

**NORTH SHORE CHILD AND FAMILY
GUIDANCE ASSOCIATION, INC.
AND SUBSIDIARY**

**Consolidated Financial Statements
For the Years Ended
December 31, 2023
and
December 31, 2022**

Independent Auditor's Report

To the Board of Directors of
North Shore Child and Family Guidance Association, Inc.

Opinion

We have audited the accompanying consolidated financial statements of North Shore Child and Family Guidance Association, Inc. and Subsidiary (collectively, the "Agency"), which comprise the consolidated statements of financial position as of December 31, 2023 and December 31, 2022, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of December 31, 2023 and December 31, 2022 and the results of their activities and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 the Agency's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

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

Condon O'Meara McGinty + Donnelly LLP

May 13, 2024

**NORTH SHORE CHILD AND FAMILY GUIDANCE ASSOCIATION, INC.
AND SUBSIDIARY**

Consolidated Statements of Financial Position

Assets

	December 31	
	2023	2022
Current assets		
Cash and cash equivalents	\$2,510,379	\$1,796,758
Investments, at fair value	1,544,432	1,349,094
Government grants and other receivables	1,564,538	1,997,118
Current portion of contributions receivable	325,000	300,000
Prepaid expenses and other assets	71,254	63,662
Total current assets	6,015,603	5,506,632
Contributions receivable, net	-	315,442
Property and equipment, net	1,981,130	2,140,874
Total assets	\$7,996,733	\$7,962,948

Liabilities and Net Assets

Current liabilities		
Accounts payable and accrued expenses	\$ 724,299	\$ 740,309
Unearned revenue	52,045	63,410
Current portion of long-term debt	299,639	389,891
Total current liabilities	1,075,983	1,193,610
Long-term debt, net	1,164,582	1,423,585
Total liabilities	2,240,565	2,617,195
Net assets		
Without donor restrictions	4,441,321	3,757,100
With donor restrictions	1,314,847	1,588,653
Total net assets	5,756,168	5,345,753
Total liabilities and net assets	\$7,996,733	\$7,962,948

See notes to consolidated financial statements.

**NORTH SHORE CHILD AND FAMILY GUIDANCE ASSOCIATION, INC.
AND SUBSIDIARY**

Consolidated Statements of Activities

	Year Ended December 31			
	2023		2022	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
	Total	Total	Total	Total
Public support and revenue				
Program service fees	\$ 5,982,414	-	\$ 5,982,414	\$ 5,689,590
Government grants	2,823,460	-	2,823,460	2,736,746
Contributions	412,052	490,875	902,927	548,335
Special events, net of direct benefits to donors of \$88,244 in 2023 and \$241,894 in 2022	484,452	-	484,452	483,954
United Way and community funds	17,290	-	17,290	13,560
Investment return	244,593	-	244,593	(240,455)
Other	2,815	-	2,815	6,822
Net assets released from restrictions	764,681	(764,681)	-	(535,592)
Total public support and revenue	<u>10,731,757</u>	<u>(273,806)</u>	<u>10,457,951</u>	<u>9,819,353</u>
Expenses				
Program services				
Clinical	5,496,372	-	5,496,372	5,400,649
School community collaborative	2,351,569	-	2,351,569	2,181,974
Early childhood	82,815	-	82,815	65,779
Outreach	178,268	-	178,268	106,290
Total program services	<u>8,109,024</u>	<u>-</u>	<u>8,109,024</u>	<u>7,754,692</u>
Supporting activities				
Management and general	1,467,232	-	1,467,232	1,346,740
Fundraising	471,280	-	471,280	565,459
Total supporting activities	<u>1,938,512</u>	<u>-</u>	<u>1,938,512</u>	<u>1,912,199</u>
Total expenses	<u>10,047,536</u>	<u>-</u>	<u>10,047,536</u>	<u>9,666,891</u>
Increase (decrease) in net assets	<u>684,221</u>	<u>(273,806)</u>	<u>410,415</u>	<u>152,462</u>
Net assets, beginning of year	<u>3,757,100</u>	<u>1,588,653</u>	<u>5,345,753</u>	<u>1,575,910</u>
Net assets, end of year	<u>\$ 4,441,321</u>	<u>\$ 1,314,847</u>	<u>\$ 5,756,168</u>	<u>\$ 3,757,100</u>
			<u>\$ 3,757,100</u>	<u>\$ 1,588,653</u>
			<u>\$ 5,756,168</u>	<u>\$ 5,345,753</u>

See notes to consolidated financial statements.

