

Grand Street Settlement, Inc. and Subsidiary

Consolidated Financial Statements,
Together With Independent Auditors' Reports

June 30, 2019 and 2018

Grand Street Settlement, Inc. and Subsidiary

Consolidated Financial Statements Together With Independent Auditors' Reports

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Independent Auditors' Report

**Board of Directors
Grand Street Settlement, Inc. and Subsidiary**

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Grand Street Settlement, Inc. and Subsidiary, which comprise the consolidated statements of financial position as of June 30, 2019 and 2018, 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.

Management's Responsibility 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; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair representation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Grand Street Settlement, Inc. and Subsidiary as of June 30, 2019 and 2018, 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.

Change in Accounting Principle

As discussed in Note 2 to the financial statements, during the year ended June 30, 2019, Grand Street Settlement, Inc. and Subsidiary adopted new accounting guidance resulting in a change in the manner in which it presents net assets and reports certain aspects of its financial statements. Our opinion is not modified with respect to this matter.

Other Matters

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying Schedule of Federal Awards on page 20 is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of these consolidated financial statements. The accompanying supplemental information included on pages 28 through 36 is presented for purposes of additional analysis as required by the Administration for Children's Services - City of New York, and is not a required part of these 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. Except for budget information, on which we express no opinion or provide any assurance. 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 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2020 on our consideration of Grand Street Settlement, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Grand Street Settlement, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Grand Street Settlement, Inc.'s internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP
January 30, 2020

Grand Street Settlement, Inc. and Subsidiary
Consolidated Statements of Financial Position

	June 30,	
	2019	2018
ASSETS		
Cash	\$ 475,964	\$ 408,489
Contributions receivable, net	849,120	597,121
Due from government agencies, net	4,542,473	3,783,549
Prepaid expenses and other assets	434,437	121,574
Investments	7,053,124	7,898,933
Property and equipment, net	3,079,105	1,018,631
	\$ 16,434,223	\$ 13,828,297
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and other liabilities	\$ 1,004,155	\$ 818,179
Accrued payroll and related liabilities	1,037,816	1,036,142
Deferred revenue	2,791	7,104
Advances from government agencies	481,081	416,064
Loans payable	820,000	420,000
Total Liabilities	3,345,843	2,697,489
 Net Assets		
Without donor restrictions	7,574,122	5,558,042
With donor restrictions	5,514,258	5,572,766
Total Net Assets	13,088,380	11,130,808
	\$ 16,434,223	\$ 13,828,297

See notes to consolidated financial statements

Grand Street Settlement, Inc. and Subsidiary

Consolidated Statements of Activities

	Year Ended June 30,	
	2019	2018
NET ASSETS WITHOUT DONOR RESTRICTIONS		
PUBLIC SUPPORT AND REVENUE		
Government grants	\$ 18,782,782	\$ 18,477,376
Contributions	262,958	609,926
Special events, net of direct benefit to participants of \$222,761 and \$188,476	262,938	205,704
Donated occupancy and services	1,709,362	1,748,262
Program service fees	158,976	149,702
Investment return designated for current use	336,987	308,435
Miscellaneous income	203,764	216,255
Net assets released from restrictions	2,632,499	1,268,211
Total Public Support and Revenue	24,350,266	22,983,871
EXPENSES		
Program Services		
Early childhood programs	8,921,427	8,742,620
Youth services	1,824,325	1,927,567
School-based counseling services	1,287,362	1,231,079
Case management	271,900	249,862
Community development	6,162,449	5,809,779
Senior programs	971,530	836,474
Mental health initiative	72,073	74,637
GrandLo Café, Inc.	576,920	193,546
Total Program Services	20,087,986	19,065,564
Supporting Services		
Management and general	2,953,053	2,924,406
Fundraising	785,810	828,581
Total Supporting Services	3,738,863	3,752,987
Total Expenses	23,826,849	22,818,551
Excess of Public Support and Revenue Over Expenses	523,417	165,320
NON-OPERATING ACTIVITIES		
Government grants for capital purpose	1,492,705	387,899
Investment return, net of amount designated for current use	(42)	354,703
Change in Net Assets Without Donor Restrictions	2,016,080	907,922
Net Assets Without Donor Restrictions		
Beginning of year	5,558,042	4,650,120
End of year	\$ 7,574,122	\$ 5,558,042
NET ASSETS WITH DONOR RESTRICTIONS		
PUBLIC SUPPORT AND REVENUE		
Contributions	\$ 2,573,991	\$ 1,350,329
Net assets released from restrictions	(2,632,499)	(1,268,211)
Change in Net Assets With Donor Restrictions	(58,508)	82,118
Net Assets With Donor Restrictions		
Beginning of year	5,572,766	5,490,648
End of year	\$ 5,514,258	\$ 5,572,766
Total Change in Net Assets	\$ 1,957,572	\$ 990,040
NET ASSETS		
Beginning of year	11,130,808	10,140,768
End of year	\$ 13,088,380	\$ 11,130,808

See notes to consolidated financial statements

Grand Street Settlement, Inc. and Subsidiary

Consolidated Statement of Functional Expenses
Year Ended June 30, 2019

	Program Services								Supporting Services			Total	
	Early Childhood Programs	Youth Services	School-Based Counseling Services	Case Management	Community Development	Senior Programs	Mental Health Initiative	GrandLo Café, Inc.	Total Program Services	Management and General	Fundraising		Total Supporting Services
PERSONNEL COSTS													
Salaries	\$ 4,361,071	\$ 1,116,371	\$ 701,769	\$ 208,821	\$ 4,014,370	\$ 505,605	\$ 43,065	\$ 196,669	\$ 11,147,741	\$ 890,328	\$ 512,304	\$ 1,402,632	\$ 12,550,373
Employee benefits and payroll related taxes	1,286,221	252,967	159,019	47,318	909,648	114,569	9,758	44,565	2,824,065	253,500	116,087	369,587	3,193,652
Total Personnel Costs	5,647,292	1,369,338	860,788	256,139	4,924,018	620,174	52,823	241,234	13,971,806	1,143,828	628,391	1,772,219	15,744,025
OTHER THAN PERSONNEL COSTS													
Program supplies	354,695	107,656	46,968	2,335	250,751	30,808	1,069	21,317	815,599	37,558	8,386	45,944	861,543
Office rent and occupancy expense	62,757	14,977	619	-	22,035	18,899	-	86,228	205,515	148,651	1,306	149,957	355,472
Donated occupancy and services	1,313,680	-	-	-	270,600	79,520	-	-	1,663,800	45,562	-	45,562	1,709,362
Repairs and maintenance	25,879	-	-	-	1,035	4,336	2,227	810	34,287	21,474	-	21,474	55,761
Equipment	78,375	53,268	17,855	9,011	38,438	11,204	623	14,698	223,472	-	35,103	35,103	258,575
Office expense	300	108	-	-	-	291	-	155	854	416	15,973	16,389	17,243
Staff travel	2,924	2,846	306	-	6,754	630	-	94	13,554	9,613	1,189	10,802	24,356
Professional services	29,848	2,635	26,500	1,245	27,053	9,085	332	10,080	106,778	764,060	-	764,060	870,838
Consultant	942,460	36,774	185,154	-	180,269	45,224	14,439	17,346	1,421,666	198,929	63,711	262,640	1,684,306
Dues and fees	7,715	-	-	-	-	100	-	5,029	12,844	18,300	2,289	20,589	33,433
Food	276,132	43,730	44,940	-	90,941	140,563	-	11,303	607,609	9,719	5,775	15,494	623,103
Hospitality expense	-	51	-	-	-	-	-	-	51	5,885	363	6,248	6,299
Parent and participant activity	66,905	165,386	85,926	3,025	315,652	10,099	560	66,336	713,889	4,758	1,138	5,896	719,785
Insurance	-	-	-	-	-	-	-	1,924	1,924	252,479	-	252,479	254,403
Printing	163	47	12,784	-	4,010	140	-	2,657	19,801	74	7,676	7,750	27,551
Postage	219	-	574	30	231	41	-	305	1,400	2,722	10,038	12,760	14,160
Conferences and training	98,114	18,691	3,557	115	25,698	230	-	1,319	147,724	69,053	5,649	74,702	222,426
Services	10,599	6,518	76	-	3,239	186	-	2,079	22,697	2,850	-	2,850	25,547
Bank charges and other fees	430	-	-	-	-	-	-	4,808	5,238	29,202	5,851	35,053	40,291
Bad debt expense	-	-	-	-	-	-	-	-	-	40,611	-	40,611	40,611
Miscellaneous expense	2,940	2,300	1,315	-	1,725	-	-	80,106	88,386	69,506	3,877	73,383	161,769
Depreciation	-	-	-	-	-	-	-	9,092	9,092	76,873	-	76,873	85,965
Special events	-	-	-	-	600	-	-	-	600	930	211,256	212,186	212,786
Total Expenses Before Expenses of Direct Benefit to Donors	8,921,427	1,824,325	1,287,362	271,900	6,163,049	971,530	72,073	576,920	20,088,586	2,953,053	1,007,971	3,961,024	24,049,610
Less Expenses of Direct Benefit to Donors	-	-	-	-	(600)	-	-	-	(600)	-	(222,161)	(222,161)	(222,761)
Total Expenses	\$ 8,921,427	\$ 1,824,325	\$ 1,287,362	\$ 271,900	\$ 6,162,449	\$ 971,530	\$ 72,073	\$ 576,920	\$ 20,087,986	\$ 2,953,053	\$ 785,810	\$ 3,738,863	\$ 23,826,849

