025 and 2024, respectively.

Greenwich House, Inc. and Affiliate
Notes to Consolidated Financial Statements
June 30, 2025 and 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Allowance for doubtful accounts and current expected credit losses (continued)

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, 2025 and 2024, the Agency determined an allowance for credit losses of \$61,597 and \$33,416, respectively, was necessary.

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, 2025 and 2024.

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.

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.

Greenwich House, Inc. and Affiliate
Notes to Consolidated Financial Statements
June 30, 2025 and 2024

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 anticipates collecting sufficient revenue to cover general expenditures.

The Agency has two lines of credit which may be drawn upon for operating cash flow (See Note 8). The available balance for the lines of credit amounted to \$1,097,930 and \$510,000 as of June 30, 2025 and 2024, respectively. The Agency also has earnings on endowment funds as more fully explained in Note 11. During the years ended June 30, 2025 and 2024, the Agency appropriated \$119,788 of earnings.

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:

	2025	2024
Cash and cash equivalents	\$ 3,200,462	\$ 2,920,178
Investments	8,811,230	9,492,349
Accounts receivable - medical billings, net	1,479,512	1,104,135
Grants receivable - government, net	3,104,716	3,519,529
Contributions receivable, net	123,179	260,698
	16,719,099	17,296,889
Net assets with donor restrictions	(5,270,931)	(6,233,166)
	\$ 11,448,168	\$ 11,063,723

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.

Greenwich House, Inc. and Affiliate
Notes to Consolidated Financial Statements
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4. INVESTMENTS AND FAIR VALUE MEASUREMENTS (continued)

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Agency 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. There were no transfers between levels in the fair value hierarchy during the years ended June 30, 2025 and 2024.

The following table sets forth by level, within the fair value hierarchy, the Agency's assets at fair value as of June 30, 2025:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
Mutual funds	\$ 8,039,803	\$ -	\$ -	\$ 8,039,803
	<u>\$ 8,039,803</u>	<u>\$ -</u>	<u>\$ -</u>	8,039,803
Cash and money market funds				<u>771,427</u>
				<u>\$ 8,811,230</u>

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	\$ 8,544,739	\$ -	\$ -	\$ 8,544,739
	<u>\$ 8,544,739</u>	<u>\$ -</u>	<u>\$ -</u>	8,544,739
Cash and cash equivalents				<u>947,610</u>
				<u>\$ 9,492,349</u>

Greenwich House, Inc. and Affiliate
Notes to Consolidated Financial Statements
June 30, 2025 and 2024

4. INVESTMENTS AND FAIR VALUE MEASUREMENTS (continued)

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

	2025	2024
Interest and dividends	\$ 254,753	\$ 268,398
Realized and unrealized gain on investments	808,994	768,097
Investment fees	(30,300)	(40,398)
	\$ 1,033,447	\$ 996,097

5. CONTRIBUTIONS RECEIVABLE

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

	2025	2024
Less than one year	\$ 89,620	\$ 169,620
One to five years	35,000	97,500
	124,620	267,120
Less: discount to present value (4.42%-4.52%)	(1,441)	(6,422)
	\$ 123,179	\$ 260,698

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, 2025 and 2024 was \$400,000.

Greenwich House, Inc. and Affiliate
Notes to Consolidated Financial Statements
June 30, 2025 and 2024

7. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

	2025	2024
Buildings	\$ 450,605	\$ 450,605
Furniture, fixtures and equipment	743,229	595,412
Building improvements	3,285,638	3,285,638
Leasehold improvements	2,884,769	2,884,769
Construction in progress	7,256,161	3,638,628
	14,620,402	10,855,052
Accumulated depreciation	(5,771,224)	(5,459,740)
	\$ 8,849,178	\$ 5,395,312

Depreciation and amortization expense amounted to \$311,484 and \$351,903 for the years ended June 30, 2025 and 2024, 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 2026. The estimated costs to complete the projects are approximately \$725,000.

