

Grand Street Settlement, Inc. and Subsidiary

Consolidated Financial Statements

June 30, 2022 and 2021

Grand Street Settlement, Inc. and Subsidiary

Consolidated Financial Statements

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Independent Auditors' Report

Board of Directors Grand Street Settlement, Inc. and Subsidiary

Opinion

We have audited the accompanying consolidated financial statements of Grand Street Settlement, Inc. and Subsidiary (a nonprofit organization), which comprise the consolidated statements of financial position as of June 30, 2022 and 2021, 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 consolidated financial position of Grand Street Settlement, Inc. and Subsidiary as of June 30, 2022 and 2021, and the consolidated 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 Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Grand Street Settlement, Inc. and Subsidiary 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Grand Street Settlement, Inc. and Subsidiary's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 Grand Street Settlement, Inc. and Subsidiary'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 Grand Street Settlement, Inc. and Subsidiary's ability to continue as a going concern for a reasonable period of time.

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

Report on Consolidating Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedules on pages 24 through 27 are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual companies, and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audits 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.

PKF O'Connor Davies, LLP

December 30, 2022

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

	June 30,	
	2022	2021
ASSETS		
Cash	\$ 1,296,105	\$ 788,871
Contributions receivable, net	1,266,816	2,025,708
Due from government agencies, net	15,675,570	8,176,435
Prepaid expenses and other assets	233,161	220,375
Investments	5,632,271	8,284,283
Cash, limited as to use	600,000	-
Property and equipment, net	11,410,885	5,279,683
	\$ 36,114,808	\$ 24,775,355
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and other liabilities	\$ 3,219,256	\$ 1,512,611
Accrued payroll and related liabilities	759,963	798,760
Line of credit payable	1,260,000	650,000
Deferred revenue	-	6,535
Advances from government agencies	4,969,555	670,349
Long term debt	2,268,515	4,263,025
Total Liabilities	12,477,289	7,901,280
Net Assets		
Without donor restrictions	17,754,258	9,677,046
With donor restrictions	5,883,261	7,197,029
Total Net Assets	23,637,519	16,874,075
	\$ 36,114,808	\$ 24,775,355

See notes to consolidated financial statements

Grand Street Settlement, Inc. and Subsidiary

Consolidated Statements of Activities

	Year Ended June 30,	
	2022	2021
NET ASSETS WITHOUT DONOR RESTRICTIONS		
PUBLIC SUPPORT AND REVENUE		
Government grants	\$ 32,622,557	\$ 27,317,666
Contributions	33,937	489,723
Special events, net of direct benefit to donors of \$163,640 and \$8,585	181,557	83,197
Donated occupancy and services	3,681,697	2,325,201
Program service fees	15,697	-
Investment return designated for current use	117,590	188,407
Miscellaneous income	311,906	60,124
Net assets released from restrictions	<u>3,677,233</u>	<u>2,221,502</u>
Total Public Support and Revenue	<u>40,642,174</u>	<u>32,685,820</u>
EXPENSES		
Program Services		
Early childhood programs	16,882,312	14,951,601
Youth services	2,161,184	1,971,271
School-based counseling services	2,766,966	1,344,488
Case management	332,577	245,532
Community development	7,743,090	6,960,473
Senior programs	1,685,564	1,050,139
Mental health initiative	105,565	48,712
GrandLo Café, Inc.	-	9,875
Total Program Services	<u>31,677,258</u>	<u>26,582,091</u>
Supporting Services		
Management and general	5,875,350	4,810,413
Fundraising	<u>807,359</u>	<u>682,097</u>
Total Supporting Services	<u>6,682,709</u>	<u>5,492,510</u>
Total Expenses	<u>38,359,967</u>	<u>32,074,601</u>
Excess of Public Support and Revenue Over Expenses	2,282,207	611,219
NON-OPERATING ACTIVITIES		
Gain on sale / disposal of property and equipment	4,811	-
Government grants for capital purpose	3,507,660	-
Loan forgiveness	3,170,620	-
Investment return, net of amount designated for current use	<u>(888,086)</u>	<u>1,209,941</u>
Change in Net Assets Without Donor Restrictions	8,077,212	1,821,160
Net Assets Without Donor Restrictions		
Beginning of year	<u>9,702,626</u>	<u>7,881,466</u>
End of year	<u>\$ 17,779,838</u>	<u>\$ 9,702,626</u>
NET ASSETS WITH DONOR RESTRICTIONS		
PUBLIC SUPPORT AND REVENUE		
Contributions	\$ 2,484,553	\$ 3,585,699
Investment return	(121,088)	377,342
Net assets released from restrictions	<u>(3,677,233)</u>	<u>(2,221,502)</u>
Change in Net Assets With Donor Restrictions	(1,313,768)	1,741,539
Net Assets With Donor Restrictions		
Beginning of year	<u>7,171,449</u>	<u>5,429,910</u>
End of year	<u>\$ 5,857,681</u>	<u>\$ 7,171,449</u>
Total Change in Net Assets	\$ 6,763,444	\$ 3,562,699
NET ASSETS		
Beginning of year	16,874,075	13,311,376
End of year	<u>\$ 23,637,519</u>	<u>\$ 16,874,075</u>