Grand Street Settlement, Inc. and Subsidiary

Consolidated Statement of Functional Expenses
Year Ended June 30, 2018

	Program Services								Supporting Services			Total	
	Early Childhood Programs	Youth Services	School-Based Counseling Services	Case Management	Community Development	Senior Programs	Mental Health Initiative	GrandLo Café, Inc.	Total Program Services	Management and General	Fundraising		Total Supporting Services
PERSONNEL COSTS													
Salaries	\$ 4,176,745	\$ 1,078,415	\$ 667,965	\$ 192,691	\$ 3,801,569	\$ 423,670	\$ 27,779	\$ 61,136	\$ 10,429,970	\$ 944,896	\$ 518,776	\$ 1,463,672	\$ 11,893,642
Employee benefits and payroll related taxes	1,256,795	238,748	146,952	44,319	845,235	97,444	6,389	13,624	2,649,506	162,312	119,319	281,631	2,931,137
Total Personnel Costs	5,433,540	1,317,163	814,917	237,010	4,646,804	521,114	34,168	74,760	13,079,476	1,107,208	638,095	1,745,303	14,824,779
OTHER THAN PERSONNEL COSTS													
Program supplies	423,796	156,340	38,735	5,081	218,915	30,035	-	38,143	911,045	45,486	11,969	57,455	968,500
Office rent and occupancy expense	36,498	-	-	-	-	9,215	-	-	45,713	-	-	-	45,713
Donated occupancy and services	1,352,579	-	-	-	270,600	79,520	-	-	1,702,699	45,563	-	45,563	1,748,262
Repairs and maintenance	35,107	2,255	-	-	420	3,272	-	222	41,276	15,101	1,599	16,700	57,976
Equipment	124,456	10,937	6,671	2,231	26,724	8,451	99	12,902	192,471	53,359	10,438	63,797	256,268
Office expense	79,788	13,327	1,306	2,144	22,253	9,497	20	11,663	139,998	65,422	4,320	69,742	209,740
Staff travel	14,807	3,960	290	11	1,437	-	-	193	20,698	5,909	2,055	7,964	28,662
Professional services	59,489	12,770	-	1,975	42,722	9,311	919	1,095	128,281	837,206	14,327	851,533	979,814
Consultant	794,983	37,400	250,196	200	131,832	36,645	31,213	17,850	1,300,319	30,185	86,551	116,736	1,417,055
Dues and fees	9,704	545	-	-	1,496	-	-	-	11,745	27,583	11,412	38,995	50,740
Food	205,106	55,118	20,398	-	42,251	113,134	-	1,983	437,990	7,323	13,348	20,671	458,661
Hospitality expense	-	682	-	-	-	-	-	6,188	6,870	29,944	282	30,226	37,096
Parent and participant activity	43,246	289,439	76,601	1,100	375,453	15,404	8,054	5,320	814,617	357	10,677	11,034	825,651
Insurance	-	-	-	-	-	-	-	-	-	210,159	-	210,159	210,159
Printing	-	-	5,923	-	612	321	144	351	7,351	47	7,881	7,928	15,279
Postage	1,957	430	619	59	1,046	197	20	5,220	9,548	1,551	1,115	2,666	12,214
Conferences and training	111,591	19,206	828	-	23,067	-	-	2,922	157,614	55,983	503	56,486	214,100
Services	11,282	6,740	-	51	4,012	67	-	777	22,929	22	85	107	23,036
Bank charges and other fees	615	-	-	-	-	-	-	1,376	1,991	28,064	127	28,191	30,182
Bad debt expense	-	-	-	-	-	-	-	-	-	274,820	-	274,820	274,820
Miscellaneous expense	4,076	1,255	14,595	-	135	291	-	8,035	28,387	24,768	13,797	38,565	66,952
Depreciation	-	-	-	-	-	-	-	4,546	4,546	58,346	-	58,346	62,892
Special events	-	-	-	-	-	-	-	-	-	-	188,476	188,476	188,476
Total Expenses Before Expenses of Direct Benefit to Donors	8,742,620	1,927,567	1,231,079	249,862	5,809,779	836,474	74,637	193,546	19,065,564	2,924,406	1,017,057	3,941,463	23,007,027
Less Expenses of Direct Benefit to Donors	-	-	-	-	-	-	-	-	-	-	(188,476)	(188,476)	(188,476)
Total Expenses	\$ 8,742,620	\$ 1,927,567	\$ 1,231,079	\$ 249,862	\$ 5,809,779	\$ 836,474	\$ 74,637	\$ 193,546	\$ 19,065,564	\$ 2,924,406	\$ 828,581	\$ 3,752,987	\$ 22,818,551

Grand Street Settlement, Inc. and Subsidiary

Consolidated Statements of Cash Flows

	Year Ended June 30,	
	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 1,957,572	\$ 990,040
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	85,965	62,892
Bad debt expense	40,611	274,820
Realized and unrealized gain on investments	(255,785)	(564,220)
Discount on contributions receivable	2,279	2,080
Changes in operating assets and liabilities		
Contributions receivable	(254,278)	71,823
Due from government agencies	(799,535)	(529,765)
Prepaid expenses and other assets	(312,863)	110,765
Accounts payable and other liabilities	185,976	90,077
Accrued payroll and related liabilities	1,674	196,602
Deferred revenue	(4,313)	7,104
Advances from government agencies	65,017	(108,658)
Net Cash from Operating Activities	712,320	603,560
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(197,478)	(953,122)
Proceeds from sale of investments	1,299,072	1,166,969
Purchase of property and equipment	(2,146,439)	(872,161)
Net Cash from Investing Activities	(1,044,845)	(658,314)
 CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loans	740,000	340,000
Repayment of loans	(340,000)	(340,000)
Net Cash from Financing Activities	400,000	-
Net Change in Cash	67,475	(54,754)
 CASH		
Beginning of year	408,489	463,243
End of year	\$ 475,964	\$ 408,489
 SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid for interest	\$ 4,106	\$ 3,025

See notes to consolidated financial statements

Grand Street Settlement, Inc. and Subsidiary

Notes to Consolidated Financial Statements
June 30, 2019 and 2018

1. Organization

Grand Street Settlement, Inc. (“Grand Street”), founded in 1916, provides services to people of all ages in the lower east side of Manhattan and Brooklyn. These services include, but not limited to, Early Head Start, Early Learn, Universal Pre-Kindergarten and Day Care, after-school services for School’s Out New York City (“SONYC”), school-aged children, school-based counseling, college and career preparation, tutoring, mentoring, computer literacy and creative expression through STEM (Science, Technology, Engineering, and Math), senior services (including case management, meals and recreation, mental health care related services and housing), Lesbian, Gay, Bisexual and Transgender, English as a Second Language and General Education Development community service opportunities and recreation.

On February 1, 2018, Grand Street formed GrandLo Café, Inc. (“GrandLo”), a not-for-profit organization created as a subsidiary of Grand Street. GrandLo was formed to create pathways to meaningful employment for low-income New York City youth.

Grand Street, a not-for-profit organization, has been granted tax-exempt status under Internal Revenue Code (the “Code”) Section 501(c)(3). In addition, Grand Street has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Code. GrandLo has applied for tax-exempt status under Internal Revenue Code (the “Code”) Section 501(c)(3).

Grand Street promotes and maintains high standards in the services it provides to its communities and celebrated 100 years of service during 2016.

The accompanying consolidated financial statements include the accounts of Grand Street and GrandLo, which are collectively referred to as the Settlement.

2. Summary of Significant Accounting Policies

Principles of Consolidation

In preparing the accompanying consolidated financial statements, all material inter-entity balances and transactions have been eliminated.

Basis of Presentation and Use of Estimates

The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”) which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Grand Street Settlement, Inc. and Subsidiary

Notes to Consolidated Financial Statements
June 30, 2019 and 2018

2. Summary of Significant Accounting Policies *(continued)*

Change in Accounting Principle

On July 1, 2018, the Settlement adopted new guidance regarding the Presentation of Financial Statements for Not-for-Profit Entities. This guidance requires the Settlement to collapse the three-category (unrestricted, temporarily restricted, and permanently restricted) classification of net assets into two categories: with donor restrictions and without donor restrictions. In addition, the new guidance requires the Settlement to make certain expanded disclosures relating to the liquidity of financial assets, and expenses by both their natural and functional classification in one location in the financial statements.