8. LINES OF CREDIT

In August 2014, Greenwich House obtained a \$2,000,000 commercial line of credit from the Emigrant Funding Corporation. This 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 8.5% and 9.5% at June 30, 2025 and 2024, respectively. The line of credit is secured by Greenwich House's real property. As of June 30, 2025 and 2024, the balance due on this line of credit was \$1,150,000 and \$2,000,000, respectively.

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 September 10, 2026. This line of credit requires interest-only monthly payments at the Secured Overnight Financing Rate ("SOFR") plus a margin of 3%. Interest charged was 9.49% and 10.35% at June 30, 2025 and 2024, respectively. This line of credit is secured by a continuing security interest in all of Greenwich House's assets. As of June 30, 2025 and 2024, the balance due on this line of credit was \$1,752,070 and \$1,490,000, respectively.

Interest expense for the years ended June 30, 2025 and 2024 was \$301,274 and \$208,246, respectively.

Greenwich House, Inc. and Affiliate
Notes to Consolidated Financial Statements
June 30, 2025 and 2024

9. NOTES PAYABLE

On June 9, 2022, Greenwich House obtained a loan with the Fund for the City of New York for \$500,000. This 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 equal to the prime rate plus 3%. As of June 30, 2025 and 2024, the interest rate was 10.5% and 11.5%, respectively. As of June 30, 2025 and 2024, the balance due on the loan was \$40,000 and \$75,000, 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. This loan is subject to interest of 3% per annum and matures in September 2033. As of June 30, 2025 and 2024, the balance due on the loan was \$258,280 and \$284,859, respectively. The loan is secured by the investments held by Greenwich House.

On October 29, 2024, Greenwich House obtained a loan from the New York Pooled PRI Fund and the Contact Fund for \$500,000 for the renovation of the kiln room within 16 Jones Street, NY. The loan is subject to interest of 5.38% per annum and matures in October 2026 with a one-time option to extend maturity date for an additional six months, subject to certain satisfactory conditions. As of June 30, 2025, the balance due on the loan was \$500,000. The loan is secured by investments held by Greenwich House.

On December 23, 2024, Greenwich House obtained a loan from JPMorgan Chase Bank N.A. for \$2,700,000 for the restoration of 27 Barrow Street. The loan is subject to interest of 6.91% per annum with monthly payments of principal and interest of \$24,282 through maturity date of December 2029. As of June 30, 2025, the balance due on the loan was \$2,644,182. The loan is secured by the 27 Barrow Street property held by Greenwich House.

The future maturities of the notes payable are as follows:

<u>Year ending June 30,</u>		
2026	\$	179,570
2027		148,405
2028		157,836
2029		167,905
2030		2,175,994
Thereafter		<u>612,752</u>
	<u>\$</u>	<u>3,442,462</u>

Interest expense for the years ended June 30, 2025 and 2024 was \$140,879 and \$7,671, respectively.

Greenwich House, Inc. and Affiliate
Notes to Consolidated Financial Statements
June 30, 2025 and 2024

10. LEASES

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

As of June 30, 2025 and 2024, the operating ROU asset balance totaled \$26,570,944 and \$32,421,059 and operating lease liabilities totaled \$27,325,061 and \$32,909,642, respectively, as shown on the accompanying consolidated statements of financial position.

Lease expense on operating leases totaled \$3,114,130 and \$1,963,947 for the years ended June 30, 2025 and 2024, respectively, and is reported as a component of occupancy expenses on the consolidated statements of functional expenses.

Cash paid for amounts included in the measurement of the operating lease liability was \$2,503,464 and \$1,479,870 for the years ended June 30, 2025 and 2024, respectively. ROU assets obtained in exchange of operating lease liabilities totaled \$0 and \$33,076,731 for the years ended June 30, 2025 and 2024, respectively.

The weighted average discount rate on operating leases was 4.05% and 4.01% at June 30, 2025 and 2024, respectively. The weighted average remaining lease term in years was 13.0 and 14.2 years at June 30, 2025 and 2024, respectively. The discount rates used are 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, 2025 and 2024 the operating ROU asset balance totaled \$542,775 and \$1,068,163 and operating lease liabilities totaled \$567,442 and \$1,100,728, 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 and activity associated with this lease were eliminated in consolidation.