See notes to consolidated financial statements

Grand Street Settlement, Inc. and Subsidiary

Consolidated Statement of Functional Expenses
Year Ended June 30, 2022

	Program Services							Supporting Services			Total	
	Early Childhood Programs	Youth Services	School-Based Counseling Services	Case Management	Community Development	Senior Programs	Mental Health Initiative	Total Program Services	Management and General	Fundraising		Total Supporting Services
PERSONNEL COSTS												
Salaries	\$ 6,830,864	\$ 1,284,554	\$ 1,172,637	\$ 231,956	\$ 4,454,375	\$ 716,333	\$ 69,169	\$ 14,759,888	\$ 1,114,102	\$ 495,440	\$ 1,609,542	\$ 16,369,430
Employee benefits and payroll related taxes	1,816,387	343,703	313,287	62,065	1,193,241	188,512	18,508	3,935,703	294,918	132,566	427,484	4,363,187
Total Personnel Costs	8,647,251	1,628,257	1,485,924	294,021	5,647,616	904,845	87,677	18,695,591	1,409,020	628,006	2,037,026	20,732,617
OTHER THAN PERSONNEL COSTS												
Program supplies	777,371	235,943	281,524	2,822	789,479	172,467	6,904	2,266,510	62,833	5,737	68,570	2,335,080
Office rent and occupancy expense	779,960	25,953	4,183	22,060	63,067	73,306	-	968,529	195,349	1,076	196,425	1,164,954
Donated occupancy and services	3,286,015	-	-	-	270,600	79,520	-	3,636,135	45,562	-	45,562	3,681,697
Repairs and maintenance	201,650	19,377	-	-	23,984	46,416	-	291,427	10,933	-	10,933	302,360
Equipment	207,234	8,780	16,407	6,453	116,744	6,534	1,475	363,627	93,834	23,446	117,280	480,907
Office expense	8,091	16	-	595	26	-	-	8,728	1,513	6,501	8,014	16,742
Staff travel	7,930	1,089	395	-	206	-	-	9,620	15,057	-	15,057	24,677
Professional services	862	17,247	59,316	-	10,914	9,918	-	98,257	1,362,360	-	1,362,360	1,460,617
Consultant	2,341,350	53,441	431,731	596	289,490	168,053	8,984	3,293,645	458,934	153,637	612,571	3,906,216
Dues and fees	12,264	-	1,096	-	-	-	-	13,360	28,778	573	29,351	42,711
Food	275,545	24,979	136,035	-	167,306	209,640	-	813,505	1,959	47	2,006	815,511
Hospitality expense	2,029	-	-	-	192	84	-	2,305	13,142	366	13,508	15,813
Parent and participant activity	65,429	126,845	246,496	-	332,152	9,438	-	780,360	199	456	655	781,015
Insurance	-	-	19,099	5,928	-	-	-	25,027	442,372	-	442,372	467,399
Printing	-	-	4,573	-	1,729	-	-	6,302	9	10,119	10,128	16,430
Postage	1,283	2,533	13	-	25	-	-	3,854	974	3,439	4,413	8,267
Conferences and training	235,658	1,350	61,414	-	20,643	2,838	-	321,903	10,028	500	10,528	332,431
Services	6,083	14,473	-	-	4,811	2,505	525	28,397	9,108	-	9,108	37,505
Bank charges and other fees	-	10	-	-	174	-	-	184	92,549	9,967	102,516	102,700
Bad debt expense	-	-	-	-	-	-	-	-	1,214,693	-	1,214,693	1,214,693
Miscellaneous expense	26,307	891	18,760	102	3,932	-	-	49,992	84,652	321	84,973	134,965
Depreciation	-	-	-	-	-	-	-	-	320,962	-	320,962	320,962
Special events	-	-	-	-	-	-	-	-	530	126,808	127,338	127,338
Total Expenses Before Expenses of Direct Benefit to Donors	16,882,312	2,161,184	2,766,966	332,577	7,743,090	1,685,564	105,565	31,677,258	5,875,350	970,999	6,846,349	38,523,607
Direct benefit to donors	-	-	-	-	-	-	-	-	-	(163,640)	(163,640)	(163,640)
Total Expenses	\$ 16,882,312	\$ 2,161,184	\$ 2,766,966	\$ 332,577	\$ 7,743,090	\$ 1,685,564	\$ 105,565	\$ 31,677,258	\$ 5,875,350	\$ 807,359	\$ 6,682,709	\$ 38,359,967