The changes have the following effects on net assets at June 30, 2018:

	ASU 2016-14 Classifications		
	Without Donor Restrictions	Without Donor Restrictions	Total Net Assets
As previously presented:			
Unrestricted net assets	\$ 5,558,042	\$ -	\$ 5,558,042
Temporarily restricted net assets	-	2,111,968	2,111,968
Permanently restricted net assets	-	3,460,798	3,460,798
Total Net Assets	<u>\$ 5,558,042</u>	<u>\$ 5,572,766</u>	<u>\$ 11,130,808</u>

Classes of Net Assets

Net assets, revenue, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Net assets without donor restrictions are those currently available at the discretion of the Board for use in the operations of the Settlement. Net assets with donor restrictions are restricted by donor imposed restrictions as to use or time made available. When a restriction expires, restricted net assets are re-classified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Certain restricted amounts contain donor imposed restrictions to be maintained in perpetuity by the Settlement.

Contributions and Promises to Give

Unconditional promises to give are recognized as revenue when donors make a promise to give. Contributions received are classified as net assets without donor restrictions or net assets with donor restrictions support depending on the existence or nature of any donor restriction. 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 the estimated future cash flows. The discounts on those amounts are computed using a risk adjusted rate of interest applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

Grand Street Settlement, Inc. and Subsidiary

Notes to Consolidated Financial Statements
June 30, 2019 and 2018

2. Summary of Significant Accounting Policies *(continued)*

Contributions and Promises to Give (continued)

All contributions are considered available for general use unless specifically restricted by the donor. Marketable securities contributed are recorded at fair value at the date of contribution.

Donated Occupancy and Services

Donated occupancy expense is recorded for space provided to the Settlement for program purposes for which rent is not currently being charged. The donated transactions are reviewed periodically to ensure that estimates recorded reasonably reflect the estimated fair value of contributed rent. Contributed professional services are recognized if the services create or enhance nonfinancial assets or require specialized skills, and are provided by individuals possessing those skills.

Reclassification

Certain prior year amounts have been reclassified to conform to the current year presentation without affecting previously reported classes of net assets or change in net assets.

Due from Government Agencies and Allowance for Doubtful Accounts

The Settlement records revenue based on established rates or contracts for services provided. The Settlement determines whether an allowance for uncollectible amounts should be provided based on management's evaluation and collectability of the aged basis of its receivables, current economic conditions, subsequent receipts and historical information. Government contracts and accounts receivable are written off against the allowance for doubtful amounts when all reasonable collection efforts have been exhausted. As of June 30, 2019 and 2018, the allowance for doubtful accounts was approximately \$275,000.

Fair Value of Financial Instruments

The Settlement follows U.S. GAAP guidance on fair value measurement which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist. There are no Level 3 investments held at June 30, 2019 and 2018.

Grand Street Settlement, Inc. and Subsidiary

Notes to Consolidated Financial Statements
June 30, 2019 and 2018

2. Summary of Significant Accounting Policies *(continued)*

Investment Valuation and Investment Income Recognition

Investments are carried at fair value. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Realized and unrealized gains and losses are included in the determination of the change in net assets.

Property and Equipment

Property and equipment purchases are capitalized if the cost, or fair value at date of donation, is \$1,000 or more and the useful life is greater than one year. Property and equipment is depreciated over their estimated useful lives using the straight-line method. The cost of property and equipment financed by government funding sources is expensed when incurred if the contractual agreement specifies that title to these assets rests with the governmental funding source rather than the Settlement. Construction in progress is transferred to leasehold improvements when the construction is substantially complete and the assets are placed into service. The estimated useful lives of the assets are as follows:

Leasehold improvements	15 years
Computer equipment	3 years
Furniture and fixtures	5 years

Property and equipment are reviewed for impairment if the use of the asset significantly changes or another indicator of possible impairment is identified. If the carrying amount for the asset is not recoverable, the asset is written down to the fair value. There were no asset impairments for the years ended June 30, 2019 and 2018.

Government Grants

Revenue from government grants is recognized when reimbursable expenses are incurred under the terms of the contracts. Contract payments in excess of or less than qualified expenses are accounted for as advances from government agencies or due from government agencies.

Deferred Revenue

Deferred revenue consists of cash received for summer camp that takes place after year end.

Functional Allocation of Expenses

The cost of providing the various programs and other activities has been summarized on a functional basis in the consolidated statements of activities and in the consolidated statements of functional expenses. Accordingly, expenses have been charged to program and supporting services. Such allocations are determined by management either in accordance with grant provisions or by the division of employee time.

Grand Street Settlement, Inc. and Subsidiary

Notes to Consolidated Financial Statements
June 30, 2019 and 2018

2. Summary of Significant Accounting Policies (*continued*)

Operating Leases

Operating leases are classified in accordance with the terms of the underlying agreements. Operating lease payments are charged to rental expense. Deferred rent is recorded when there are material differences between the lease payments and the straight-line rent expense.

Uncertainty in Income Taxes

The Settlement recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that the Settlement had no uncertain tax positions that would require financial statement recognition or disclosure. Grand Street is no longer subject to examinations by the applicable taxing jurisdictions for periods prior to June 30, 2016.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the consolidated financial statements through the date that the consolidated financial statements were available to be issued, which date is January 30, 2020.

3. Concentration of Credit Risk

Financial instruments which potentially subject the Settlement to a concentration of credit risk are cash accounts with financial institutions in excess of federally insured limits, investments and receivables. At June 30, 2019 and 2018, the Settlement exceeded FDIC limits by \$393,334 and \$609,685. The Settlement's investments are managed by professional management firms and are reviewed by the Board of Directors.

The Settlement grants credit without collateral relative to government contracts. The reimbursement for services provided is expected to be collected in the normal course of business.

4. Contributions Receivable

Contributions receivable at June 30, consist of the following:

	<u>2019</u>	<u>2018</u>
Contributions due:		
Within one year	\$ 680,140	\$ 383,420
Within two to five years	<u>173,000</u>	<u>220,000</u>
	853,140	603,420
Discount to present value	<u>(4,020)</u>	<u>(6,299)</u>
	<u>\$ 849,120</u>	<u>\$ 597,121</u>

Grand Street Settlement, Inc. and Subsidiary

Notes to Consolidated Financial Statements
June 30, 2019 and 2018

4. Contributions Receivable *(continued)*

A present value discount rate from the U.S. Department of the Treasury Yield Curve Rate has been calculated using discount factors that approximate the risk and expected timing of future contribution payments.

5. Investments

The Settlement's investments stated at fair value at June 30 are as follows:

	2019		
	Level 1	Level 2	Total
Equity securities	\$ 5,022,009	\$ -	\$ 5,022,009
Fixed income	<u>397,266</u>	<u>1,633,849</u>	<u>2,031,115</u>
	<u>\$ 5,419,275</u>	<u>\$ 1,633,849</u>	<u>\$ 7,053,124</u>
	2018		
	Level 1	Level 2	Total
Equity securities	\$ 5,932,145	\$ -	\$ 5,932,145
Fixed income	<u>373,508</u>	<u>1,593,280</u>	<u>1,966,788</u>
	<u>\$ 6,305,653</u>	<u>\$ 1,593,280</u>	<u>\$ 7,898,933</u>

Net investment activity for the years ended June 30, 2019 and 2018 is as follows:

	2019	2018
Interest and dividends	\$ 146,137	\$ 158,885
Realized and unrealized gain on investments	<u>255,785</u>	<u>564,220</u>
Total Investment Return	401,922	723,105
Investment advisory and custodial fees	<u>(64,977)</u>	<u>(59,937)</u>
	<u>\$ 336,945</u>	<u>\$ 663,168</u>
Total investment income allocated to:		
Operating revenue*	\$ 336,987	\$ 308,435
Non-operating activities*	<u>(42)</u>	<u>354,703</u>
	<u>\$ 336,945</u>	<u>\$ 663,138</u>

*See Note 2 (investment income recognition) for a description of the Settlement's investment income allocation policy.

Grand Street Settlement, Inc. and Subsidiary

Notes to Consolidated Financial Statements
June 30, 2019 and 2018

6. Property and Equipment

Property and equipment consist of the following at June 30:

	2019	2018
Leasehold improvements	\$ 492,849	\$ 492,849
Furniture, fixtures and computer equipment	1,245,294	1,201,928
Construction in progress	2,813,343	710,272
	4,551,486	2,405,049
Accumulated depreciation	(1,472,381)	(1,386,418)
	\$ 3,079,105	\$ 1,018,631

Construction in progress represents the costs incurred to date relating to various active projects to renovate the lower east side location at 80 Pitt Street and the project located at Essex Crossing as discussed in Note 13.