**NORTH SHORE CHILD AND FAMILY GUIDANCE ASSOCIATION, INC.
AND SUBSIDIARY**

**Consolidated Statements of Functional Expenses
Year Ended December 31, 2023
(With Summarized Comparative Information for 2022)**

	2023						2022	
	Program Services			Supporting Activities			Total	Total
	School Community Collaborative	Early Childhood	Outreach	Total	Management and General	Fund- Raising		
Payroll and related expenses								
Payroll	\$ 3,370,618	\$ 50,132	\$ 108,496	\$ 5,126,490	\$ 834,528	\$ 234,867	\$ 1,069,395	\$ 6,195,885
Payroll taxes and fringe benefits	1,365,343	702,175	58,370	2,148,283	317,524	84,684	402,208	2,550,491
Total payroll and related expenses	<u>4,735,961</u>	<u>2,299,419</u>	<u>166,866</u>	<u>7,274,773</u>	<u>1,152,052</u>	<u>319,551</u>	<u>1,471,603</u>	<u>8,746,376</u>
Other expenses								
Advertising	-	-	-	-	19,232	-	19,232	9,906
Bank charges	-	-	-	-	9,489	4,839	14,328	20,221
Bond costs	-	-	-	-	-	-	-	286
Catering, facilities and other	2,434	133	4,521	7,088	2,304	97,040	99,344	106,432
Computer	54,086	6,257	7	60,375	22,793	263	23,056	83,431
Consulting	4,667	333	-	5,000	-	18,730	23,730	24,131
Depreciation	185,095	10,014	1,101	199,243	17,806	30,761	48,567	249,314
Dues and subscriptions	-	-	-	-	1,884	538	2,422	1,681
Equipment	31,540	6,780	153	38,870	6,004	3,584	9,588	47,117
Insurance	104,855	19,241	1,636	127,133	21,390	6,769	28,159	155,292
Interest	70,362	-	164	70,946	36,451	12,839	49,290	120,236
Professional fees	648	12	5	665	54,842	38	54,880	55,545
Office expenses and supplies	15,360	3,472	704	19,778	77,271	2,281	79,552	99,327
Postage	2,688	432	-	3,120	1,476	4,832	7,952	7,569
Printing and publications	1,267	425	160	1,852	209	26,280	26,489	28,341
Program supplies	28,143	106	728	29,474	136	775	911	30,385
Repairs and maintenance	134,713	-	1,051	138,322	17,634	10,373	28,007	166,329
Tax expense	1,828	-	-	1,828	734	438	1,172	3,000
Temporary help	8,658	-	-	8,658	-	-	-	8,658
Travel and automobile	12,865	68	-	12,933	992	-	992	13,925
Telephone and utilities	99,214	5,090	602	106,408	16,860	9,489	26,349	132,757
Other	1,988	-	570	2,558	7,673	11,580	19,253	21,811
Total other expenses	<u>760,411</u>	<u>52,150</u>	<u>11,402</u>	<u>834,251</u>	<u>315,180</u>	<u>239,973</u>	<u>555,153</u>	<u>1,389,404</u>
Total	5,496,372	2,351,569	178,268	8,109,024	1,467,232	559,524	2,026,756	10,135,780
Less: costs of direct benefits to donors	-	-	-	-	-	88,244	88,244	241,894
Total expenses per consolidated statement of activities	<u>\$ 5,496,372</u>	<u>\$ 2,351,569</u>	<u>\$ 178,268</u>	<u>\$ 8,109,024</u>	<u>\$ 1,467,232</u>	<u>\$ 471,280</u>	<u>\$ 1,938,512</u>	<u>\$ 10,047,536</u>
								<u>\$ 9,666,891</u>

See notes to consolidated financial statements.