Grand Street Settlement, Inc. and Subsidiary

Consolidated Statement of Functional Expenses
Year Ended June 30, 2021

	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	\$ 5,867,717	\$ 1,143,689	\$ 843,570	\$ 189,483	\$ 4,247,083	\$ 634,900	\$ 18,713	\$ -	\$ 12,945,155	\$ 1,270,504	\$ 468,473	\$ 1,738,977	\$ 14,684,132
Employee benefits and payroll related taxes	1,573,149	315,410	232,645	52,257	1,165,997	175,677	5,161	-	3,520,296	345,740	128,396	474,136	3,994,432
Total Personnel Costs	7,440,866	1,459,099	1,076,215	241,740	5,413,080	810,577	23,874	-	16,465,451	1,616,244	596,869	2,213,113	18,678,564
OTHER THAN PERSONNEL COSTS													
Program supplies	1,029,756	237,703	63,541	864	701,888	39,673	4,179	-	2,077,604	41,065	6,050	47,115	2,124,719
Office rent and occupancy expense	473,125	12,176	582	-	52,367	15,184	354	783	554,571	257,622	512	258,134	812,705
Donated occupancy and services	1,929,520	-	-	-	270,619	79,520	-	-	2,279,659	45,542	-	45,542	2,325,201
Repairs and maintenance	104,570	-	-	-	24,038	20,427	3,140	-	152,175	5,759	-	5,759	157,934
Equipment	63,456	75,535	4,667	2,928	131,190	7,006	3,250	-	288,032	94,331	10,730	105,061	393,093
Office expense	6,271	-	-	-	41	-	-	-	6,312	406	7,018	7,424	13,736
Staff travel	4,953	580	1,751	-	843	1,026	-	-	9,153	11,786	42	11,828	20,981
Professional services	15,075	6,259	2,239	-	12,575	-	-	-	36,148	987,592	350	987,942	1,024,090
Consultant	3,483,081	43,255	93,899	-	140,450	64,338	11,252	-	3,836,275	273,881	37,875	311,756	4,148,031
Dues and fees	14,010	320	-	-	200	-	-	-	14,530	14,465	-	14,465	28,995
Food	108,377	11,717	21,284	-	63,937	7,512	147	-	212,974	2,883	3,489	6,372	219,346
Hospitality expense	12,752	-	-	-	-	132	-	-	12,884	10,148	5,256	15,404	28,288
Parent and participant activity	24,889	113,350	34,689	-	121,278	52	2,500	-	296,758	7,251	-	7,251	304,009
Insurance	-	650	7,495	-	5,843	-	-	-	13,988	280,830	-	280,830	294,818
Printing	2,698	1,384	7,923	-	1,183	4,692	-	-	17,880	9,922	3,961	13,883	31,763
Postage	154	69	198	-	-	-	16	-	437	355	2,950	3,305	3,742
Conferences and training	212,485	678	580	-	15,577	-	-	-	229,320	500	1,474	1,974	231,294
Services	9,595	6,321	75	-	3,543	-	-	-	19,534	1,732	-	1,732	21,266
Bank charges and other fees	-	2,047	-	-	-	-	-	-	2,047	66,756	3,836	70,592	72,639
Bad debt expense	-	-	-	-	-	-	-	-	-	772,390	-	772,390	772,390
Miscellaneous expense	15,569	128	21,029	-	1,821	-	-	-	38,547	92,068	1,973	94,041	132,588
Depreciation	-	-	-	-	-	-	-	9,092	9,092	216,835	-	216,835	225,927
Special events	399	-	8,321	-	-	-	-	-	8,720	50	8,297	8,347	17,067
Total Expenses Before Expenses of Direct Benefit to Donors	14,951,601	1,971,271	1,344,488	245,532	6,960,473	1,050,139	48,712	9,875	26,582,091	4,810,413	690,682	5,501,095	32,083,186
Direct benefit to donors	-	-	-	-	-	-	-	-	-	-	(8,585)	(8,585)	(8,585)
Total Expenses	\$ 14,951,601	\$ 1,971,271	\$ 1,344,488	\$ 245,532	\$ 6,960,473	\$ 1,050,139	\$ 48,712	\$ 9,875	\$ 26,582,091	\$ 4,810,413	\$ 682,097	\$ 5,492,510	\$ 32,074,601

Grand Street Settlement, Inc. and Subsidiary

Consolidated Statements of Cash Flows

	Year Ended June 30,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 6,763,444	\$ 3,562,699
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	320,962	225,927
Gain on sale / disposal of property and equipment	(4,811)	-
Bad debt expense	1,214,693	772,390
Realized and unrealized loss (gain) on investments	932,137	(1,720,079)
PPP loan forgiveness	(3,090,620)	-
Loan forgiveness	(80,000)	-
Discount on contributions receivable	22,522	1,101
Changes in operating assets and liabilities		
Contributions receivable	736,370	(1,364,139)
Due from government agencies	(8,713,828)	(3,286,878)
Prepaid expenses and other assets	(12,786)	47,184
Accounts payable and other liabilities	623,522	(19,895)
Accrued payroll and related liabilities	(38,797)	(151,391)
Deferred revenue	(6,535)	-
Advances from government agencies	4,299,206	347,226
Net Cash from Operating Activities	2,965,479	(1,585,855)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property and equipment	9,000	-
Purchase of investments	(147,045)	(228,651)
Proceeds from sale of investments	1,866,920	541,505
Purchase of property and equipment	(5,373,230)	(1,184,599)
Net Cash from Investing Activities	(3,644,355)	(871,745)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long term debt	1,345,866	4,263,025
Proceeds from line of credit	1,260,000	400,000
Repayment of line of credit	(650,000)	-
Repayment of long term debt	(169,756)	(4,343,025)
Net Cash from Financing Activities	1,786,110	320,000
Net Change in Cash	1,107,234	(2,137,600)
CASH		
Beginning of year	788,871	2,926,471
End of year	\$ 1,896,105	\$ 788,871
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	\$ 12,542	\$ 5,958
SCHEDULE OF NONCASH FINANCING TRANSACTIONS		
PPP loan forgiveness	3,090,620	-
Loan forgiveness	80,000	-
NON-CASH INVESTING AND OPERATING ACTIVITIES		
Purchase of property and equipment included in accounts payable and other liabilities	1,083,123	-

See notes to consolidated financial statements

Grand Street Settlement, Inc. and Subsidiary

Notes to Consolidated Financial Statements
June 30, 2022 and 2021

1. Organization

Grand Street Settlement, Inc. (“Grand Street”), founded in 1916, provides services to 15,000 people of all ages in the Lower East Side of Manhattan and in neighborhoods across Brooklyn. These programs fall into four broad and inter-related categories: early childhood education, youth and community development, benefits assistance, and older adult services. Through these programs, Grand Street empowers individuals and families to move along a spectrum from surviving to stabilization, then strengthening, and ultimately to a place where they can thrive.

Grand Street promotes and maintains high standards in its programs, which are locally and nationally recognized for excellence. The vast majority of Grand Street’s programs are provided at no cost to participant families.

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. On March 31, 2020, GrandLo was dissolved and the space was repurposed to accommodate immediate COVID-19 pandemic relief efforts.

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 Code Section 501(c)(3).