Future maturities of the Agency's lease liabilities as of June 30, 2025 are as follows:

<u>Year ending June 30,</u>		
2026	\$	2,489,367
2027		2,436,711
2028		2,507,331
2029		2,581,441
2030		2,424,042
Thereafter		<u>23,311,805</u>
		35,750,697
Less: debt discount		<u>(8,425,636)</u>
		<u><u>\$ 27,325,061</u></u>

Greenwich House, Inc. and Affiliate
Notes to Consolidated Financial Statements
June 30, 2025 and 2024

11. NET ASSET WITH DONOR RESTRICTIONS

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

	<u>2025</u>	<u>2024</u>
Music school	\$ 162,114	\$ 219,877
Pottery school	1,024,068	1,338,750
Senior services	-	2,212
Methadone and maintenance & treatment program	171,997	616,616
Workforce	19,186	224,812
Other programs	963,152	1,125,988
Beneficial interest in remainder trust	400,000	400,000
Unappropriated endowment earnings	819,153	593,650
Endowment corpus	<u>1,711,261</u>	<u>1,711,261</u>
	<u>\$ 5,270,931</u>	<u>\$ 6,233,166</u>

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>2025</u>	<u>2024</u>
Children's program	\$ -	\$ 35,000
Music school	79,837	67,962
Pottery school	486,450	782,675
Scholarships	300,780	290,027
Senior services	42,212	61,030
Methadone maintenance & treatment program	578,986	203,612
Workforce	225,726	295,435
Other programs	583,864	152,372
Endowment appropriations	<u>119,788</u>	<u>119,788</u>
	<u>\$ 2,417,643</u>	<u>\$ 2,007,901</u>

Greenwich House, Inc. and Affiliate
Notes to Consolidated Financial Statements
June 30, 2025 and 2024

11. NET ASSET WITH DONOR RESTRICTIONS (continued)

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

	2025	2024
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	1,125,419	1,125,419
	\$ 1,711,261	\$ 1,711,261

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 of Directors.

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. Deficiencies of this nature are reported in net assets with donor restrictions. As of June 30, 2025 and 2024, 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).

Greenwich House, Inc. and Affiliate
Notes to Consolidated Financial Statements
June 30, 2025 and 2024

11. NET ASSET WITH DONOR RESTRICTIONS (continued)

The Agency has adopted a spending policy for endowment funds under which it appropriates for distribution each year an amount equal to 7% of the endowment fund's corpus to the program to which the endowment fund belongs. All earnings not appropriated for expenditure are reinvested to support long-term growth and maintain purchasing power over time.

Changes in endowment net assets for the fiscal year ended June 30, 2025 is as follows:

	Unappropriated Earnings	Endowment Corpus	Total
Balance, June 30, 2024	\$ 593,650	\$ 1,711,261	\$ 2,304,911
Investment return	345,291	-	345,291
Appropriated for operations	<u>(119,788)</u>	<u>-</u>	<u>(119,788)</u>
Balance, June 30, 2025	<u>\$ 819,153</u>	<u>\$ 1,711,261</u>	<u>\$ 2,530,414</u>

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>\$ 593,650</u>	<u>\$ 1,711,261</u>	<u>\$ 2,304,911</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, 2025 and 2024

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. If the Agency stops participating in the 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 \$184,751 and \$201,987 to the Plan for the years ended June 30, 2025 and 2024, respectively.

The Plan was certified by its actuary to be in "green zone" status - not endangered seriously or critically as of January 1, 2025.

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

Pension Plan	Employer Identification Number	Pension Plan Number	PPA Zone Status January 1, 2022	FIP/RP Status Pending/Implemented	Surcharge Imposed	Expiration Date of Collective Bargaining Agreement
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 this plan. Contributions to this plan totaled \$176,743 and \$113,427 for the years ended June 30, 2025 and 2024, respectively.

13. RELATED PARTY MANAGEMENT FEE

Greenwich House and the School 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, 2025 and 2024, the School paid Greenwich House a management fee of \$1,001,772 and \$910,139, respectively. The management fee was eliminated in consolidation.