**NORTH SHORE CHILD AND FAMILY GUIDANCE ASSOCIATION, INC.
AND SUBSIDIARY**

**Consolidated Statement of Functional Expenses
Year Ended December 31, 2022**

	Program Services				Supporting Activities		
	Clinical	School Community Collaborative	Early Childhood	Outreach	Management and General	Fund- Raising	Total
Payroll and related expenses							
Payroll	\$ 3,331,295	\$ 1,545,809	\$ 43,413	\$ 69,875	\$ 743,895	\$ 286,303	\$ 6,020,590
Payroll taxes and fringe benefits	1,293,911	583,768	16,093	26,735	298,929	122,524	2,341,960
Total payroll and related expenses	<u>4,625,206</u>	<u>2,129,577</u>	<u>59,506</u>	<u>96,610</u>	<u>1,042,824</u>	<u>408,827</u>	<u>8,362,550</u>
Other expenses							
Advertising	-	-	-	-	9,656	250	9,906
Bank charges	-	-	-	-	16,219	4,002	20,221
Bond costs	-	-	-	-	-	286	286
Catering, facilities and other	4,683	-	-	2,846	1,563	249,122	258,214
Computer	58,282	9,701	4	587	21,945	1,100	91,619
Consulting	7,250	-	-	-	1,438	15,443	24,131
Depreciation	188,605	7,679	3,074	1,107	17,621	31,228	249,314
Dues and subscriptions	-	-	-	-	119	1,562	1,681
Equipment	31,423	7,001	66	184	5,304	3,139	47,117
Insurance	99,734	16,596	1,232	1,066	17,351	6,588	142,567
Interest	78,301	-	542	212	41,716	13,511	134,282
Professional fees	-	-	-	-	46,203	-	46,203
Office expenses and supplies	17,821	5,977	43	1,294	71,917	2,275	99,327
Postage	3,555	189	58	3	1,426	2,338	7,569
Printing and publications	1,262	531	65	190	-	29,776	31,824
Program supplies	31,955	-	-	780	-	-	32,735
Repairs and maintenance	129,025	-	433	775	19,609	11,708	161,550
Tax expense	-	-	-	-	275	-	275
Temporary help	9,376	-	-	-	-	-	9,376
Travel and automobile	6,808	140	32	-	972	14	7,966
Telephone and utilities	102,744	4,082	222	631	16,255	9,659	133,593
Other	4,619	501	502	5	14,327	16,525	36,479
Total other expenses	<u>775,443</u>	<u>52,397</u>	<u>6,273</u>	<u>9,680</u>	<u>303,916</u>	<u>398,326</u>	<u>1,546,235</u>
Total	5,400,649	2,181,974	65,779	106,290	1,346,740	807,353	9,908,785
Less: costs of direct benefits to donors	-	-	-	-	-	241,894	241,894
Total expenses per consolidated statement of activities	<u>\$ 5,400,649</u>	<u>\$ 2,181,974</u>	<u>\$ 65,779</u>	<u>\$ 106,290</u>	<u>\$ 1,346,740</u>	<u>\$ 565,459</u>	<u>\$ 9,666,891</u>

See notes to consolidated financial statements.

**NORTH SHORE CHILD AND FAMILY GUIDANCE ASSOCIATION, INC.
AND SUBSIDIARY**

Consolidated Statements of Cash Flows

	Year Ended	
	December 31	
	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Increase in net assets	\$ 410,415	\$ 165,205
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation	247,810	249,314
Amortization of financing costs	40,632	40,632
Realized and unrealized (gain) loss on investments	(167,778)	267,362
Contributions earmarked for capital	(10,000)	(125,000)
(Increase) decrease in assets		
Government grants and other receivables	432,580	(796,649)
Contributions receivable	290,442	319,089
Prepaid expenses and other assets	(7,592)	14,561
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	(16,010)	51,556
Unearned revenue	(11,365)	(9,736)
Net cash provided by operating activities	<u>1,209,134</u>	<u>176,334</u>
Cash flows from investing activities		
Purchases of property and equipment	(88,066)	(157,450)
Purchases of investments	(246,574)	(301,998)
Proceeds from sale of investments	219,014	285,852
Net cash (used in) investing activities	<u>(115,626)</u>	<u>(173,596)</u>
Cash flows from financing activities		
Repayment of long-term debt	(389,887)	(369,181)
Contributions earmarked for capital	10,000	125,000
Net cash (used in) investing activities	<u>(379,887)</u>	<u>(244,181)</u>
Net increase (decrease) in cash and cash equivalents	<u>713,621</u>	<u>(241,443)</u>
Cash and cash equivalents, beginning of year	<u>1,796,758</u>	<u>2,038,201</u>
Cash and cash equivalents, end of year	<u>\$ 2,510,379</u>	<u>\$ 1,796,758</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	<u>\$ 79,604</u>	<u>\$ 93,650</u>