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

Grand Street notes one notable event in the most recently completed fiscal year:

80 Pitt St. Program Relocation

The Community Center at 80 Pitt St, Grand Street’s largest building and one of the few to offer its complete suite of services under one roof, is undergoing a long-planned capital renovation and modernization. In the spring an early summer of 2021, its programs were relocated to nearby Grand Street sites, and the building was closed for construction on July 7, 2021. Program and administration staff relocations included:

- Early Childhood: Manhattan Child and Family Center (294 and 300 Delancey St).
- Youth: AmeriCorps - Beacon Cornerstone Community Center (145 Stanton St.); Project Speak Out Loud - Rutgers Community Center (200 Madison St.); Technology Clubhouse - Best Buy Teen Tech Center (168 Broome St.); SONYC afterschool program,
- Seniors: Programs - Essex Crossing Community Center (175 Delancey St.)
- Food pantry - BEST NORC (72 Columbia St.)
- Benefits Assistance - Essex Crossing Community Center (175 Delancey St.)
- Human Resources staff - Essex Crossing Community Center (175 Delancey St.)

Grand Street Settlement, Inc. and Subsidiary

Notes to Consolidated Financial Statements
June 30, 2022 and 2021

1. Organization (continued)

80 Pitt St. Program Relocation (continued)

Construction is expected to be substantially complete by June 2023, at which time these programs will reoccupy their spaces at 80 Pitt St.

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.

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 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.

Cash and Restricted Cash

Restricted cash includes funds that are restricted as to use by the Settlement. The following is a reconciliation of cash and restricted cash reported on the consolidated statements of financial position to the consolidated statements of cash flows at June 30:

	<u>2022</u>	<u>2021</u>
Cash	\$ 1,296,105	\$ 788,871
Cash, limited as to use	<u>600,000</u>	<u>-</u>
	<u>\$ 1,896,105</u>	<u>\$ 788,871</u>

Grand Street Settlement, Inc. and Subsidiary

Notes to Consolidated Financial Statements
June 30, 2022 and 2021

2. Summary of Significant Accounting Policies (continued)

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 without 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.

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 are 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. For the years ended June 30, the Settlement received the following donated goods and services:

	2022	2021	Usage in Program/Activities	Donor Restriction	Fair Value Techniques
Occupancy	\$ 2,152,079	\$ 1,729,124	Program services/management and general	None	Estimated based on current market rate per square foot
Therapists	142,983	36,201	Program services	None	Estimated based on usual and customary rates of the vendor
Early childcare services	1,386,635	559,876	Program services	None	Estimated based on usual and customary rates of the vendor
	<u>\$ 3,681,697</u>	<u>\$ 2,325,201</u>			

Grand Street Settlement, Inc. and Subsidiary

Notes to Consolidated Financial Statements
June 30, 2022 and 2021

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

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, 2022 and 2021, the allowance for doubtful accounts was \$960,000 and \$500,000. The Settlement determined that several city and state government receivables from 2020 may not be collectible and has increased the allowance for doubtful accounts.

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, 2022 and 2021.

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

Grand Street Settlement, Inc. and Subsidiary

Notes to Consolidated Financial Statements
June 30, 2022 and 2021

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

Property and Equipment (continued)

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, 2022 and 2021.

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. As of July 1, 2020, contract assets consisted of the following balances:

Due from government agencies, net	\$ 5,661,947
Advances from government agencies	323,123

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, certain costs have been allocated among the programs and supporting services. Such allocations are determined by management either in accordance with grant provisions or by the division of employee time. Most of these expenses are allocated based on an assessment of where employees' time is spent. Certain other expenses are allocated on a square footage basis.

Measure of Operations

The Settlement includes in its measurement of operations, all revenue and expenses that are an integral part of its programs and supporting activities. Non-operating activities include (i) gain on sale/disposal of property and equipment (ii) government grants for capital purpose (iii) loan forgiveness, and (iv) investment return, net of amount designated for current use.

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

Grand Street Settlement, Inc. and Subsidiary

Notes to Consolidated Financial Statements
June 30, 2022 and 2021

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

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. The Settlement is no longer subject to examinations by the applicable taxing jurisdictions for periods prior to June 30, 2019.

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 December 30, 2022.

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, 2022 and 2021, the Settlement exceeded Federal Deposit Insurance Corporation limits by \$1,407,149 and \$476,926. 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>2022</u>	<u>2021</u>
Contributions due:		
Within one year	\$ 940,623	\$ 1,596,993
Within two to five years	<u>350,000</u>	<u>430,000</u>
	1,290,623	2,026,993
Discount to present value	<u>(23,807)</u>	<u>(1,285)</u>
	<u>\$ 1,266,816</u>	<u>\$ 2,025,708</u>

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.

Grand Street Settlement, Inc. and Subsidiary

Notes to Consolidated Financial Statements
June 30, 2022 and 2021

5. Investments

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

	2022		
	Level 1	Level 2	Total
Equity securities	\$ 3,811,194	\$ -	\$ 3,811,194
Fixed income	297,487	1,523,590	1,821,077
	\$ 4,108,681	\$ 1,523,590	\$ 5,632,271
	2021		
	Level 1	Level 2	Total
Equity securities	\$ 6,023,068	\$ -	\$ 6,023,068
Fixed income	384,992	1,876,223	2,261,215
	\$ 6,408,060	\$ 1,876,223	\$ 8,284,283

Net investment activity for the years ended June 30, 2022 and 2021 is as follows:

	2022	2021
Interest and dividends	\$ 104,934	\$ 119,755
Realized and unrealized (loss) gain on investments	(932,137)	1,720,079
Total Investment Return	(827,203)	1,839,834
Investment advisory and custodial fees	(64,381)	(64,144)
	\$ (891,584)	\$ 1,775,690
Total investment income (loss) allocated to:		
Operating revenue*	\$ 117,590	\$ 188,407
Non-operating activities*	(888,086)	1,209,941
Endowment fund*	(121,088)	377,342
	\$ (891,584)	\$ 1,775,690