7. Pension Plan

The Settlement maintains a defined contribution pension plan covering all full-time employees. The Settlement's contributions are based on specified percentages of each employee's salary. Pension expense for the years ended June 30, 2019 and 2018 totaled \$298,576 and \$234,848.

8. Donated Occupancy and Services

The Settlement occupies space in a New York City Housing Authority-owned building without charge. The estimated fair rental value of these premises is \$1,282,952 for each of the years ended June 30, 2019 and 2018. The Settlement also has received donated services of \$426,410 and \$465,310 for the years ended June 30, 2019 and 2018.

9. Net Assets With Donor Restrictions

Activity with donor restrictions for the years ended June 30 are restricted for the following purposes:

	2019			
	Net Assets June 30, 2018	Additions	Net Assets Released	Net Assets June 30, 2019
Time or Purpose Restricted				
Youth services and case management programs	\$ 1,111,968	\$ 2,573,991	\$ 1,983,532	\$ 1,702,427
General operating	1,000,000	-	648,967	351,033
	2,111,968	2,573,991	2,632,499	2,053,460
Held in Perpetuity				
Youth services and case management programs	3,460,798	-	-	3,460,798
	\$ 5,572,766	\$ 2,573,991	\$ 2,632,499	\$ 5,514,258

Grand Street Settlement, Inc. and Subsidiary

Notes to Consolidated Financial Statements
June 30, 2019 and 2018

9. Net Assets With Donor Restrictions (continued)

	2018			
	Net Assets June 30, 2017	Additions	Net Assets Released	Net Assets June 30, 2018
Time or Purpose Restricted				
Youth services and case management programs	\$ 1,029,850	\$ 1,350,329	\$ 1,268,211	\$ 1,111,968
General operating	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>
	2,029,850	1,350,329	1,268,211	2,111,968
Held in Perpetuity				
Youth services and case management programs	<u>3,460,798</u>	<u>-</u>	<u>-</u>	<u>3,460,798</u>
	<u>\$ 5,490,648</u>	<u>\$ 1,350,329</u>	<u>\$ 1,268,211</u>	<u>\$ 5,572,766</u>

10. Endowment Funds

The Settlement maintains various donor-restricted funds whose purpose is to provide long term support for its programs. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

On September 17, 2010, New York State adopted its version of the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”). New York State’s version of UPMIFA is known as NYPMIFA. NYPMIFA includes provisions that differ from previous law, including the elimination of the historic dollar value rule with respect to endowment spending, establishment of new standards governing the expenditure and modification of restrictions on endowment funds, and revision of the prudence standard for the management and investment of endowment funds.

Interpretation of Relevant Law

The Board of Directors of the Settlement has interpreted NYPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Settlement classifies as net assets held in perpetuity (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as net assets held in perpetuity is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Settlement in a manner consistent with the standard of prudence prescribed by NYPMIFA.

Grand Street Settlement, Inc. and Subsidiary

Notes to Consolidated Financial Statements
June 30, 2019 and 2018

10. Endowment Funds (continued)

Strategies Employed for Achieving Objectives

To satisfy its long-term rate objectives within the established risk parameters the Settlement's assets are divided into asset classes consisting of equities and fixed income investments.

Return Objectives and Risk Parameters

The Settlement's endowment investment policy is to invest in a multi-asset class portfolio based on an asset allocation to satisfy overall endowment financial and investment objectives such as to preserve the principal, protect against inflation, receive stable returns and achieve long term growth. The Settlement 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).

Spending Policy

Spending will be at the discretion of the Board of Directors of the Settlement as determined by the governing documents for the various restricted funds that make up the portfolio and applicable federal and state laws.

In order for the Settlement to meet its needs, its investment strategy emphasizes total return: that is, the aggregate return from capital appreciation, dividend and interest income. The primary objective in the investment management of assets is income and growth, to achieve a balanced return of current income and growth of principal.

The following is a reconciliation of the activity in the donor-restricted endowment funds for the years ended June 30:

	2019	
	Without Donor Restrictions	To Be Held In Perpetuity
Balance, June 30, 2017	\$ 323,976	\$ 3,460,798
Interest and dividends	44,363	-
Unrealized and realized gain	77,648	-
Appropriated for expenditure	(165,351)	-
Balance, June 30, 2018	<u>\$ 280,636</u>	<u>\$ 3,460,798</u>

Grand Street Settlement, Inc. and Subsidiary

Notes to Consolidated Financial Statements
June 30, 2019 and 2018

10. Endowment Funds (continued)

	2018	
	Without Donor Restrictions	To Be Held In Perpetuity
Balance, June 30, 2016	\$ 239,609	\$ 3,460,798
Interest and dividends	48,223	-
Unrealized and realized gain	171,280	-
Appropriated for expenditure	(135,136)	-
Balance, June 30, 2017	\$ 323,976	\$ 3,460,798

11. Liquidity and Availability of Resources

The Settlement's working capital and cash flow are driven by the revenue streams of government contract, foundation, private donation, and annual endowment draw. The Settlement's financial assets to meet general operations over the next 12 months are \$7,406,423. Accounts receivable are expected to be collected within one year. The Settlement has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet 90 days of normal operating expenses. On an annual basis the Settlement's Board of Directors designates 5% of the prior year's average monthly endowment balance to be utilized for operating expenses.

The following reflects the Settlement's financial assets as of June 30, 2019, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor designations. Amounts not available include restricted contributions for time and amounts held in perpetuity.

Financial assets:	
Cash	\$ 475,964
Contributions receivable, net	849,120
Due from government agencies, net	4,542,473
Investments	7,053,124
Total financial assets	12,920,681
Less contractual or donor imposed restricted amounts:	
Restricted by donor with time or purpose restrictions	2,053,460
Endowment funds restricted by donor	3,460,798
	5,514,258
Financial assets available to meet general expenditures over the next twelve months	\$ 7,406,423

Grand Street Settlement, Inc. and Subsidiary

Notes to Consolidated Financial Statements
June 30, 2019 and 2018

12. Loans Payable

The Settlement has an available line of credit with BNY Mellon in the amount of \$1,960,000. This line of credit is secured by the Settlement's endowment and is payable on demand. Interest is charged at the LIBOR rate plus 175 basis points. The outstanding balance on the loan payable at June 30, 2019 and 2018 was \$700,000 and \$300,000. Interest expense for the years ended June 30, 2019 and 2018 was approximately \$4,000 and \$3,000.

In July of 2015, Grand Street was approved for an interest free loan in the amount of \$120,000 from Deutsche Bank Americas Foundation. The Settlement received \$80,000 of this interest free loan in fiscal year 2016 and the remaining \$40,000 of the interest free loan was received in fiscal year 2017. The first two payments on the loan were paid on March 31, 2019 and 2018 in the amount of \$40,000 for each year then ended. The outstanding balance on the loan payable at June 30, 2019 and 2018 was \$40,000 and \$80,000. Repayment terms requires the Settlement to make an installment in the amount of \$40,000 on March 31, 2020.

In November 2017, GrandLo was approved for an interest free loan in the amount of \$120,000 from Deutsche Bank Americas Foundation. GrandLo received \$40,000 of this interest free loan in fiscal year 2018 and \$40,000 in November of 2018. The remaining \$40,000 of the interest free loan is to be received November 2019. The outstanding balance on the loan payable at June 30, 2019 and 2018 was \$80,000 and \$40,000. Repayment terms requires GrandLo to make three installments in the amount of \$40,000 each year on March 31, 2020, 2021 and 2022.

13. Subsequent Events

The Settlement was awarded an annual \$5.6 million contract for Head Start and Early Head Start for five years beginning July 2019.

The Settlement is the lead community partner for the mixed-use project being developed in conjunction with Delancey Street Associates in the lower east side of Manhattan. The site contains a new 10,500 square foot senior center and a 2,500 square foot social enterprise café at Essex Crossing. Delancey Street Associates contributed approximately \$2 million for the build-out of both facilities. The Settlement began occupying the community space in 2018 and the administration annex in 2019. The transfer of ownership of CF 3 condominium Unit located in the Essex Crossing Site 6 Condominium at 175 Delancey Street, occurred on October 21, 2019. As a result the Settlement has received a real estate tax abatement as of the effective date.

Grand Street Settlement, Inc. and Subsidiary

Notes to Consolidated Financial Statements
June 30, 2019 and 2018

13. Subsequent Events *(continued)*

The Settlement began leasing the premises on July 1, 2019. The operating lease is a 10 year lease which will expire on July 1, 2029. As of June 30, 2019, future principal payments on the lease are as follows:

2020	\$ 63,270
2021	65,168
2022	67,123
2023	69,137
2024	71,211
Thereafter	<u>389,410</u>
	<u>\$ 725,319</u>

Also in 2018, the Settlement began renovating their lower east side location at 80 Pitt Street. This renovation will focus on upgrading the space for current accessibility requirements, fire safety standards and needed updates to the facilities. The Settlement anticipates that the renovation will cost approximately \$5.3 million.