See notes to consolidated financial statements.

**NORTH SHORE CHILD AND FAMILY GUIDANCE ASSOCIATION, INC.
AND SUBSIDIARY**

**Notes to Consolidated Financial Statements
December 31, 2023 and December 31, 2022**

Note 1 – Nature of organization and summary of significant accounting policies

Nature of organization

North Shore Child and Family Guidance Association, Inc. (the “Agency”) is a non-profit mental health agency incorporated in New York State. It was founded in 1953 and is presently a major Long Island facility for consultation, counseling and treatment of youth and their families.

North Shore Child and Family Guidance Association Holding Corporation (the “Holding Corporation”) is a New York not-for-profit corporation formed for the purpose of acquiring, purchasing, leasing, constructing and renovating real property in furtherance of the exempt purposes of North Shore Child and Family Guidance Association, Inc.

Principles of consolidation

The consolidated financial statements include the accounts of North Shore Child and Family Guidance Association, Inc. and North Shore Child and Family Guidance Association Holding Corporation (collectively, the “Agency”) and any intercompany accounts and transactions are eliminated upon consolidation. There were no activities for the Holding Corporation during 2023 and 2022.

Program services

Clinical – Clinical services include diagnostic evaluations and treatment and are provided as a major component at all sites and through home visits. Clinical services include individual, family, and group therapy, crisis services, case management, medication follow-up, and psycho-educational and self-help support groups. Included are core mental health and chemical dependency.

School community collaborative – The school community collaborative focuses on students with serious emotional disturbances who are at risk for being placed in settings outside of their homes. The aim is to maintain students in the least restrictive and most inclusionary environment which includes a school-based mental health collaboration with Nassau BOCES covering all Nassau County School Districts.

Early childhood – Early childhood services focuses on the needs of children from birth through 6 years of age and their families. The goal of these services is to ensure that the emotional needs of very young children are recognized and that services are created that are both psychologically and developmentally sound. The services are delivered through the use of evaluation, therapy, consultation, and parental/care giver education primarily in the Agency’s Marks’ Family Right from the Start 0-3+ Center.

Outreach – Outreach services include those provided on-site in homes, schools, community centers, religious institutions, neighborhoods and in other formal and informal community locations. Primarily preventative, outreach services aim to reach vulnerable and disenfranchised populations such as recent immigrants, children with serious learning problems, youth with histories of truancy and delinquent behavior who are unlikely to access agency services through more formal means.

**NORTH SHORE CHILD AND FAMILY GUIDANCE ASSOCIATION, INC.
AND SUBSIDIARY**

**Notes to Consolidated Financial Statements (continued)
December 31, 2023 and December 31, 2022**

Note 1 – Nature of organization and summary of significant accounting policies (continued)

Net assets

The Agency's net assets consist of the following:

Net assets without donor restrictions of the Agency have not been restricted by an outside donor and are therefore available for use in carrying out the operations of the Agency.

Net assets with temporary donor restrictions of the Agency have been limited by donor-imposed stipulations that either expire with the passage of time or can be fulfilled and removed by the actions of the Agency pursuant to those stipulations.

Net assets with perpetual donor restrictions of the Agency include donor stipulations that must be maintained by the Agency in perpetuity. The Agency does not have any net assets with perpetual donor restrictions.

Revenue recognition

Program service fees, including client fees and third-party insurance, are recorded when earned, which is at the time of service.

