



The Center for Ageless Living

***FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT***

YEARS ENDED JUNE 30, 2023 AND 2022

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INDEPENDENT AUDITORS' REPORT

To The Board of Directors
Riverdale Senior Services, Inc.
Bronx, New York

Opinion

We have audited the accompanying financial statements of Riverdale Senior Services, Inc., (a nonprofit organization), which comprise the balance sheets as of June 30, 2023 and 2022, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Riverdale Senior Services, Inc. as of June 30, 2023 and 2022, and the changes in its net assets and its 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 Financial Statements section of our report. We are required to be independent of Riverdale Senior Services, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements 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 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 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 financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Riverdale Senior Services, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Riverdale Senior Services, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Dorfman Abrams Music, LLC

Saddle Brook, New Jersey
January 25, 2024

RIVERDALE SENIOR SERVICES, INC.

BALANCE SHEETS

ASSETS

	June 30,	
	<u>2023</u>	<u>2022</u>
Current assets:		
Cash and cash equivalents	\$ 428,279	\$ 422,206
Investments, at fair value	613,624	521,394
Accounts and other receivables	2,066	360
Grants receivable	365,755	412,936
Operating leases right-of-use assets	2,243,203	-
Prepaid expenses and other assets	<u>16,989</u>	<u>5,358</u>
Total current assets	<u>3,669,916</u>	<u>1,362,254</u>
Property and equipment, net of accumulated depreciation	<u>101,294</u>	<u>163,045</u>
Total assets	<u>\$ 3,771,210</u>	<u>\$ 1,525,299</u>

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable and accrued expenses	\$ 104,020	\$ 82,532
Paycheck Protection Program loan	22,131	33,732
Deferred rent	-	32,648
Operating lease obligations	<u>2,281,703</u>	<u>-</u>
Total current liabilities	<u>2,407,854</u>	<u>148,912</u>
Net assets:		
Without donor restrictions	1,147,069	1,009,985
With donor restrictions	<u>216,287</u>	<u>366,402</u>
Total net assets	<u>1,363,356</u>	<u>1,376,387</u>
Total liabilities and net assets	<u>\$ 3,771,210</u>	<u>\$ 1,525,299</u>

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

RIVERDALE SENIOR SERVICES, INC.

STATEMENTS OF ACTIVITIES

	Year ended June 30, 2023			Year ended June 30, 2022		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Operating activities:						
Support and revenues:						
Public support:						
Grants from government agencies	\$ 2,418	\$ 1,592,410	\$ 1,594,828	\$ -	\$ 1,486,514	\$ 1,486,514
Contributions of cash and other financial assets	103,794	261,658	365,452	82,296	280,000	362,296
Special events, net	33,750	-	33,750	130,805	-	130,805
Total public support	139,962	1,854,068	1,994,030	213,101	1,766,514	1,979,615
Revenues:						
Program service revenue	33,142	-	33,142	12,984	-	12,984
Investment income, net	22,500	-	22,500	37,556	-	37,556
Other revenue	10,250	-	10,250	7,321	-	7,321
Total revenues	65,892	-	65,892	57,861	-	57,861
Net assets released from restrictions	2,004,183	(2,004,183)	-	1,791,572	(1,791,572)	-
Total support and revenues	2,210,037	(150,115)	2,059,922	2,062,534	(25,058)	2,037,476
Operating expenses:						
Program services:						
Services to older adults	1,718,913	-	1,718,913	1,636,404	-	1,636,404
Healthy Community Initiative	108,196	-	108,196	106,089	-	106,089
Total program services	1,827,109	-	1,827,109	1,742,493	-	1,742,493
Supporting services:						
Management and general	190,364	-	190,364	177,570	-	177,570
Fundraising	87,710	-	87,710	83,580	-	83,580
Total supporting services	278,074	-	278,074	261,150	-	261,150
Total operating expenses	2,105,183	-	2,105,183	2,003,643	-	2,003,643
Change in net assets from operations	104,854	(150,115)	(45,261)	58,891	(25,058)	33,833
Nonoperating activities:						
Realized and unrealized gain (loss) on investments	32,230	-	32,230	(150,201)	-	(150,201)
Total nonoperating activities	32,230	-	32,230	(150,201)	-	(150,201)
Change in net assets	137,084	(150,115)	(13,031)	(91,310)	(25,058)	(116,368)
Net assets, beginning of year	1,009,985	366,402	1,376,387	1,101,295	391,460	1,492,755
Net assets, end of year	\$ 1,147,069	\$ 216,287	\$ 1,363,356	\$ 1,009,985	\$ 366,402	\$ 1,376,387

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

RIVERDALE SENIOR SERVICES, INC.