* * * * *

Grand Street Settlement, Inc.

Supplementary Information
June 30, 2019

Grand Street Settlement, Inc. and Subsidiary

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Pass-through Entity Identifying Number	Federal CFDA Number	Provided to Subrecipients	Total Federal Expenditures
Department of Health and Human Services Direct Programs				
Head Start		93.600	\$ -	\$ 998,884
Department of Health and Human Services - Pass-through Programs				
Pass-through New York City Human Resources Administration, Agency for Child Development				
Head Start	ID#00046	93.600	-	1,749,368
Head Start	2HP0013-03/02HP0013-04	93.600	-	1,826,025
Total Pass-through			-	3,575,393
Total Head Start Program			-	4,574,277
Pass-through New York City Department for the Aging Aging Cluster				
Nutrition Services Incentive Program	DFTA ID: 33V	93.053	-	28,007
Special Programs for the Aging, Title III, Part C, Nutrition Services	DFTA ID: 33V	93.045	-	80,391
Special Programs for the Aging, Title III, Part B, Grants to Supportive Services and Senior Centers	DFTA ID: 33V	93.044	-	3,134
Total Aging Cluster			-	111,532
Social Services Block Grant	DFTA ID: 33V	93.667	-	58,070
Pass-through NYC Department of Youth and Community Development				
Community Services Block Grant	830311A	93.569	-	86,500
Community Services Block Grant	830310A	93.569	-	56,086
Total Community Services Block Grant			-	142,586
Total Department of Health and Human Services			-	4,886,465
Department of Housing and Urban Development				
Community Development Block Grants/State's program		14.228	-	1,492,705
Department of Agriculture				
Pass-through New York State Department of Health				
Child and Adult Care Food Program	3313	10.558	-	330,613
Corporation for National and Community Service				
Pass-through New York State Office of Children and Family Services				
Program Development and Innovation Grants	C028307	94.007	-	173,009
Total Expenditures of Federal Awards			\$ -	\$ 6,882,792

Grand Street Settlement, Inc.

Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

1. Basis of Presentation

The schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Grand Street Settlement, Inc. and Subsidiary (the "Settlement") under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the Settlement, it is not intended to and does not represent the financial position, changes in net assets or cash flows of the Settlement.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Non-Cash Awards

For the year ended June 30, 2019, the Settlement did not have any non-cash awards, mortgage, or loan funds that should be included in the federal expenditures presented in this Schedule.

4. Indirect Cost Rate

The Settlement has elected not to use the 10 percent de minimus indirect cost rate allowed under the Uniform Guidance.

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

Independent Auditors' Report

**Board of Directors
Grand Street Settlement, Inc. and Subsidiary**

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Grand Street Settlement, Inc. and Subsidiary (the "Settlement") which comprise the consolidated statement of financial position as of June 30, 2019 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, and have issued our report thereon dated January 30, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Settlement's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Settlement's internal control. Accordingly, we do not express an opinion on the effectiveness of the Settlement's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

PKF O'Connor Davies, LLP

January 30, 2020

Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Independent Auditors' Report

**Board of Directors
Grand Street Settlement, Inc. and Subsidiary**

Report on Compliance for Each Major Federal Program

We have audited Grand Street Settlement, Inc. and Subsidiary's (the "Settlement") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019. The Settlement's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Settlement's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Settlement's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Settlement's compliance.

Opinion on Each Major Federal Program

In our opinion, the Settlement complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of the Settlement is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Settlement's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Settlement's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

PKF O'Connor Davies, LLP

January 30, 2020

Grand Street Settlement, Inc. and Subsidiary

Schedule of Findings and Questioned Costs
Year Ended June 30, 2019

Section I - Summary of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP Unmodified
Internal control over financial reporting
Material weakness(es) identified? _____ yes X no
Significant deficiency(ies) identified? _____ yes X none reported
Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major federal programs
Material weakness(es) identified? _____ yes X no
Significant deficiency(ies) identified? _____ yes X none reported

Type of auditors' report issued on compliance for major federal programs: Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes X no

Identification of major federal programs

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.228	Community Development Block Grant/State's program

Dollar threshold used to distinguish between Type A and Type B programs \$750,000

Auditee qualified as low-risk auditee? X yes _____ no

Section II – Financial Statement Findings

During our audit, we noted no material findings for the year ended June 30, 2019.

Section III – Federal Award Findings and Questioned Costs

During our audit, we noted no material instances of noncompliance and none of the costs reported in the federal financially assisted programs are questioned or recommended to be disallowed.

Section IV – Prior Year Findings

There were no prior year financial statement findings or federal award findings.

Grand Street Settlement, Inc.

Supplementary Information
Required by Administration for Children's Services
– City of New York
June 30, 2019

GRAND STREET SETTLEMENT, INC.
STATEMENT OF REVENUES AND EXPENDITURES
Budgeted and Actual - EarlyLearn
For the year ended June 30, 2019

BUDGET CATEGORIES	ACS FUNDED													
	Budget		EarlyLearn									Total EarlyLearn (A)	Variance	Questioned Cost
	EarlyLearn	Child Care	Child Care UPK	FCCN	CDBG	Head Start	Head Start UPK	CTL						
Revenue:														
EarlyLearn revenue	\$ 3,918,414.94	\$ 1,505,567.00	\$ 224,614.16	\$ -	\$ -	\$ 1,593,342.00	\$ 562,214.78	\$ 32,677.00	\$ 3,918,414.94	\$ -	\$ -			
Other revenue (disability, interest, etc.)	-	-	-	-	-	-	-	-	-	-	-			
Teacher's incentive fund	14,095.00	-	4,765.00	-	-	-	9,330.00	-	14,095.00	-	-			
HRA Voucher	-	-	-	-	-	-	-	-	-	-	-			
CACFP	-	-	-	-	-	-	-	-	-	-	-			
Parent Fees	126,041.00	126,041.00	-	-	-	-	-	-	126,041.00	-	-			
In-kind contribution	-	-	-	-	-	-	-	-	-	-	-			
Sponsor's contribution	-	-	-	-	-	-	-	-	-	-	-			
Other funding source revenue ¹	-	-	-	-	-	-	-	-	-	-	-			
Total Revenue	\$ 4,058,550.94	\$ 1,631,608.00	\$ 229,379.16	\$ -	\$ -	\$ 1,593,342.00	\$ 571,544.78	\$ 32,677.00	\$ 4,058,550.94	\$ -	\$ -			
Expenditures														
Personnel cost														
Salaries	\$ 2,565,132.30	\$ 1,083,511.72	\$ 146,764.33	\$ -	\$ -	\$ 932,562.70	\$ 324,993.34	\$ -	\$ 2,487,832.09	\$ 77,300.21	\$ -			
Salaries - COLA	-	-	-	-	-	77,300.21	-	-	77,300.21	(77,300.21)	-			
Teacher's Incentive	13,000.00	-	4,250.00	-	-	-	8,750.00	-	13,000.00	-	-			
Accrued Vacation	-	-	-	-	-	-	-	-	-	-	-			
FICA	189,551.69	80,122.75	10,809.22	-	-	68,763.68	23,942.57	-	183,638.22	5,913.47	-			
FICA - COLA	-	-	-	-	-	5,913.47	-	-	5,913.47	(5,913.47)	-			
FICA - Teacher's Incentive	1,094.60	-	357.85	-	-	-	736.75	-	1,094.60	-	-			
FICA - Accrued Vacation	-	-	-	-	-	-	-	-	-	-	-			
Workers compensation	37,744.39	17,672.99	2,210.85	-	-	14,245.27	3,615.28	-	37,744.39	-	-			
Unemployment insurance	30,003.09	14,492.44	1,761.03	-	-	10,881.97	2,867.65	-	30,003.09	-	-			
Pension	63,693.87	26,696.56	3,717.27	-	-	25,091.08	8,188.96	-	63,693.87	-	-			
Welfare fund	346,184.25	88,365.65	12,049.86	-	-	159,580.22	86,188.52	-	346,184.25	-	-			
Health Insurance	207,380.57	99,976.59	12,151.45	-	-	75,398.57	19,853.96	-	207,380.57	-	-			
Substitutes	-	-	-	-	-	-	-	-	-	-	-			
Total personnel cost	3,453,784.76	1,410,838.70	194,071.86	-	-	1,369,737.17	479,137.03	-	3,453,784.76	(0.00)	-			
Facilities cost														
Rent	29,206.17	21,879.82	2,665.85	-	-	3,448.77	1,211.73	-	29,206.17	-	-			
Property Taxes	-	-	-	-	-	-	-	-	-	-	-			
Water and sewer	-	-	-	-	-	-	-	-	-	-	-			
Licensing and permits	-	-	-	-	-	-	-	-	-	-	-			
Insurance	46,471.30	20,886.24	2,838.66	-	-	18,486.56	4,259.84	-	46,471.30	-	-			
Custodial services	-	-	-	-	-	-	-	-	-	-	-			
Alarm	1,325.89	463.32	63.18	-	-	647.51	151.88	-	1,325.89	-	-			
Telecommunications	17,745.95	6,571.56	874.79	-	-	8,354.23	1,945.37	-	17,745.95	-	-			
Utilities	-	-	-	-	-	-	-	-	-	-	-			
Maintenance and repairs	40,921.00	17,431.06	2,312.29	-	-	14,481.31	6,696.34	-	40,921.00	-	-			
Capital expenditures and renovations	-	-	-	-	-	-	-	-	-	-	-			
Other facilities costs	-	-	-	-	-	-	-	-	-	-	-			
Total facilities cost	135,670.31	67,232.00	8,754.77	-	-	45,418.38	14,265.16	-	135,670.31	-	-			
Family Child Care Stipend	-	-	-	-	-	-	-	-	-	-	-			
Other than personnel services (OTPS)														
Supplies	207,992.07	84,737.81	12,837.98	-	-	84,247.73	26,168.55	-	207,992.07	-	-			
Equipment over \$5,000 - Head Start	-	-	-	-	-	-	-	-	-	-	-			
Equipment over \$5,000 - Child Care	-	-	-	-	-	-	-	-	-	-	-			
Postage	141.00	-	-	-	-	114.21	26.79	-	141.00	-	-			
Advertising	150.00	-	-	-	-	121.50	28.50	-	150.00	-	-			
Instructional Field Trips	4,955.90	3,090.17	364.98	-	-	1,147.68	353.07	-	4,955.90	-	-			
Training/Staff Development	11,875.24	4,272.39	489.42	-	-	5,653.85	1,459.59	-	11,875.24	-	-			
Transportation	13,503.17	4,383.51	444.10	-	-	6,864.59	1,810.97	-	13,503.17	-	-			
Food - CACFP	-	-	-	-	-	-	-	-	-	-	-			
Non-food related cost - CACFP	-	-	-	-	-	-	-	-	-	-	-			
Audit	16,122.61	7,762.21	942.16	-	-	5,871.65	1,546.59	-	16,122.61	-	-			
Parent Services	7,086.24	1,748.43	221.82	-	-	4,250.51	865.48	-	7,086.24	-	-			
Consultant - programmatic	14,320.59	7,078.58	883.17	-	-	3,393.53	2,965.31	-	14,320.59	-	-			
Consultant - administrative	183,360.33	63,504.94	8,407.19	-	-	78,279.64	33,168.56	-	183,360.33	-	-			
Indirect cost - Head Start	-	-	-	-	-	-	-	-	-	-	-			
Other OTPS	64,064.98	28,813.92	3,599.64	-	-	23,918.56	7,732.86	-	64,064.98	-	-			
Total OTPS	523,572.13	205,391.96	28,190.46	-	-	213,863.45	76,126.27	-	523,572.14	(0.01)	-			
TOTAL EARLYLEARN COST	\$ 4,113,027.20	\$ 1,683,462.66	\$ 231,017.09	\$ -	\$ -	\$ 1,629,019.00	\$ 569,528.46	\$ -	\$ 4,113,027.21	\$ (0.01)	\$ -			
Excess (deficiency) of revenue over (under) expenditures	\$ (54,476.26)	\$ (51,854.66)	\$ (1,637.93)	\$ -	\$ -	\$ (35,677.00)	\$ 2,016.32	\$ 32,677.00	\$ (54,476.27)	\$ 0.01	\$ -			