The Agency receives grants from government agencies in exchange for the performance of various services. The Agency recognizes government grant revenue as expenses are incurred to a maximum of the grant award.

Funding contracts are often subject to audit by the applicable granting agencies. The possible disallowances by the granting agencies of any item charged to the program cannot be determined until such time when and if an audit occurs. Therefore, no provision for any potential disallowances that may result from such audits has been made in the accompanying consolidated financial statements. Management is of the opinion that any potential disallowances will not be material to the accompanying consolidated financial statements.

Contributions, including unconditional promises to give, are recognized as revenue in the period received. The Agency reports contributions with donor restrictions, if they are received with donor stipulations that limit the use of the donated assets. When a donor stipulation expires, assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. Contributions of assets other than cash are recorded at their estimated fair value at the date of donation.

Bequests are recorded as revenue when a legally binding obligation is received and when a fair value can reasonably be determined.

**NORTH SHORE CHILD AND FAMILY GUIDANCE ASSOCIATION, INC.
AND SUBSIDIARY**

**Notes to Consolidated Financial Statements (continued)
December 31, 2023 and December 31, 2022**

Note 1 – Nature of organization and summary of significant accounting policies (continued)

Cash equivalents

The Agency considers all highly liquid investments with original maturities of 90 days or less to be cash equivalents.

Investments

Investments are recorded at fair value which is based on publicly traded quotes. Realized and unrealized gains or losses are reported in the consolidated statements of activities as increases or decreases in net assets.

Fair value measurements

The Agency invests in mutual and exchange-traded funds. The Agency's mutual and exchange-traded funds are measured using Level 1 inputs, which are defined as quoted prices in active markets for identical assets that the reporting entity has the ability to access at the measurement date.

Contributions receivable

Contributions receivable that are expected to be collected within one year are recorded at their net realizable value. Contributions receivable that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on these amounts are computed using a risk-adjusted rate applicable to the year in which the contributions are made. Amortization of the discount is included in contributions revenue.

Allowance for doubtful accounts

As of December 31, 2023 and December 31, 2022, the Agency's management has determined that there are no potentially uncollectible receivables and thus, an allowance for doubtful accounts is not necessary. Such estimate is based on management's experience, the aging of the receivables, subsequent receipts and current economic conditions.

Property and equipment

Property and equipment are stated at cost. Expenditures for property and equipment above a nominal amount with a useful life greater than one year are capitalized. Depreciation is calculated using the straight-line method over the following estimated useful lives:

Buildings and improvements	8 – 25 years
Furniture, fixtures and equipment	3 – 5 years

**NORTH SHORE CHILD AND FAMILY GUIDANCE ASSOCIATION, INC.
AND SUBSIDIARY**

**Notes to Consolidated Financial Statements (continued)
December 31, 2023 and December 31, 2022**

Note 1 – Nature of organization and summary of significant accounting policies (continued)

Unamortized costs of financing

Costs of financing are being amortized over the periods of the related long-term debt. Unamortized costs of financing are netted with the Agency's long-term debt on the consolidated statements of financial position and the amortization of the costs of financing are included with interest expense on the consolidated statements of functional expenses.

Functional expenses

The cost of providing the various programs and other activities has been summarized on a functional basis. Accordingly, certain costs have been allocated among the program services and supporting activities benefited. Expenses attributable to more than one functional category are allocated based on square footage.

Contributed nonfinancial assets

A number of volunteers, including members of the Board of Directors, have donated significant amounts of their time to the Agency's program services, management and general services and fundraising campaigns. These donated services have not been recorded in the accompanying consolidated statements of activities because they do not meet the criteria for recording such services.

Use of estimates

The consolidated financial statements of the Agency are prepared in conformity with accounting principles generally accepted in the United States of America, which require 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.