STATEMENTS OF CASH FLOWS

	<u>Year ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Change in net assets	\$ (13,031)	\$ (116,368)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	61,750	100,592
Realized and unrealized (gain) loss on investments	(32,230)	150,201
Deferred rent	-	980
Amortization of operating leases right-of-use assets	225,861	-
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Accounts and other receivables	(1,705)	6,640
Grants receivable	47,181	251,901
Prepaid expenses and other assets	(11,631)	(1,122)
Increase (decrease) in:		
Accounts payable and accrued expenses	21,488	(45,384)
Due to government agency	-	(115,644)
Deferred revenue - special events	-	(19,660)
Refundable advance - Paycheck Protection Program	(32,648)	-
Operating lease obligations	(187,361)	-
Net cash provided by operating activities	<u>77,674</u>	<u>212,136</u>
Cash flows from investing activities:		
Purchase of investments	(159,014)	(71,481)
Proceeds from sale of investments	99,014	-
Net cash used by investing activities	<u>(60,000)</u>	<u>(71,481)</u>
Cash flows from financing activities:		
Repayments of principal	(11,601)	(9,993)
Net cash used by financing activities	<u>(11,601)</u>	<u>(9,993)</u>
Net increase in cash and cash equivalents	6,073	130,662
Cash and cash equivalents, beginning of year	<u>422,206</u>	<u>291,544</u>
Cash and cash equivalents, end of year	<u>\$ 428,279</u>	<u>\$ 422,206</u>

Supplemental Disclosure of Non-Cash Operating Activities

Right-of-use asset acquired from incurring lease obligation	<u>\$ 2,469,064</u>	<u>\$ -</u>
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The accompanying notes are an integral part of these financial statements.

RIVERDALE SENIOR SERVICES, INC.
STATEMENTS OF FUNCTIONAL EXPENSES

Years Ended June 30, 2023 and 2022

	Program services				Supporting services				Total program and supporting services	
	Services to older adults		Healthy Community Initiative		Management and general		Fundraising		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Salaries	\$ 834,296	\$ 769,440	\$ 54,088	\$ 52,496	\$ 90,531	\$ 80,400	\$ 42,612	\$ 39,367	\$ 1,021,527	\$ 941,703
Payroll taxes and employee benefits	158,423	168,364	10,271	11,487	17,192	17,594	8,092	8,614	193,978	206,059
Total salaries and related expenses	992,719	937,804	64,359	63,983	107,723	97,994	50,704	47,981	1,215,505	1,147,762
Occupancy	305,619	289,884	19,813	19,778	33,163	30,291	15,610	14,831	374,205	354,784
Professional fees	192,070	190,938	12,452	13,027	20,845	19,951	9,810	9,769	235,177	233,685
Raw food and disposables	70,506	41,882	4,571	2,857	7,651	4,376	3,601	2,143	86,329	51,258
Office expenses and supplies	31,653	30,632	2,052	2,090	3,435	3,201	1,617	1,567	38,757	37,490
Insurance	23,487	22,146	1,523	1,511	2,549	2,314	1,200	1,133	28,759	27,104
Local transportation	22,162	14,825	1,437	1,012	2,405	1,550	1,132	759	27,136	18,146
Client supplies and activities	10,054	8,553	652	584	1,091	894	513	438	12,310	10,469
Equipment, repairs and maintenance	8,152	7,938	528	542	885	829	416	406	9,981	9,715
Communications	7,323	7,661	475	523	795	801	374	392	8,967	9,377
Marketing	2,833	2,025	184	138	307	212	145	104	3,469	2,479
Conferences and meetings	2,318	638	150	44	252	67	118	33	2,838	782
Total expenses before depreciation and amortization	1,668,896	1,554,926	108,196	106,089	181,101	162,480	85,240	79,556	2,043,433	1,903,051
Depreciation and amortization	50,017	81,478	-	-	9,263	15,090	2,470	4,024	61,750	100,592
Total expenses	\$ 1,718,913	\$ 1,636,404	\$ 108,196	\$ 106,089	\$ 190,364	\$ 177,570	\$ 87,710	\$ 83,580	\$ 2,105,183	\$ 2,003,643