GRAND STREET SETTLEMENT, INC.
STATEMENT OF REVENUES AND EXPENDITURES
Budgeted and Actual - Other than EarlyLearn
For the year ended June 30, 2019

BUDGET CATEGORIES	Other Than EarlyLearn						[A+B]	Total ACS Funded	(C)
	DOE CC UPK Enhancement	DOE HS UPK Enhancement	Health & Safety	Sandy Relief Fund	Other Funding use for EarlyLearn	Total Other Than EarlyLearn (B)			
Revenue:									
EarlyLearn revenue	\$ 69,673.84	\$ 82,058.22	\$ -	\$ -	\$ -	\$ 151,732.06	\$	4,070,147.00	
Other revenue (disability, interest, etc.)	-	-	-	-	-	-	-	-	
Teacher's incentive fund	-	-	-	-	-	-	-	14,095.00	
HRA Voucher	-	-	-	-	-	-	-	-	
CACFP	-	-	-	-	-	-	-	-	
Parent Fees	-	-	-	-	-	-	-	126,041.00	
In-kind contribution	-	-	-	-	-	-	-	-	
Sponsor's contribution	-	-	-	-	-	-	-	-	
Other funding source revenue ¹	-	-	-	-	2,500.00	2,500.00	-	2,500.00	
Total Revenue	<u>\$ 69,673.84</u>	<u>\$ 82,058.22</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,500.00</u>	<u>\$ 154,232.06</u>	<u>\$</u>	<u>4,212,783.00</u>	
Expenditures									
Personnel cost									
Salaries	\$ 55,310.61	\$ 65,826.99	\$ -	\$ -	\$ -	\$ 121,137.60		2,608,969.69	
Salaries - COLA	-	-	-	-	-	-	-	77,300.21	
Teacher's Incentive	-	-	-	-	-	-	-	13,000.00	
Accrued Vacation	-	-	-	-	-	-	-	-	
FICA	4,090.52	4,868.09	-	-	-	8,958.61	-	192,596.83	
FICA - COLA	-	-	-	-	-	-	-	5,913.47	
FICA - Teacher's Incentive	-	-	-	-	-	-	-	1,094.60	
FICA - Accrued Vacation	-	-	-	-	-	-	-	-	
Workers compensation	810.16	964.00	-	-	-	1,774.16	-	39,518.55	
Unemployment insurance	602.48	740.55	-	-	-	1,343.03	-	31,346.12	
Pension	1,618.51	1,661.96	-	-	-	3,280.47	-	66,974.34	
Welfare fund	-	-	-	-	-	-	-	346,184.25	
Health Insurance	5,679.36	6,870.76	-	-	-	12,550.12	-	219,930.69	
Substitutes	-	-	-	-	-	-	-	-	
Total personnel cost	<u>68,111.64</u>	<u>80,932.35</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>149,043.99</u>	<u>-</u>	<u>3,602,828.75</u>	
Facilities cost									
Rent	-	-	-	-	-	-	-	29,206.17	
Property Taxes	-	-	-	-	-	-	-	-	
Water and sewer	-	-	-	-	-	-	-	-	
Licensing and permits	-	-	-	-	-	-	-	-	
Insurance	-	-	-	-	-	-	-	46,471.30	
Custodial services	-	-	-	-	-	-	-	-	
Alarm	-	-	-	-	-	-	-	1,325.89	
Telecommunications	-	-	-	-	-	-	-	17,745.95	
Utilities	-	-	-	-	-	-	-	-	
Maintenance and repairs	-	-	-	-	-	-	-	40,921.00	
Capital expenditures and renovations	-	-	-	-	-	-	-	-	
Other facilities costs	-	-	-	-	-	-	-	-	
Total facilities cost	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>135,670.31</u>	
Family Child Care Stipend	-	-	-	-	-	-	-	-	
Other than personnel services (OTPS)									
Supplies	1,348.28	1,095.73	-	-	-	2,444.01	-	210,436.08	
Equipment over \$5,000 - Head Start	-	-	-	-	-	-	-	-	
Equipment over \$5,000 - Child Care	-	-	-	-	-	-	-	-	
Postage	-	-	-	-	-	-	-	141.00	
Advertising	-	-	-	-	-	-	-	150.00	
Instructional Field Trips	-	-	-	-	-	-	-	4,955.90	
Training/Staff Development	-	-	-	-	-	-	-	11,875.24	
Transportation	-	-	-	-	-	-	-	13,503.17	
Food - CACFP	-	-	-	-	-	-	-	-	
Non-food related cost - CACFP	-	-	-	-	-	-	-	-	
Audit	-	-	-	-	-	-	-	16,122.61	
Parent Services	-	-	-	-	-	-	-	7,086.24	
Consultant - programmatic	-	-	-	-	-	-	-	14,320.59	
Consultant - administrative	-	-	-	-	-	-	-	183,360.33	
Indirect cost - Head Start	-	-	-	-	-	-	-	-	
Other OTPS	213.92	30.14	-	-	-	244.06	-	64,309.04	
Total OTPS	<u>1,562.20</u>	<u>1,125.87</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,688.07</u>	<u>-</u>	<u>526,260.21</u>	
TOTAL EARLYLEARN COST	<u>\$ 69,673.84</u>	<u>\$ 82,058.22</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 151,732.06</u>	<u>\$</u>	<u>4,264,759.27</u>	
Excess (deficiency) of revenue over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,500.00</u>	<u>\$ 2,500.00</u>	<u>\$</u>	<u>(51,976.27)</u>	