Concentrations of credit risk

The Agency's financial instruments that are potentially exposed to concentrations of credit risk consist primarily of cash, cash equivalents, investments and receivables. The Agency places its cash and cash equivalents with what it believes to be quality financial institutions. At times during the year, the Agency's bank accounts exceeded the FDIC insurance limit. The Agency has not incurred any losses in its bank accounts to date. The Agency's investments are exposed to various risks such as interest rate, market volatility, liquidity and credit. Due to the level of risk associated with investment securities, it is reasonably possible that changes in these risks could materially affect the fair value of the investments reported in the consolidated statement of financial position as of December 31, 2023. The Agency routinely monitors the collectibility of its receivables to ensure they are viable. As a result, the Agency believes no significant concentrations of credit risk exist with respect to its cash, cash equivalents, investments and receivables.

**NORTH SHORE CHILD AND FAMILY GUIDANCE ASSOCIATION, INC.
AND SUBSIDIARY**

**Notes to Consolidated Financial Statements (continued)
December 31, 2023 and December 31, 2022**

Note 1 – Nature of organization and summary of significant accounting policies (continued)

Subsequent events

The Agency has evaluated events and transactions for potential recognition or any other disclosure through May 13, 2024, which is the date the consolidated financial statements were available to be issued.

Note 2 – Liquidity and availability of financial assets

The Agency's working capital and cash flows have seasonal variations during the year attributable to cash receipts from program service fees, government grants, contributions and other revenue items. The following is a summary of the Agency's financial assets as of December 31, 2023 and December 31, 2022 that are available for general use within one year of the consolidated statements of financial position date:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 2,510,379	\$ 1,796,758
Investments, at fair value	1,544,432	1,349,094
Government grants and other receivables	1,564,538	1,997,118
Current portion of contributions receivable	<u>325,000</u>	<u>300,000</u>
Total	<u>\$ 5,944,349</u>	<u>\$ 5,442,970</u>

The Agency also has available a \$500,000 revolving line of credit (see note 6) to finance short-term working capital needs that may be drawn upon as necessary.

Note 3 – Investments, at fair value

The following is a summary of the investments at December 31, 2023 and December 31, 2022:

	<u>2023</u>		<u>2022</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Cash and cash equivalents	\$ 44,212	\$ 44,212	\$ 47,753	\$ 47,753
Mutual and exchange-traded funds				
Equities	786,938	977,539	788,430	844,260
Fixed income	<u>562,744</u>	<u>522,681</u>	<u>525,644</u>	<u>457,081</u>
Total	<u>\$1,393,894</u>	<u>\$1,544,432</u>	<u>\$1,361,827</u>	<u>\$1,349,094</u>

**NORTH SHORE CHILD AND FAMILY GUIDANCE ASSOCIATION, INC.
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**Notes to Consolidated Financial Statements (continued)
December 31, 2023 and December 31, 2022**

Note 3 – Investments, at fair value (continued)

Investment return for the years ended December 31, 2023 and December 31, 2022 consists of the following:

	<u>2023</u>	<u>2022</u>
Interest and dividends	\$ 76,815	\$ 26,907
Realized gain on the sale of investments	4,507	12,207
Unrealized gain (loss) on investments	<u>163,271</u>	<u>(279,569)</u>
Total investment return	<u>\$ 244,593</u>	<u>\$ (240,455)</u>

Note 4 – Contributions receivable

As of December 31, 2023 and December 31, 2022, contributions receivable are due to be collected as follows:

	<u>2023</u>	<u>2022</u>
Due in one year	\$ 325,000	\$ 300,000
Due in one to five years	-	325,000
Sub-total	<u>325,000</u>	<u>625,000</u>
Less: interest discount at a rate of 1.0% for 2022	-	<u>(9,558)</u>
Total	<u>325,000</u>	<u>615,442</u>
Less: current portion	<u>325,000</u>	<u>300,000</u>
Long-term portion	<u>\$ -</u>	<u>\$ 315,442</u>

Note 5 – Property and equipment, net

Property and equipment consist of the following at December 31, 2023 and December 31, 2022:

	<u>2023</u>	<u>2022</u>
Land	\$ 259,150	\$ 259,150
Buildings and improvements	5,859,892	5,719,765
Furniture, fixtures and equipment	824,224	821,357
Construction in progress	<u>2,611</u>	<u>57,539</u>
Sub-total	<u>6,945,877</u>	<u>6,857,811</u>
Less: accumulated depreciation	<u>4,964,747</u>	<u>4,716,937</u>
Total	<u>\$ 1,981,130</u>	<u>\$ 2,140,874</u>