Grand Street Settlement, Inc. and Subsidiary

Notes to Consolidated Financial Statements
June 30, 2022 and 2021

6. Property and Equipment

Property and equipment consist of the following at June 30:

	2022	2021
Leasehold improvements	\$ 492,849	\$ 492,849
Furniture, fixtures and computer equipment	3,057,113	2,298,396
Construction in progress	10,003,757	4,318,152
	<u>13,553,719</u>	<u>7,109,397</u>
Accumulated depreciation and amortization	<u>(2,142,834)</u>	<u>(1,829,714)</u>
	<u>\$11,410,885</u>	<u>\$ 5,279,683</u>

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. For the year ended June 30, 2022, an asset with a cost of \$12,031 and accumulated depreciation of \$7,842 was sold for \$9,000 a gain resulting in a gain of \$4,118.

In 2021, the Settlement continued renovating their lower east side location at 80 Pitt Street. This renovation focuses on upgrading the space for current accessibility requirements, fire safety standards and needed upgrades to the facilities. The Settlement anticipates that the renovation will cost approximately \$11.5 million.

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, 2022 and 2021 totaled \$475,551 and \$356,867.

Grand Street Settlement, Inc. and Subsidiary

Notes to Consolidated Financial Statements
June 30, 2022 and 2021

8. Net Assets With Donor Restrictions

Net assets with donor restrictions at June 30 are restricted for the following purposes:

	2022			
	Net Assets June 30, 2021	Additions	Net Assets Released	Net Assets June 30, 2022
Time or Purpose Restricted				
Capital improvements	\$ 1,373,388	\$ 964,236	\$ 1,955,552	\$ 382,072
Early childhood programs	360,799	116,698	119,140	358,357
Youth programs	727,003	653,408	426,096	954,315
Prevention programs	344,980	240,000	372,819	212,161
Enterprises	165,310	60,074	93,335	132,049
Communications and development	268,170	256,387	459,106	65,451
Other	63,639	193,750	63,775	193,614
General operating	<u>407,362</u>	<u>(121,088)</u>	<u>187,410</u>	<u>98,864</u>
	3,710,651	2,363,465	3,677,233	2,396,883
Held in Perpetuity				
General operating	<u>3,460,798</u>	<u>-</u>	<u>-</u>	<u>3,460,798</u>
	<u>\$ 7,171,449</u>	<u>\$ 2,363,465</u>	<u>\$ 3,677,233</u>	<u>\$ 5,857,681</u>
	2021			
	Net Assets June 30, 2020	Additions	Net Assets Released	Net Assets June 30, 2021
Time or Purpose Restricted				
Capital improvements	\$ 1,025,666	\$ 1,388,274	\$ 1,040,552	\$ 1,373,388
Early childhood programs	289,865	444,075	373,141	360,799
Youth programs	273,370	707,336	253,703	727,003
Prevention programs	126,656	387,500	169,176	344,980
Enterprises	5,935	197,500	38,125	165,310
Communications and development	20,000	361,014	112,844	268,170
Other	62,420	100,000	98,781	63,639
General operating	<u>165,200</u>	<u>377,342</u>	<u>135,180</u>	<u>407,362</u>
	1,969,112	3,963,041	2,221,502	3,710,651
Held in Perpetuity				
General operating	<u>3,460,798</u>	<u>-</u>	<u>-</u>	<u>3,460,798</u>
	<u>\$ 5,429,910</u>	<u>\$ 3,963,041</u>	<u>\$ 2,221,502</u>	<u>\$ 7,171,449</u>

Grand Street Settlement, Inc. and Subsidiary

Notes to Consolidated Financial Statements
June 30, 2022 and 2021

9. Endowment Funds

General

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 classified 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.

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).

Grand Street Settlement, Inc. and Subsidiary

Notes to Consolidated Financial Statements
June 30, 2022 and 2021

9. Endowment Funds (continued)

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

	2022	
	With Donor Restrictions	To Be Held In Perpetuity
Balance, June 30, 2021	\$ 407,362	\$ 3,460,798
Interest and dividends	15,360	-
Unrealized and realized loss	(136,448)	-
Appropriated for expenditure	(187,410)	-
Balance, June 30, 2022	\$ 98,864	\$ 3,460,798
	2021	
	With Donor Restrictions	To Be Held In Perpetuity
Balance, June 30, 2020	\$ 165,200	\$ 3,460,798
Interest and dividends	24,561	-
Unrealized and realized gain	352,781	-
Appropriated for expenditure	(135,180)	-
Balance, June 30, 2021	\$ 407,362	\$ 3,460,798

Grand Street Settlement, Inc. and Subsidiary

Notes to Consolidated Financial Statements
June 30, 2022 and 2021

10. Liquidity and Availability of Resources

The Settlement's working capital and cash flows are driven by the revenue streams of government contracts, foundation and private donations, and annual endowment draw. The Settlement's financial assets available to meet general operations over the next 12 months are \$18,013,081. Most receivables 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 expense.

The following reflects the Settlement's financial assets as of June 30, 2022 and 2021, reduced by amounts not available for general use within one year of the consolidated statements of financial position date because of contractual or donor designations. Amounts not available include restricted contributions for time and amounts held in perpetuity.