GRAND STREET SETTLEMENT, INC.
STATEMENT OF REVENUES AND EXPENDITURES
Budgeted and Actual - Not ACS Funded
For the year ended June 30, 2019

BUDGET CATEGORIES	NOT ACS FUNDED				
	Actual				
	CACFP	Cash Contribution (Head Start)	In-kind Contribution (Head Start)	Sponsor's Contribution (Other than Head Start)	Other Funding Source
Revenue:					
EarlyLearn revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Other revenue (disability, interest, etc.)	-	-	-	-	-
Teacher's incentive fund	-	-	-	-	-
HRA Voucher	-	-	-	-	-
CACFP	258,240.79	-	-	-	-
Parent Fees	-	-	-	-	-
In-kind contribution	-	-	531,239.89	-	-
Sponsor's contribution	-	-	-	-	-
Other funding source revenue ¹	-	-	-	-	-
Total Revenue	\$ 258,240.79	\$ -	\$ 531,239.89	\$ -	\$ -
Expenditures					
Personnel cost					
Salaries	\$ -	\$ -	\$ 272,264.89	\$ -	\$ -
Salaries - COLA	-	-	-	-	-
Teacher's Incentive	-	-	-	-	-
Accrued Vacation	-	-	-	-	-
FICA	-	-	-	-	-
FICA - COLA	-	-	-	-	-
FICA - Teacher's Incentive	-	-	-	-	-
FICA - Accrued Vacation	-	-	-	-	-
Workers compensation	-	-	-	-	-
Unemployment insurance	-	-	-	-	-
Pension	-	-	-	-	-
Welfare fund	-	-	-	-	-
Health Insurance	-	-	-	-	-
Substitutes	-	-	-	-	-
Total personnel cost	-	-	272,264.89	-	-
Facilities cost					
Rent	-	-	258,975.00	-	-
Property Taxes	-	-	-	-	-
Water and sewer	-	-	-	-	-
Licensing and permits	-	-	-	-	-
Insurance	2,715.61	-	-	-	-
Custodial services	-	-	-	-	-
Alarm	-	-	-	-	-
Telecommunications	-	-	-	-	-
Utilities	-	-	-	-	-
Maintenance and repairs	197.70	-	-	-	-
Capital expenditures and renovations	-	-	-	-	-
Other facilities costs	-	-	-	-	-
Total facilities cost	2,913.31	-	258,975.00	-	-
Family Child Care Stipend	-	-	-	-	-
Other than personnel services (OTPS)					
Supplies	329.86	-	-	-	-
Equipment over \$5,000 - Head Start	-	-	-	-	-
Equipment over \$5,000 - Child Care	-	-	-	-	-
Postage	-	-	-	-	-
Advertising	-	-	-	-	-
Instructional Field Trips	-	-	-	-	-
Training/Staff Development	-	-	-	-	-
Transportation	-	-	-	-	-
Food - CACFP	245,355.20	-	-	-	-
Non-food related cost - CACFP	-	-	-	-	-
Audit	901.05	-	-	-	-
Parent Services	-	-	-	-	-
Consultant - programmatic	-	-	-	-	-
Consultant - administrative	8,741.37	-	-	-	-
Indirect cost - Head Start	-	-	-	-	-
Other OTPS	-	-	-	-	-
Total OTPS	255,327.48	-	-	-	-
TOTAL EARLYLEARN COST	\$ 258,240.79	\$ -	\$ 531,239.89	\$ -	\$ -
Excess (deficiency) of revenue over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

GRAND STREET SETTLEMENT, INC.
STATEMENT OF HEAD START EXPENSES BY PROGRAM YEAR
For the year ended June 30, 2019

<u>Category</u>	<u>Program Year 05</u> <u>7/1/18-1/31/19</u>	<u>Program Year 06</u> <u>2/1/19-6/30/19</u>	<u>Total Head Start</u> <u>Expenses</u>
Personnel and fringe cost			
Salaries	\$ 618,730.99	\$ 391,131.92	\$ 1,009,862.91
FICA	47,332.92	27,344.23	74,677.15
Unemployment insurance	4,083.62	6,798.35	10,881.97
Pension	12,993.37	12,097.71	25,091.08
Welfare fund	78,054.37	81,525.85	159,580.22
Health insurance	62,592.73	12,805.84	75,398.57
Worker's compensation	7,424.79	6,820.48	14,245.27
Substitute staff	-	-	-
Total personnel and fringe cost	<u>831,212.79</u>	<u>538,524.38</u>	<u>1,369,737.17</u>
Facilities cost			
Rent (Delegate Agency Administered Costs)	2,414.16	1,034.61	3,448.77
Property taxes	-	-	-
Water/sewer	-	-	-
Utilities (Delegate Agency Administered Costs)	-	-	-
Insurance	9,355.45	9,131.11	18,486.56
Telecommunications	4,642.00	3,712.23	8,354.23
Maintenance and repairs	5,020.69	9,460.62	14,481.31
Other facilities cost	382.07	265.44	647.51
Total facilities cost	<u>21,814.37</u>	<u>23,604.01</u>	<u>45,418.38</u>
Other than personnel services (OTPS)			
Supplies	43,195.50	41,052.23	84,247.73
Equipment over \$5,000	-	-	-
Training	1,654.84	3,999.01	5,653.85
Parent services/family involvement	1,377.17	2,873.34	4,250.51
Programmatic consultants	3,393.53	-	3,393.53
Administrative consultants	38,677.38	39,602.26	78,279.64
Transportation	2,034.23	4,830.36	6,864.59
Audit	4,974.01	897.64	5,871.65
Food (not funded by CACFP)	-	-	-
Other OTPS	17,488.80	7,813.15	25,301.95
Total OTPS	<u>112,795.46</u>	<u>101,067.99</u>	<u>213,863.45</u>
Indirect cost	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenses	\$ 965,822.62	\$ 663,196.38	\$ 1,629,019.00
Health and Safety	-	-	-
Less: Program Income	-	-	-
Total Head Start Funded Expenses	<u>\$ 965,822.62</u>	<u>\$ 663,196.38</u>	<u>\$ 1,629,019.00</u>
Non-Federal Share (NFS) Expenses			
Head Start UPK	\$ 252,057.23	\$ 141,463.19	\$ 393,520.42
DOE HS UPK Enhancement	28,988.18	53,070.04	82,058.22

See independent auditors' report

GRAND STREET SETTLEMENT, INC.
STATEMENT OF HEAD START EXPENSES BY PROGRAM YEAR
For the year ended June 30, 2019

<u>Category</u>	<u>Program Year 05</u> <u>7/1/18-1/31/19</u>	<u>Program Year 06</u> <u>2/1/19-6/30/19</u>	<u>Total Head Start</u> <u>Expenses</u>
Cash Contributions - Head Start	-	-	-
In-kind Contributions - Head Start	294,258.14	236,981.75	531,239.89
Total NFS Expenses	<u>\$ 575,303.55</u>	<u>\$ 431,514.98</u>	<u>\$ 1,006,818.53</u>
Total Head Start Program Expenses	<u>\$ 1,541,126.17</u>	<u>\$ 1,094,711.36</u>	<u>\$ 2,635,837.53</u>
NFS Program Percentage	37.3%	39.4%	38.2%
Administrative Expenses			
Personnel and fringe cost	\$ 118,284	\$ 23,666	\$ 141,950
Facilities cost	-	10,317.93	10,317.93
OTPS	52,248.97	30,056.29	82,305.26
Indirect cost	-	-	-
NFS expenses	<u>-</u>	<u>16,391.08</u>	<u>16,391.08</u>
Total Administrative Expenses	170,532.53	80,431.42	250,963.95
Total Head Start Program Expenses	1,541,126.17	1,094,711.36	2,635,837.53
Administrative Expense Percentage	11.1%	7.3%	9.5%
Special Reporting:			
CACFP Funded Expenses	\$ 104,707.00	\$ 53,702.82	\$ 158,409.82

GRAND STREET SETTLEMENT, INC.
STATEMENT OF NON-FEDERAL SHARE EXPENSES BY PROGRAM YEAR - HEAD START
For the year ended June 30, 2019