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

RIVERDALE SENIOR SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

1. Nature of the Organization

Riverdale Senior Services, Inc. (the Organization or RSS) is a multipurpose agency designed to assist older adults to live independent lives in the community and in their own homes, whenever possible. Services include a home-cooked meal five days a week (and a take-home meal for the weekends), educational, recreational and social programs, an adult day program for people with cognitive loss, a transportation program for the frail, and a community health education program. Social work services are also provided.

2. Summary of significant accounting policies

Basis of presentation

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions - Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Measure of operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Organization's ongoing services and interest and dividends earned on investments. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

Estimates

The preparation of financial statements in conformity with the accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents consist of demand deposit accounts, which are highly liquid financial instruments with maturities of three months or less.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values on the balance sheet. Unrealized gains and losses are included in the changes in net assets without donor restriction for the gains and losses that are unrestricted, and in the changes in net assets with donor restriction for the gains and losses that are restricted for the support of certain programs. Investment fees are netted against the investment income.

RIVERDALE SENIOR SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

2. Summary of significant accounting policies (continued)

Fair value measurement

The Codification establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 - Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date;

Level 2 - Inputs other than quoted prices that are observable for the assets or liability either directly or indirectly, including inputs that are not considered to be active;

Level 3 - Inputs that are unobservable.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad criteria data, liquidity statistics, and other factors. An investment's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment by RSS. RSS considers observable data to be that market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, provided by multiple, independent sources that are actively involved in the relevant market. The categorization of an investment within the hierarchy is based upon the pricing transparency of the investment and does not necessarily correspond to RSS's perceived risk of that investment.

Accounts and other receivables

Accounts receivable are stated at unpaid balances and consist of amounts unpaid from program fees. All accounts receivable are expected to be collected within one year.

Grants receivable

RSS receives funding for many of its programs through contracts principally entered into with New York State, New York City, and private foundations. As of June 30, 2023, and 2022, grants receivable were \$365,755 and \$412,936, respectively. All amounts are expected to be collected within the one year.

Allowance for doubtful accounts and grants receivable

RSS determines whether an allowance of uncollectible accounts receivable should be provided. Such estimates are based on management's assessment of the aged basis of RSS's receivables, current economic conditions, and historical experience. Management determined that an allowance was not necessary as of June 30, 2023 and 2022.

RIVERDALE SENIOR SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

2. Summary of significant accounting policies (continued)

Property and equipment

Property and equipment are carried at cost. Donated fixed assets are recorded at fair market value at the date of the gift. Acquisitions of property and equipment in excess of \$2,500 are capitalized. Starting in fiscal year 2017, RSS decided to change the accelerated method used to depreciate some of the assets to calculate future depreciation on the straight-line method over the estimated remaining useful lives of the assets.

Leasehold improvements	5 - 7 years
Vehicles	5 years
Furniture, fixtures, and equipment	5 - 7 years

The cost of assets sold or otherwise disposed of and the accumulated depreciation thereon are eliminated from the accounts and the resulting gain or loss is reflected in income except for assets traded where no cash is received. Expenditures for maintenance and repairs are charged to expense as incurred; replacements and betterments that extend the useful lives are capitalized.

Recently adopted accounting standards - Leases

During fiscal year 2023, the Organization adopted Accounting Standards Update (ASU) No. 2016-02, *Leases*, which requires lessees to recognize leases on the balance sheet and disclose key information about leasing arrangements. The Organization elected not to restate the comparative period (2022). It also elected not to reassess at adoption (i) expired or existing contracts to determine whether they are or contain a lease, (ii) the lease classification of any existing leases, or (iii) initial direct costs for existing leases. The adoption did not result in a significant effect on amounts reported in the statement of activities for the fiscal year ended June 30, 2022.

The Organization determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities in the balance sheet. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization does not report ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

Revenue and revenue recognition

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

The Organization recognizes revenue from special events when the event takes place. The Organization records special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received.