	<u>2022</u>	<u>2021</u>
Financial assets:		
Cash	\$ 1,296,105	\$ 788,871
Contributions receivable, net	1,266,816	2,025,708
Due from government agencies, net	15,675,570	8,176,435
Investments	5,632,271	8,284,283
Cash, limited as to use	600,000	-
Total financial assets	<u>24,470,762</u>	<u>19,275,297</u>
Less contractual or donor imposed restricted amounts:		
Restricted by donor with time or purpose restrictions	2,396,883	3,710,651
Cash, limited as to use	600,000	-
Endowment funds restricted by donor	3,460,798	3,460,798
	<u>6,457,681</u>	<u>7,171,449</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 18,013,081</u>	<u>\$ 12,103,848</u>

11. Line of Credit

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, 2022 and 2021 was \$1,260,000 and \$650,000. For the year ending June 30, 2022, the interest rate on the line of credit was 2.87%. Interest expense for the years ended June 30, 2022 and 2021 was approximately \$12,500 and \$3,000.

Grand Street Settlement, Inc. and Subsidiary

Notes to Consolidated Financial Statements
June 30, 2022 and 2021

12. Long Term Debt

Loans Payable

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 of the loan were paid on March 31, 2019 and 2018 in the amount of \$40,000 each. The outstanding balance on the loan payable for each of the years ended June 30, 2022 and 2021 was \$0 and \$40,000. Repayment terms requires the Settlement to make an installment in the amount of \$40,000 on March 31, 2020. During the year ended June 30, 2020, the Settlement was granted an extension to repay the final installment in the amount of \$40,000 by September 1, 2020. The loan was paid in full on August 28, 2020.

In November 2017, GrandLo was approved for an interest free loan in the amount of \$120,000 from Deutsche Bank Americas Foundation. The outstanding balance on the loan payable at June 30, 2021 was \$80,000. Repayment terms requires GrandLo to make three installments in the amount of \$40,000 each year on November 15, 2020, 2021 and 2022. The first payment of the loan was paid on November 6, 2020 in the amount of \$40,000. On December 9, 2021, GrandLo was granted forgiveness by Deutsche Bank Americas Foundation for the remaining \$80,000.

NFF Loan

In May 2020, the Settlement entered into a loan payable with Nonprofit Finance Fund (the "NFF Loan") in the amount of \$1,092,405. The loan is to be repaid in four equal payments commencing May 16, 2023 until August 15, 2023, which is the maturity date, unless the parties agree to extend the term of the loan. The loan is non-interest bearing. The NFF Loan is related to unregistered state contracts entered into by the Settlement and will be repaid once reimbursement is received. At June 30, 2022, the outstanding balance of this loan was \$922,649.

Future minimum loan payments for the NFF Loan are as follows at June 30, 2022:

2023	\$	461,325
2024		461,324
	\$	<u>922,649</u>

Grand Street Settlement, Inc. and Subsidiary

Notes to Consolidated Financial Statements
June 30, 2022 and 2021

12. Long Term Debt *(continued)*

NFF Loan (continued)

In June 2022, the Settlement entered into additional loan payable with NFF not to exceed \$4,300,000 that is split into two tranches. Tranche A which is a loan in the amount of \$2,200,000 and Tranche B, a loan in the amount of \$2,100,000. The Settlement agrees to pay interest on the principal balance of the loans on a monthly basis that commences on the first day of the first month following the first full month of the closing date. Monthly installments of principal and interest commence on the first day of the first month following the last interest only date. For the year ended June 30, 2022, \$1,345,866 has been drawn down.

The loan payable is subject to covenants which include, 1) a minimum annual debt service coverage ratio, as defined, of 1.20:1 commencing after project completion, 2) \$600,000 deposited into a separate U.S. Bank National Association account which is shown as cash, limited as to use on the 2022 consolidated statement of financial position, 3) the issuance of the audited financial statements within 180 days of the Settlement's year end. The Settlement received a waiver regarding item 3 and met all other covenants for the year ended June 30, 2022.

Paycheck Protection Program Loan

On April 17, 2020, the Settlement received loan proceeds in the amount of \$3,090,620, under the Paycheck Protection Program ("PPP Loan"). The PPP Loan, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after eight or twenty-four weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities and maintains its payroll levels.

The PPP Loan was forgiven in full by the Small Business Administration in November 2021 and recognized as PPP loan forgiveness on the consolidated statement of activities for the year ended June 30, 2022.

Grand Street Settlement, Inc. and Subsidiary

Notes to Consolidated Financial Statements
June 30, 2022 and 2021

13. Commitments and Contingencies

Operating Leases

The Settlement began leasing premises at Essex Crossing on July 1, 2019. The operating lease is a 10 year lease which will expire on July 1, 2029. As of June 30, 2022, future principal payments on the lease is as follows:

2023	\$ 69,137
2024	71,211
2025	73,347
2026	75,548
2027	77,814
Thereafter	<u>162,702</u>
	<u>\$ 529,759</u>

Rent expense under operating leases and other short term rentals for years ended June 30, 2022 and 2021 amounted to approximately \$115,000 and \$175,000.

Litigation

The Settlement is a party to certain legal actions arising in the normal course of operations. While it is not feasible to predict the ultimate outcome of these actions, it is the opinion of management that the resolution of these matters will not have a material adverse effect on the Settlement's consolidated financial statements.

14. Risks and Uncertainties

COVID-19

The coronavirus outbreak may have an adverse effect on the results of operations. Given the uncertainty around the extent and timing of the potential future spread or mitigation of the coronavirus and around the imposition or relaxation of protective measures, management cannot reasonably estimate the impact to future results of operations, cash flows, or financial condition.