SCHEDULE 3A

Category	HS UPK			DOE HS UPK Enhancement			Cash Contributions - Head Start			In-kind Contributions - Head Start		
	Program Year 05	Program Year 06	Total	Program Year 05	Program Year 06	Total	Program Year 05	Program Year 06	Total	Program Year 05	Program Year 06	Total
	7/1/18-1/31/19	2/1/19-6/30/19		7/1/18-1/31/19	2/1/19-6/30/19		7/1/18-1/31/19	2/1/19-6/30/19		7/1/18-1/31/19	2/1/19-6/30/19	
Personnel and fringe cost												
Salaries	\$ 161,042.73	\$ 172,700.61	\$ 333,743.34	\$ 22,888.45	\$ 42,938.54	\$ 65,826.99	\$ -	\$ -	\$ -	\$ 143,189.39	\$ 129,075.50	\$ 272,264.89
FICA	12,319.77	12,359.55	24,679.32	1,751.01	3,117.08	4,868.09	-	-	-	-	-	-
Unemployment insurance	1,062.86	1,804.79	2,867.65	151.14	589.41	740.55	-	-	-	-	-	-
Pension	3,381.87	4,807.09	8,188.96	480.68	1,181.28	1,661.96	-	-	-	-	-	-
Welfare fund	19,946.46	66,242.06	86,188.52	-	-	-	-	-	-	-	-	-
Health insurance	16,291.21	3,562.75	19,853.96	2,316.35	4,554.41	6,870.76	-	-	-	-	-	-
Worker's compensation	1,932.51	1,682.77	3,615.28	274.68	689.32	964.00	-	-	-	-	-	-
Substitute staff	-	-	-	-	-	-	-	-	-	-	-	-
Total personnel and fringe cost	215,977.41	263,159.62	479,137.03	27,862.31	53,070.04	80,932.35	-	-	-	143,189.39	129,075.50	272,264.89
Facilities cost												
Rent (Delegate Agency Administered Costs)	848.19	363.54	1,211.73	-	-	-	-	-	-	151,068.75	107,906.25	258,975.00
Property taxes	-	-	-	-	-	-	-	-	-	-	-	-
Water/sewer	-	-	-	-	-	-	-	-	-	-	-	-
Utilities (Delegate Agency Administered Costs)	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	2,464.18	1,795.66	4,259.84	-	-	-	-	-	-	-	-	-
Telecommunications	1,246.78	698.59	1,945.37	-	-	-	-	-	-	-	-	-
Maintenance and repairs	1,350.71	5,345.62	6,696.33	-	-	-	-	-	-	-	-	-
Other facilities cost	-	151.88	151.88	-	-	-	-	-	-	-	-	-
Total facilities cost	5,909.86	8,355.29	14,265.15	-	-	-	-	-	-	151,068.75	107,906.25	258,975.00
Other than personnel services (OTPS)												
Supplies	11,482.30	14,686.25	26,168.55	1,095.73	-	1,095.73	-	-	-	-	-	-
Equipment over \$5,000	-	-	-	-	-	-	-	-	-	-	-	-
Training	420.40	1,039.19	1,459.59	-	-	-	-	-	-	-	-	-
Parent services/family involvement	394.62	470.86	865.48	-	-	-	-	-	-	-	-	-
Programmatic consultants	961.31	2,004.00	2,965.31	-	-	-	-	-	-	-	-	-
Administrative consultants	10,196.93	22,971.63	33,168.56	-	-	-	-	-	-	-	-	-
Transportation	584.74	1,226.23	1,810.97	-	-	-	-	-	-	-	-	-
Audit	1,310.16	236.43	1,546.59	-	-	-	-	-	-	-	-	-
Food (not funded by CACFP)	-	-	-	-	-	-	-	-	-	-	-	-
Other OTPS	4,819.50	3,321.72	8,141.22	30.14	-	30.14	-	-	-	-	-	-
Total OTPS	30,169.96	45,956.31	76,126.27	1,125.87	-	1,125.87	-	-	-	-	-	-
Indirect cost	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	\$ 252,057.23	\$ 317,471.22	\$ 569,528.45	\$ 28,988.18	\$ 53,070.04	\$ 82,058.22	\$ -	\$ -	\$ -	\$ 294,258.14	\$ 236,981.75	\$ 531,239.89
Breakdown by funding source:												
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City	-	-	-	-	-	-	-	-	-	-	-	-
Private/Third-Party	-	-	-	-	-	-	-	-	-	-	-	-
Delegate Agency	-	-	-	-	-	-	-	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

GRAND STREET SETTLEMENT, INC.
 Schedule of Equipment Inventory
 June 30, 2019

SCHEDULE 4

Current Year Purchases (with total acquisition cost per unit of at least \$5,000 or above and purchased between 7/1/18 to 6/30/19):

Description	Quantity	Serial # or Asset Tag #	Date Purchased or Acquired	Date Sold or Disposed	Funding Source (either GP or ACQ)	Acquisition cost allocated to Child Care	Acquisition cost allocated to Head Start	Acquisition cost allocated to Health & Safety	Acquisition cost allocated to Sandy Relief	Total Cost
						\$ -	\$ -	\$ -	\$ -	\$ -
						\$ -	\$ -	\$ -	\$ -	\$ -
						\$ -	\$ -	\$ -	\$ -	\$ -
						\$ -	\$ -	\$ -	\$ -	\$ -

Grand Total \$ -

Prior Years Purchases (with total acquisition cost per unit of at least \$5,000 or above and purchased between 7/1/12 to 6/30/18):

Description	Quantity	Serial # or Asset Tag #	Date Purchased or Acquired	Date Sold or Disposed	Funding Source (either GP or ACQ)	Acquisition cost allocated to Child Care	Acquisition cost allocated to Head Start	Acquisition cost allocated to Health & Safety	Acquisition cost allocated to Sandy Relief	Total Cost
						\$ -	\$ -	\$ -	\$ -	\$ -
						\$ -	\$ -	\$ -	\$ -	\$ -
						\$ -	\$ -	\$ -	\$ -	\$ -
						\$ -	\$ -	\$ -	\$ -	\$ -

Grand Total \$ -

Note:

The schedule must only disclose equipment with acquisition cost per unit of at least \$5,000 or above.

GP - item which is Federally-owned property

ACQ - item acquired with awards funds

GRAND STREET SETTLEMENT, INC.
Schedule of Quantitative Program Results
For the year ended June 30, 2019

SCHEDULE 5

ENROLLMENT

1	Contracted slots per site	
	a) 294 Delancey Street	74
	b) 300 Delancey Street	70
	c) 60 Essex Street	34
	d) 319 Stanhope Street	74
	Total	<u>252</u>
2	Number of classrooms per site	
	a) 294 Delancey Street	4
	b) 300 Delancey Street	5
	c) 60 Essex Street	2
	d) 319 Stanhope Street	4
	Total	<u>15</u>
3	Number of children enrolled by site	
	a) 294 Delancey Street	72
	b) 300 Delancey Street	70
	c) 60 Essex Street	30
	d) 319 Stanhope Street	73
	Total	<u>245</u>
4	Number of children in attendance by site	
	a) 294 Delancey Street	72
	b) 300 Delancey Street	70
	c) 60 Essex Street	30
	d) 319 Stanhope Street	73
	Total	<u>245</u>
5	The average attendance for contract by site (#4 divided by #3)	
	a) 294 Delancey Street	100%
	b) 300 Delancey Street	100%
	c) 60 Essex Street	100%
	d) 319 Stanhope Street	<u>100%</u>
	Total Average	<u>100%</u>

COST

1	Total expense for the contract. (Total EL expense in Schedule 1-A)	\$ 4,113,027
2	Total expense by site	
	a) 294 Delancey Street	\$ 1,157,205
	b) 300 Delancey Street	1,151,630
	c) 60 Essex Street	586,320
	d) 319 Stanhope Street	<u>1,217,872</u>
	Total	<u>\$ 4,113,027</u>
3	Average cost slots (Total expenses/Total attendance by sites)	16787.8662
4	Average cost per site/Total cost per site/Attendance by site)	
	a) 294 Delancey Street	\$ 16,072
	b) 300 Delancey Street	\$ 16,452
	c) 60 Essex Street	\$ 19,544
	d) 319 Stanhope Street	\$ 16,683
	Total	<u>\$ 68,751</u>

See independent auditors' report

**GRAND STREET SETTLEMENT, INC.
 SCHEDULE OF DUE TO OR DUE FROM ACS
 FOR THE YEAR ENDED JUNE 30, 2019**

SCHEDULE 6

Due To or Due From ACS at 6/30/2018	\$ (436,637)
Cash received/advances from ACS	4,522,505
Plus other funds collected:	
Parent Fees	126,041
Other revenue (disability, interest, etc.)	-
Total funds available	\$ 4,211,910
Less claimable expenditures:	
Expenditures	\$ (4,264,759)
Less: Accrued Vacation	-
Less: FICA - Accrued Vacation	-
Less: Questioned Costs	- \$ (4,264,759)
Due To or Due From ACS at 6/30/2019	\$ (52,849)

Note: Claimable expenditures should be reported net of Accrued Vacation, FICA - Accrued Vacation (charged to ACS Funded Programs) and Questioned Costs.