RIVERDALE SENIOR SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

2. Summary of significant accounting policies (continued)

Revenue and revenue recognition (continued)

A portion of the Organization's revenue is derived from cost-reimbursable state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received on cost reimbursement grants, prior to incurring qualifying expenditures, are reported as refundable advances in the balance sheet. Under the terms of funding agreements with various governmental agencies, all reported expenditures are subject to audit and acceptance by the funding agencies. In the opinion of management, adjustments, if any, resulting from future audits, should not have a material effect on the Organization's financial position or changes in its net assets.

The Organization recognizes revenue from program fees in the period in which the services are provided to seniors. The performance obligation of delivering day care services and other activities is received after services are provided to the seniors; therefore, the revenue is recognized when rendered.

In-kind contributions

RSS may receive donated services from specialized providers and other volunteers that create or enhance non-financial assets and allow RSS to fulfill its mission when received. Donated specialized services are recognized in the accompanying financial statements. These donated services require professional skills, and would typically need to be purchased if not provided by donation. No specialized donated services were received for the years ended June 30, 2023 and 2022.

RSS recognized in-kind revenue and expense related to special events for the years ended June 30, 2023 and 2022. Special event expenses include space rental, food and beverages, and raffle prizes. These expenses were recorded at the estimated fair value at the date of donation. The value of the donated goods and services was \$10,873 and \$11,576 for the years ended June 30, 2023 and 2022, respectively.

Functional expenses allocation

The cost of providing for RSS's various programs and supporting services have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain expenses have been allocated among the programs and supporting services based on management's best estimates.

Income taxes

The Organization is a tax-exempt organization as defined by Section 501(c)(3) of the Internal Revenue Code, though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Organization is also exempt from New Jersey Income Taxes. The Organization has procedures in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

Reclassifications

Certain amounts in the 2022 financial statements have been reclassified to conform to the 2023 presentation.

RIVERDALE SENIOR SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

3. Risk and uncertainties

Concentration of credit risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist of cash and cash equivalents, investments, and grants, accounts, and other receivables. The Organization maintains its cash and cash equivalents in bank deposit accounts, the balances of which, at times, may exceed federally insured limits. Investment securities are exposed to various risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investments will occur in the near term and that such changes could materially affect the amount reported on the financial statements.

Concentrations of credit risk with respect to grants and contributions receivable are limited due to the fact that they are mainly from established foundations and the short payment terms the Organization has with its creditors. The Organization has not experienced, nor does it anticipate, any losses with respect to such accounts.

4. Availability and liquidity

The following represents the Organization's financial assets at June 30, 2023:

Financial assets at year end

Cash	\$ 428,279
Investments	613,624
Accounts receivable	2,066
Grants receivable	<u>365,755</u>
Total financial assets	<u>1,409,724</u>

Less amounts not available to be used within one year:

Net assets with donor restrictions	216,287
Less net assets with purpose restrictions to be met in less than a year	<u>(87,629)</u>
Total estimated net assets not expected to be used within one year	<u>128,658</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,281,066</u>

The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately \$500,000). As part of its liquidity plan, excess cash is invested in short-term investments, including money market accounts and certificates of deposit.

RIVERDALE SENIOR SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

5. Grants receivable

Grants receivable consist of the following at June 30:

	<u>2023</u>	<u>2022</u>
NYS Office for the Aging	\$ 9,131	\$ 15,654
NYC Department of Health and Mental Hygiene	38,634	52,974
NYC Department for the Aging	313,000	319,308
NYC Department of Youth and Community Development	<u>4,990</u>	<u>25,000</u>
	<u>\$ 365,755</u>	<u>\$ 412,936</u>

At June 30, 2023 and 2022, all receivables are expected to be collected within one year.