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Grand Street Settlement, Inc. and Subsidiary

Supplementary Information
June 30, 2022 and 2021

Grand Street Settlement, Inc. and SubsidiaryConsolidating Schedule of Financial Position
June 30, 2022

	Grand Street Settlement, Inc.	GrandLo Café, Inc.	Consolidating Eliminations	Consolidated Total
ASSETS				
Cash	\$ 1,296,105	\$ -	\$ -	\$ 1,296,105
Contributions receivable, net	1,266,816	-	-	1,266,816
Due from government agencies, net	15,675,570	-	-	15,675,570
Prepaid expenses and other assets	233,161	-	-	233,161
Investments	5,632,271	-	-	5,632,271
Cash, limited as to use	600,000	-	-	600,000
Property and equipment, net	<u>11,410,885</u>	<u>-</u>	<u>-</u>	<u>11,410,885</u>
	<u>\$ 36,114,808</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,114,808</u>
LIABILITIES AND NET ASSETS				
Liabilities				
Accounts payable and other liabilities	3,219,256	\$ -	\$ -	\$ 3,219,256
Accrued payroll and related liabilities	759,963	-	-	759,963
Line of credit payable	1,260,000	-	-	1,260,000
Advances from government agencies	4,969,555	-	-	4,969,555
Long term debt	<u>2,268,515</u>	<u>-</u>	<u>-</u>	<u>2,268,515</u>
Total Liabilities	<u>12,477,289</u>	<u>-</u>	<u>-</u>	<u>12,477,289</u>
Net Assets (Deficit)				
Without donor restrictions	17,754,258	-	-	17,754,258
With donor restrictions	<u>5,883,261</u>	<u>-</u>	<u>-</u>	<u>5,883,261</u>
Total Net Assets (Deficit)	<u>23,637,519</u>	<u>-</u>	<u>-</u>	<u>23,637,519</u>
	<u>\$ 36,114,808</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,114,808</u>

Grand Street Settlement, Inc. and Subsidiary
Consolidating Schedule of Financial Position
June 30, 2021

	Grand Street Settlement, Inc.	GrandLo Café, Inc.	Consolidating Eliminations	Consolidated Total
ASSETS				
Cash	\$ 778,233	\$ 10,638	\$ -	\$ 788,871
Contributions receivable, net	2,025,708	-	-	2,025,708
Due from government agencies, net	8,176,435	-	-	8,176,435
Prepaid expenses and other assets	267,919	-	(47,544)	220,375
Investments	8,284,283	-	-	8,284,283
Property and equipment, net	<u>5,266,045</u>	<u>13,638</u>	<u>-</u>	<u>5,279,683</u>
	<u>\$ 24,798,623</u>	<u>\$ 24,276</u>	<u>\$ (47,544)</u>	<u>\$ 24,775,355</u>
LIABILITIES AND NET ASSETS				
Liabilities				
Accounts payable and other liabilities	\$ 1,497,668	\$ 62,487	\$ (47,544)	\$ 1,512,611
Accrued payroll and related liabilities	798,760	-	-	798,760
Line of credit payable	650,000	-	-	650,000
Deferred revenue	6,535	-	-	6,535
Advances from government agencies	670,349	-	-	670,349
Long term debt	<u>4,183,025</u>	<u>80,000</u>	<u>-</u>	<u>4,263,025</u>
Total Liabilities	<u>7,806,337</u>	<u>142,487</u>	<u>(47,544)</u>	<u>7,901,280</u>
Net Assets (Deficit)				
Without donor restrictions	9,795,257	(118,211)	-	9,677,046
With donor restrictions	<u>7,197,029</u>	<u>-</u>	<u>-</u>	<u>7,197,029</u>
Total Net Assets (Deficit)	<u>16,992,286</u>	<u>(118,211)</u>	<u>-</u>	<u>16,874,075</u>
	<u>\$ 24,798,623</u>	<u>\$ 24,276</u>	<u>\$ (47,544)</u>	<u>\$ 24,775,355</u>

Grand Street Settlement, Inc. and Subsidiary

Consolidating Schedule of Activities

Year Ended June 30, 2022

	Grand Street Settlement, Inc.	GrandLo Café, Inc.	Consolidating Eliminations	Consolidated Total
NET ASSETS WITHOUT DONOR RESTRICTIONS				
PUBLIC SUPPORT AND REVENUE				
Government grants	\$ 32,622,557	\$ -	\$ -	\$ 32,622,557
Contributions	33,937	-	-	33,937
Special events, net of direct benefit to donors of \$163,640	181,557	-	-	181,557
Donated occupancy and services	3,681,697	-	-	3,681,697
Program service fees	15,697	-	-	15,697
Investment return designated for current use	117,590	-	-	117,590
Miscellaneous income	311,906	-	-	311,906
Net assets released from restrictions	<u>3,677,233</u>	<u>-</u>	<u>-</u>	<u>3,677,233</u>
Total Public Support and Revenue	<u>40,642,174</u>	<u>-</u>	<u>-</u>	<u>40,642,174</u>
EXPENSES				
Program Services				
Early childhood programs	16,882,312	-	-	16,882,312
Youth services	2,161,184	-	-	2,161,184
School-based counseling services	2,766,966	-	-	2,766,966
Case management	332,577	-	-	332,577
Community development	7,743,090	-	-	7,743,090
Senior programs	1,685,564	-	-	1,685,564
Mental health initiative	105,565	-	-	105,565
Total Program Services	<u>31,677,258</u>	<u>-</u>	<u>-</u>	<u>31,677,258</u>
Supporting Services				
Management and general	5,875,350	-	-	5,875,350
Fundraising	807,359	-	-	807,359
Total Supporting Services	<u>6,682,709</u>	<u>-</u>	<u>-</u>	<u>6,682,709</u>
Total Expenses	<u>38,359,967</u>	<u>-</u>	<u>-</u>	<u>38,359,967</u>
Excess (DEFICIT) of Public Support and Revenue Over Expenses	2,282,207	-	-	2,282,207
NON-OPERATING ACTIVITIES				
Gain on sale / disposal of property and equipment	4,811	-	-	4,811
Government grants for capital purpose	3,507,660	-	-	3,507,660
Equity transfer to Grand Street Settlement, Inc.	(118,211)	118,211	-	-
Loan forgiveness	3,170,620	-	-	3,170,620
Investment return, net of amount designated for current use	<u>(888,086)</u>	<u>-</u>	<u>-</u>	<u>(888,086)</u>
Change in Net Assets Without Donor Restrictions	7,959,001	118,211	-	8,077,212
Net Assets Without Donor Restrictions				
Beginning of year	9,795,257	(118,211)	25,580	9,702,626
End of year	<u>\$ 17,754,258</u>	<u>\$ -</u>	<u>\$ 25,580</u>	<u>\$ 17,779,838</u>
NET ASSETS WITH DONOR RESTRICTIONS				
PUBLIC SUPPORT AND REVENUE				
Contributions	\$ 2,484,553	\$ -	\$ -	\$ 2,484,553
Investment return	(121,088)	-	-	(121,088)
Net assets released from restrictions	<u>(3,677,233)</u>	<u>-</u>	<u>-</u>	<u>(3,677,233)</u>
Change in Net Assets With Donor Restrictions	(1,313,768)	-	-	(1,313,768)
Net Assets With Donor Restrictions				
Beginning of year	7,197,029	-	(25,580)	7,171,449
End of year	<u>\$ 5,883,261</u>	<u>\$ -</u>	<u>\$ (25,580)</u>	<u>\$ 5,857,681</u>
Total Change in Net Assets	\$ 6,645,233	\$ 118,211	\$ -	\$ 6,763,444
NET ASSETS (DEFICIT)				
Beginning of year	16,992,286	(118,211)	-	16,874,075
End of year	<u>\$ 23,637,519</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,637,519</u>