**NORTH SHORE CHILD AND FAMILY GUIDANCE ASSOCIATION, INC.
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**Notes to Consolidated Financial Statements (continued)
December 31, 2023 and December 31, 2022**

Note 6 – Long-term debt and line of credit

During 2015, the Agency issued a \$1,586,000 tax-exempt revenue bond Series 2015C-1, a \$2,089,000 revenue bond Series 2015C-2 and a \$180,000 Series 2015C-3 (the “Bonds”), in the aggregate principal amount of \$3,855,000, for the purposes of refinancing its previous bonds payable, funding of the repayment of a major portion of the liability due to OMH, and to repay the previous mortgage note. The Bonds were issued pursuant to a Bond Purchase Agreement and Loan Agreement dated June 19, 2015, between the Nassau County Local Economic Assistance Corporation (LEAC) and a bank. The Bonds require monthly payments of principal plus interest at the annual rates of 2.87%, 4.51% and 3.65%, respectively. The Bonds contain a restrictive borrowing covenant and certain financial covenants as outlined in the agreement. The Bonds are secured by a mortgage on the premises. In connection with the Bond Purchase and Loan Agreement, the LEAC assigned the mortgage to a bank. The Series 2015C-1 and 2015C-2 bonds mature on June 1, 2024 and June 1, 2025, respectively. The 2015C-3 bonds matured on June 1, 2020. The Agency may request the bank to waive the mandatory purchase of the 2015C-2 bonds, prior to original maturity date, for a subsequent interest rate period(s), at an interest rate determined by the bank at such time. Any decision in regards to the waiving of the mandatory purchase is at the sole discretion of the bank.

During March 2018, in connection with the Agency’s window replacement project and other capital projects, the Agency obtained a ten-year \$750,000 mortgage note payable. The note required monthly interest only payments through September 1, 2018 at the rate of 5.12% per annum. Commencing October 1, 2018, the note requires monthly payments of \$4,515, based on a 25-year amortization, applicable first to interest at the aforementioned rate with the balance to the reduction of principal. At maturity on April 1, 2028, the note will require a balloon payment of \$207,058. The Agency may prepay the note in whole or in part at any time without penalty or premium. The Agency made a principal prepayment of approximately \$220,000 in November 2018. The loan contains certain financial covenants as outlined in the agreement.

The following is a summary of the future minimum principal payments as of December 31, 2023:

<u>Year</u>	<u>Mortgage Note Payable</u>	<u>Bonds</u>	<u>Total</u>
2024	\$ 35,639	\$ 264,000	\$ 299,639
2025	37,588	925,000	962,588
2026	39,586	-	39,586
2027	41,691	-	41,691
2028	<u>217,831</u>	<u>-</u>	<u>217,831</u>
	Sub-total	<u>\$ 372,335</u>	<u>1,561,335</u>
	Less: current portion		299,639
	Less: unamortized costs of financing		<u>97,114</u>
	Net long-term portion		<u>\$1,164,582</u>

**NORTH SHORE CHILD AND FAMILY GUIDANCE ASSOCIATION, INC.
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**Notes to Consolidated Financial Statements (continued)
December 31, 2023 and December 31, 2022**

Note 6 – Long-term debt and line of credit (continued)

Line of credit

The Agency has available a \$500,000 revolving line of credit. Borrowings under the line bear interest at a per annum rate equal to the Secured Overnight Financing Rate. All borrowings under the line are payable in full upon demand by the lender. As of the date of this report, the Agency had no outstanding borrowings under the line.

The note and line of credit are secured by a second mortgage on the Agency's real property and the Agency's personal property.