14. COMMITMENTS AND CONTINGENCIES

The Agency is subject to certain legal proceedings, claims, and assessments arising in the ordinary course of business. Management, after consultation with legal counsel, believes that the ultimate resolution of these matters will not have a material adverse effect on the Agency's financial position, results of operations, or cash flows.

Greenwich House, Inc. and Affiliate
Notes to Consolidated Financial Statements
June 30, 2025 and 2024

15. SUBSEQUENT EVENTS

On November 1, 2025, Greenwich House, Inc. became the sole corporate member of Heights and Hills, Inc., a New York not-for-profit corporation, pursuant to a Member Substitution Agreement. Heights and Hills, Inc. will continue as a separate legal entity under its existing name. Concurrently, Greenwich House entered into an Administrative Services Agreement to provide financial, human resources, and management support to Heights and Hills, Inc.

No assets or liabilities were transferred at closing, and Heights and Hills, Inc. retains responsibility for its programs and obligations. Donor-restricted funds held by Heights and Hills, Inc. will continue to be used in accordance with donor stipulations. This transaction had no impact on the consolidated financial position as of June 30, 2025.

Management has evaluated, for potential recognition or disclosure, events subsequent to the date of the consolidated statement of financial position through December 19, 2025, the date the consolidated financial statements were available to be issued. No other subsequent events have occurred that would have a mutual impact on the Agency's consolidated financial statements.

SUPPLEMENTARY INFORMATION

Greenwich House, Inc. and Affiliate
Consolidating Statement of Financial Position
June 30, 2025

ASSETS

	Greenwich House, Inc.	Barrow Street Nursery School	Eliminating Entries	Total
Cash and cash equivalents	\$ 192,526	\$ 3,007,936	\$ -	\$ 3,200,462
Investments	3,957,416	4,853,814	-	8,811,230
Accounts receivable - medical billings, net	1,479,512	-	-	1,479,512
Grants receivable - government, net	3,104,716	-	-	3,104,716
Contributions receivable, net	123,179	-	-	123,179
Prepaid expenses and other assets	233,934	42,825	-	276,759
Beneficial interest in remainder trust	400,000	-	-	400,000
Due from related party	509,021	-	(509,021)	-
Security deposit receivable	-	413,000	(413,000)	-
Operating right-of-use assets	26,570,944	542,775	(542,775)	26,570,944
Property and equipment, net	6,497,299	2,351,879	-	8,849,178
 Total assets	 \$ 43,068,547	 \$ 11,212,229	 \$ (1,464,796)	 \$ 52,815,980

LIABILITIES AND NET ASSETS

	Greenwich House, Inc.	Barrow Street Nursery School	Eliminating Entries	Total
Liabilities				
Accounts payable and accrued expenses	\$ 2,666,836	\$ 237,285	\$ 24,667	\$ 2,928,788
Accrued salaries and related liabilities	780,505	105,604	-	886,109
Due to related parties	-	509,021	(509,021)	-
Deferred revenue	237,064	4,683,490	-	4,920,554
Lines of credit	2,902,070	-	-	2,902,070
Notes payable	3,442,462	-	-	3,442,462
Security deposit payable	413,000	-	(413,000)	-
Operating lease liabilities	27,325,061	567,442	(567,442)	27,325,061
Total liabilities	37,766,998	6,102,842	(1,464,796)	42,405,044
 Net assets				
Without donor restrictions				
Net investment in property and equipment	3,853,117	2,351,879	-	6,204,996
Operations	(2,859,348)	1,794,357	-	(1,064,991)
Total without donor restrictions	993,769	4,146,236	-	5,140,005
With donor restrictions				
Time and purpose	2,596,519	963,151	-	3,559,670
Perpetual in nature	1,711,261	-	-	1,711,261
With donor restrictions	4,307,780	963,151	-	5,270,931
 Total net assets	5,301,549	5,109,387	-	10,410,936
 Total liabilities and net assets	 \$ 43,068,547	 \$ 11,212,229	 \$ (1,464,796)	 \$ 52,815,980

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

ASSETS

	<u>Greenwich House, Inc.</u>	<u>Barrow Street Nursery School</u>	<u>Eliminating Entries</u>	<u>Total</u>
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