See independent auditors' report

Grand Street Settlement, Inc. and Subsidiary

Consolidating Schedule of Activities

Year Ended June 30, 2021

	Grand Street Settlement, Inc.	GrandLo Café, Inc.	Consolidating Eliminations	Consolidated Total
NET ASSETS WITHOUT DONOR RESTRICTIONS				
PUBLIC SUPPORT AND REVENUE				
Government grants	\$ 27,317,666	\$ -	\$ -	\$ 27,317,666
Contributions	489,723	-	-	489,723
Special events, net of direct benefit to donors of \$8,585	83,197	-	-	83,197
Donated occupancy and services	2,325,201	-	-	2,325,201
Investment return designated for current use	188,407	-	-	188,407
Miscellaneous income	60,124	-	-	60,124
Net assets released from restrictions	<u>2,195,921</u>	<u>25,581</u>	-	<u>2,221,502</u>
Total Public Support and Revenue	<u>32,660,239</u>	<u>25,581</u>	-	<u>32,685,820</u>
EXPENSES				
Program Services				
Early childhood programs	14,951,601	-	-	14,951,601
Youth services	1,971,271	-	-	1,971,271
School-based counseling services	1,344,488	-	-	1,344,488
Case management	245,532	-	-	245,532
Community development	6,960,473	-	-	6,960,473
Senior programs	1,050,139	-	-	1,050,139
Mental health initiative	48,712	-	-	48,712
GrandLo Café, Inc.	-	35,455	(25,580)	9,875
Total Program Services	<u>26,572,216</u>	<u>35,455</u>	<u>(25,580)</u>	<u>26,582,091</u>
Supporting Services				
Management and general	4,810,413	-	-	4,810,413
Fundraising	682,097	-	-	682,097
Total Supporting Services	<u>5,492,510</u>	-	-	<u>5,492,510</u>
Total Expenses	<u>32,064,726</u>	<u>35,455</u>	<u>(25,580)</u>	<u>32,074,601</u>
Excess (DEFICIT) of Public Support and Revenue Over Expenses	595,513	(9,874)	25,580	611,219
NON-OPERATING ACTIVITIES				
Investment return, net of amount designated for current use	<u>1,209,941</u>	-	-	<u>1,209,941</u>
Change in Net Assets Without Donor Restrictions	1,805,454	(9,874)	25,580	1,821,160
Net Assets Without Donor Restrictions				
Beginning of year	<u>7,989,803</u>	<u>(108,337)</u>	-	<u>7,881,466</u>
End of year	<u>\$ 9,795,257</u>	<u>\$ (118,211)</u>	<u>\$ 25,580</u>	<u>\$ 9,702,626</u>
NET ASSETS WITH DONOR RESTRICTIONS				
PUBLIC SUPPORT AND REVENUE				
Contributions	\$ 3,611,279	\$ -	\$ (25,580)	\$ 3,585,699
Investment return	377,342	-	-	377,342
Net assets released from restrictions	<u>(2,195,921)</u>	<u>(25,581)</u>	-	<u>(2,221,502)</u>
Change in Net Assets With Donor Restrictions	1,792,700	(25,581)	(25,580)	1,741,539
Net Assets With Donor Restrictions				
Beginning of year	<u>5,404,329</u>	<u>25,581</u>	-	<u>5,429,910</u>
End of year	<u>\$ 7,197,029</u>	<u>\$ -</u>	<u>\$ (25,580)</u>	<u>\$ 7,171,449</u>
Total Change in Net Assets	\$ 3,598,154	\$ (35,455)	\$ -	\$ 3,562,699
NET ASSETS (DEFICIT)				
Beginning of year	<u>13,394,132</u>	<u>(82,756)</u>	-	<u>13,311,376</u>
End of year	<u>\$ 16,992,286</u>	<u>\$ (118,211)</u>	<u>\$ -</u>	<u>\$ 16,874,075</u>