Note 7 – Net assets with donor restrictions

The following is a summary of the net assets with donor restrictions for the years ended December 31, 2023 and December 31, 2022:

<u>Description</u>	2023			
	Balance December 31, 2022	<u>Contributions</u>	Net assets released from <u>Restrictions</u>	Balance December 31, 2023
Capital improvements	\$ 175,737	\$ 10,000	\$ (20,000)	\$ 165,737
Emergency services	726,860	105,385	(105,750)	726,495
Time restricted	452,092	9,559	(286,120)	175,531
Right from the start	75,502	226,000	(186,668)	114,834
Other family life programs	158,462	139,931	(166,143)	132,250
Total	<u>\$ 1,588,653</u>	<u>\$ 490,875</u>	<u>\$ (764,681)</u>	<u>\$ 1,314,847</u>

<u>Description</u>	2022			
	Balance December 31, 2021	<u>Contributions</u>	Net assets released from <u>Restrictions</u>	Balance December 31, 2022
Capital improvements	\$ 87,737	\$ 125,000	\$ (37,000)	\$ 175,737
Emergency services	644,487	115,650	(33,277)	726,860
Time restricted	643,519	5,911	(197,338)	452,092
Right from the start	81,877	201,000	(207,375)	75,502
Other family life programs	118,290	100,774	(60,602)	158,462
Total	<u>\$ 1,575,910</u>	<u>\$ 548,335</u>	<u>\$ (535,592)</u>	<u>\$ 1,588,653</u>

**NORTH SHORE CHILD AND FAMILY GUIDANCE ASSOCIATION, INC.
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**Notes to Consolidated Financial Statements (continued)
December 31, 2023 and December 31, 2022**

Note 8 – Pension and retirement plans

Multiemployer defined benefit pension and welfare plan

The Agency makes contributions to a multiemployer defined benefit pension and welfare plan (the “Plan”) under the terms of a collective-bargaining agreement that covers its union-represented employees. The risks of participating in a multiemployer plan are different from a single-employer plan in the following aspects:

- Assets contributed to a multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.
- If a participating employer stops contributing to a plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- If the Agency chooses to stop participating in the multiemployer plan, the Agency may be required to pay the plan an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The Agency’s participation in this Plan for the years ended December 31, 2023 and December 31, 2022, is outlined in the table below. The “EIN/Pension Plan Number” column provides the Employer Identification Number (“EIN”) and the three-digit plan number. The third column lists the expiration date of the collective-bargaining agreement to which the Plan is subject. The Pension Protection Act zone status available in 2023 and 2022 is for the Plan’s years ended December 31, 2022 and December 31, 2021, respectively. The zone status is based on information that the Agency received from the Plan and is certified by the Plan’s actuary. Among other factors, plans in the red zone are generally less than 65 percent funded, plans in the yellow zone are at least 65 percent funded and less than 80 percent funded, and plans in the green zone are at least 80 percent funded.

<u>Pension Fund</u>	<u>EIN/Pension Plan Number</u>	<u>Expiration Date of Collective Bargaining Agreement</u>	<u>Pension Protection Act Zone Status</u>		<u>Contributions to the Plan</u>	
			<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
1199 SEIU Healthcare Employee Pension Fund	13-3604862-001	12/31/24	Green	Green	\$ 266,432	\$266,578

**NORTH SHORE CHILD AND FAMILY GUIDANCE ASSOCIATION, INC.
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**Notes to Consolidated Financial Statements (continued)
December 31, 2023 and December 31, 2022**

Note 8 – Pension and retirement plans (continued)

403(b) plans

The Agency also maintains two 403(b) plans for union and non-union employees, whereby eligible participating employees may voluntarily authorize the Agency, under a salary reduction agreement, to deduct from their salaries certain amounts as contributions to the 403(b) plans. Employees' salary reductions are excluded from the employees' income for federal income tax purposes as provided by the Internal Revenue Code. The Agency can make non-elective contributions for eligible non-union participants. The Agency cannot contribute to the plan for union employees. Pension expense under this plan, net of forfeitures, for the years ended December 31, 2023 and December 31, 2022 was \$203,935 and \$203,438, respectively.

Note 9 – Tax status

North Shore Child and Family Guidance Association, Inc. is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the "Code"). In addition, North Shore Child and Family Guidance Association, Inc. has been determined by the Internal Revenue Service to be a publicly supported organization under the meaning of Section 509(a)(1) of the Code, and not a private foundation.

North Shore Child and Family Guidance Association Holding Corporation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.