6. Special events

The Organization sponsored several events during the years ended June 30, 2023 and 2022 to raise additional funds for its charitable activities. The events and the net income derived are as follows:

	<u>2023</u>		
	<u>Income</u>	<u>Expenses</u>	<u>Net</u>
Gala	\$ 42,267	\$ 15,787	\$ 26,480
Online fundraisers	<u>7,700</u>	<u>430</u>	<u>7,270</u>
	<u>\$ 49,967</u>	<u>\$ 16,217</u>	<u>\$ 33,750</u>
	<u>2022</u>		
	<u>Income</u>	<u>Expenses</u>	<u>Net</u>
Gala	\$ 138,547	\$ 14,779	\$ 123,768
Online fundraisers	<u>11,263</u>	<u>4,226</u>	<u>7,037</u>
	<u>\$ 149,810</u>	<u>\$ 19,005</u>	<u>\$ 130,805</u>

RIVERDALE SENIOR SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

7. Investments

Investment securities are stated at fair value based on quoted prices in active markets and consist of the following at June 30:

	2023		2022	
	Cost	Fair value	Cost	Fair value
Mutual funds	\$ 483,361	\$ 566,494	\$ 483,361	\$ 474,906
Exchange - traded products	45,005	47,130	45,005	46,488
Total investments	<u>\$ 528,366</u>	<u>\$ 613,624</u>	<u>\$ 528,366</u>	<u>\$ 521,394</u>

The following schedule summarizes the investment return at June 30, 2023 and 2022. The classification of the investment return is reported on the statement of activities.

	2023	2022
Investments:		
Dividends and interest	\$ 22,500	\$ 37,556
Realized and unrealized gain (loss)	<u>32,230</u>	<u>(150,201)</u>
	<u>\$ 54,730</u>	<u>\$ (112,645)</u>

8. Fair value measurement

The classification of the Organization's investment securities at fair value are as follows at June 30, 2023:

	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 566,494	\$ -	\$ -	\$ 566,494
Exchange - traded products	47,130	-	-	47,130
	<u>\$ 613,624</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 613,624</u>

The classification of the Organization's investment securities at fair value are as follows at June 30, 2022:

	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 474,906	\$ -	\$ -	\$ 474,906
Exchange - traded products	46,488	-	-	46,488
	<u>\$ 521,394</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 521,394</u>

RIVERDALE SENIOR SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

9. Property and equipment

Property and equipment consisted of the following at June 30:

	<u>2023</u>	<u>2022</u>
Furniture and fixtures	\$ 98,467	\$ 98,467
Equipment	181,011	181,011
Leasehold improvements	739,715	739,715
Vehicles	<u>117,223</u>	<u>117,223</u>
	1,136,416	1,136,416
Less accumulated depreciation	<u>1,035,122</u>	<u>973,371</u>
Property and equipment, net	<u>\$ 101,294</u>	<u>\$ 163,045</u>

Depreciation expense for the years ended June 30, 2023 and 2022 was \$61,750 and \$100,592, respectively.

10. Paycheck Protection Program loan

On April 23, 2020, the Organization was granted a loan in the amount of \$235,690 pursuant to the Paycheck Protection Program (the PPP). The PPP, 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 related interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels.

During the fiscal year ended June 30, 2021, \$191,965 of the \$235,690 loan was formally forgiven by the Small Business Administration and recognized as grant income. The remaining unforgiven portion of \$43,725 is payable over five years at an interest rate of 1% and matures on May 1, 2025. The balance at June 30, 2023 and 2022 was \$22,131 and \$33,732, respectively.

Annual principal payments due for the years ended June 30 are as follows:

2024	\$ 11,716
2025	<u>10,415</u>
	<u>\$ 22,131</u>

11. Major sources of support and revenue

RSS received approximately 68% and 68% of its total support and revenues from the New York City Department for the Aging (DFTA) during the years ended June 30, 2023 and 2022, respectively. In addition, at June 30, 2023 and 2022, approximately 87% and 76%, respectively, of RSS's total receivables were due from DFTA.

RIVERDALE SENIOR SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

12. Retirement plan

RSS sponsors a deferred compensation plan qualified under Section 403(b) of the Internal Revenue Code, which covers all full-time employees with at least one year of employment. RSS will match an employee's contribution, up to 4% of their gross wages. For the years ended June 30, 2023 and 2022, RSS incurred \$15,665 and \$18,594, respectively, of expense in relation to this plan. Funds are held in self-directed investments maintained in each employee's name.