	<u>Greenwich House, Inc.</u>	<u>Barrow Street Nursery School</u>	<u>Eliminating Entries</u>	<u>Total</u>
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 Activities
For the Year Ended June 30, 2025
(With Comparative Totals for the Year Ended June 30, 2024)

	Greenwich House, Inc.			Barrow Street Nursery School			Eliminating Entries	Consolidated Total	2024 Consolidated Total
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total			
Operating revenue and support:									
Government grants	\$ 8,887,279	\$ -	\$ 8,887,279	\$ -	\$ -	\$ -	\$ -	\$ 8,887,279	\$ 7,922,386
Program tuition and fees, net of financial aid	3,614,699	-	3,614,699	6,421,719	-	6,421,719	(20,338)	10,016,080	8,568,185
Medicaid and other insurance, net	7,854,859	-	7,854,859	-	-	-	-	7,854,859	7,452,953
Contributions	966,331	388,313	1,354,644	283,283	-	283,283	-	1,637,927	1,962,865
Special events, net of direct expenses	-	-	-	-	721,804	721,804	-	721,804	772,238
Rental income	1,139,407	-	1,139,407	-	-	-	(558,930)	580,477	439,343
Investment return appropriated for operations	119,788	-	119,788	-	-	-	-	119,788	119,788
Management fees	1,001,768	-	1,001,768	-	-	-	(1,001,768)	-	-
Other income	275,799	-	275,799	113,771	-	113,771	-	389,570	442,812
Net assets released from restriction	1,413,212	(1,413,212)	-	884,643	(884,643)	-	-	-	-
Total operating revenue and support:	25,273,142	(1,024,899)	24,248,243	7,703,416	(162,839)	7,540,577	(1,581,036)	30,207,784	27,680,570
Operating expenses									
Program services									
Substance abuse services	6,876,261	-	6,876,261	-	-	-	-	6,876,261	6,418,655
Adult services	2,869,985	-	2,869,985	-	-	-	-	2,869,985	2,719,566
Mental health services	4,552,952	-	4,552,952	-	-	-	-	4,552,952	3,694,362
Nursery school and other children's services	715,597	-	715,597	6,284,944	-	6,284,944	(579,268)	6,421,273	5,702,273
Music school	1,162,453	-	1,162,453	-	-	-	-	1,162,453	1,127,327
Workforce	917,854	-	917,854	-	-	-	-	917,854	-
Pottery school	2,282,151	-	2,282,151	-	-	-	-	2,282,151	1,863,860
	19,377,253	-	19,377,253	6,284,944	-	6,284,944	(579,268)	25,082,929	21,526,043
Supporting services									
Management and administration	6,394,621	-	6,394,621	1,001,768	-	1,001,768	(1,001,768)	6,394,621	7,170,536
Fundraising	940,731	-	940,731	31,835	-	31,835	-	972,566	967,869
	7,335,352	-	7,335,352	1,033,603	-	1,033,603	(1,001,768)	7,367,187	8,138,405
Total operating expenses	26,712,605	-	26,712,605	7,318,547	-	7,318,547	(1,581,036)	32,450,116	29,664,448
Changes in net assets from operations	(1,439,463)	(1,024,899)	(2,464,362)	384,869	(162,839)	222,030	-	(2,242,332)	(1,983,878)
Non-operating activities									
Investment return, net	41,107	345,291	386,398	647,049	-	647,049	-	1,033,447	996,097
Investment return appropriated for operations	-	(119,788)	(119,788)	-	-	-	-	(119,788)	(119,788)
Change in value of beneficial interest in remainder trust	-	-	-	-	-	-	-	-	153,953
Total non-operating activities	41,107	225,503	266,610	647,049	-	647,049	-	913,659	1,030,262
Change in net assets	(1,398,356)	(799,396)	(2,197,752)	1,031,918	(162,839)	869,079	-	(1,328,673)	(953,616)
Net assets, beginning 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
Net assets, end of year	\$ 993,769	\$ 4,307,780	\$ 5,301,549	\$ 4,146,236	\$ 963,151	\$ 5,109,387	\$ -	\$ 10,410,936	\$ 11,739,609