13. Commitments and contingencies

Operating leases

The Organization's operating leases consist primarily of real estate leases for office space which expire through June 2032. The Organization evaluated current contracts to determine which met the criteria of a lease. The right-of-use (ROU) assets represent the Organization's right to use underlying assets for the lease term, and the lease liabilities represent the Organization's obligation to make lease payments arising from these leases. The ROU assets and lease liabilities, all of which arise from operating leases, were calculated based on the present value of future lease payments over the lease terms, including renewal periods that are considered reasonably certain. The Organization has made an accounting policy election to use a risk-free rate to discount future lease payments.

The following summarizes the line items in the balance sheet which include amounts for operating leases as of June 30, 2023:

Operating lease right-of-use assets	<u>\$ 2,243,203</u>
Operating lease obligations	<u>\$ 2,281,703</u>

The components of operating lease expenses that are included in the statement of activities for the year ended June 30, 2023 are as follows:

Operating lease cost	<u>\$ 343,532</u>
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The following summarizes the cash flow information related to operating leases for the year ended June 30, 2023:

Cash paid for amounts included in the measurement of lease liabilities:

Operating cash flows for operating leases	<u>\$ 305,032</u>
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The weighted-average lease term and discount rate applied to calculate lease liabilities as of June 30, 2023 are as follows:

Weighted average remaining lease term	8.54 years
Weighted average discount rate	5.00%

RIVERDALE SENIOR SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

13. Commitments and contingencies (continued)

Operating leases (continued)

Future maturities of operating lease liabilities are presented in the following table, for the fiscal years ending June 30:

2024	\$ 321,697
2025	330,761
2026	334,835
2027	286,633
2028	295,232
Thereafter	<u>966,859</u>
Total lease payments	2,536,017
Less present value discount	<u>(254,314)</u>
Total lease obligations	<u>\$ 2,281,703</u>

RIVERDALE SENIOR SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

14. Net assets

Net assets were as follows for the years ended June 30, 2023 and 2022:

	2023			2022		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Undesignated	\$ 1,147,069	\$ -	\$ 1,147,069	\$ 1,009,985	\$ -	\$ 1,009,985
Specific purpose:						
Adult day activities program (ADAP)		54,843	54,843		79,843	79,843
Community health and education services		21,561	21,561		2,754	2,754
Healthy Community Initiatives		63,175	63,175		183,136	183,136
Improving Nutrition and Food Access		-	-		21,304	21,304
Adult Day Services		25,000	25,000		-	-
Technology Initiative		2,343	2,343		-	-
Mission fund grant		6,963	6,963		6,963	6,963
Endowment funds		42,402	42,402		42,402	42,402
Passage of time:						
For periods after June 30		-	-		30,000	30,000
Total net assets	\$ 1,147,069	\$ 216,287	\$ 1,363,356	\$ 1,009,985	\$ 366,402	\$ 1,376,387

Releases from net assets with donor restrictions are as follows at June 30:

	2023	2022
Adult Day Care Services	\$ 1,421,750	\$ 1,293,509
Healthy Community Initiatives	270,506	143,651
Geriatric Mental Health Initiative	135,684	135,564
Improving Nutrition and Food Access	121,304	109,293
Health promotion and volunteer coordination	24,976	32,441
Passage of time	-	30,000
Technology for older adults	10,000	25,000
Community health and education services	11,193	20,644
Technology Initiative	4,857	-
Community Garden	3,913	-
Mission grant fund	-	1,470
	<u>\$ 2,004,183</u>	<u>\$ 1,791,572</u>

RIVERDALE SENIOR SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

15. Endowment

Included within net assets with donor restrictions are donor-restricted endowment funds. As required by U.S. GAAP, net assets associated with the endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Organization is responsible for the long-term investment policies for donor-restricted endowment funds, unless otherwise specified by the donor. The Board of Directors has established a policy whereby 100% of average earnings on donor-restricted endowment funds are to be distributed each year to fund programs of the Organization. No such distribution shall be made to the extent it would reduce the value below the endowed corpus.

The Organization interprets the Uniform Prudent Management of Institutional Funds Act (UPMIFA) of New York State, 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 Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund is included within net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

The Organization's endowment fund consists of the following at June 30:

	<u>2023</u>	<u>2022</u>
General use	<u>\$ 42,402</u>	<u>\$ 42,402</u>

16. Subsequent events

Subsequent events have been evaluated through January 25, 2024, which is the date the financial statements were available to be issued. The Organization is not aware of any material subsequent events.