

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

**Consolidated Financial Statements
For the Years Ended
December 31, 2025
and
December 31, 2024**

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, 2025 and December 31, 2024, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of December 31, 2025 and December 31, 2024 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

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

Consolidated Statements of Financial Position

Assets

	December 31	
	<u>2025</u>	<u>2024</u>
Current assets		
Cash and cash equivalents	\$2,356,951	\$2,438,096
Investments, at fair value	1,946,234	1,711,345
Government grants and other receivables	1,342,316	1,502,074
Current portion of contributions receivable	175,000	-
Prepaid expenses and other assets	<u>111,827</u>	<u>76,450</u>
Total current assets	5,932,328	5,727,965
Contributions receivable, net	341,405	-
Property and equipment, net	<u>2,166,998</u>	<u>2,023,707</u>
Total assets	<u>\$8,440,731</u>	<u>\$7,751,672</u>

Liabilities and Net Assets

Current liabilities		
Accounts payable and accrued expenses	\$ 706,279	\$ 546,687
Unearned revenue	37,343	60,939
Current portion of long-term debt	<u>97,771</u>	<u>962,588</u>
Total current liabilities	841,393	1,570,214
Long-term debt, net	<u>790,330</u>	<u>236,184</u>
Total liabilities	<u>1,631,723</u>	<u>1,806,398</u>
Net assets		
Without donor restrictions	5,671,815	5,151,655
With donor restrictions	<u>1,137,193</u>	<u>793,619</u>
Total net assets	<u>6,809,008</u>	<u>5,945,274</u>
Total liabilities and net assets	<u>\$8,440,731</u>	<u>\$7,751,672</u>

See notes to consolidated financial statements.

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

Consolidated Statements of Activities

	Year Ended December 31					
	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenue						
Program service fees	\$ 6,464,146	\$ -	\$ 6,464,146	\$ 5,965,839	\$ -	\$ 5,965,839
Government grants	3,138,204	-	3,138,204	3,254,049	-	3,254,049
Contributions	426,196	1,093,445	1,519,641	478,452	439,142	917,594
Special events, net of direct benefits to donors of \$142,733 in 2025 and \$102,700 in 2024	636,213	-	636,213	485,120	-	485,120
United Way and community funds	12,500	-	12,500	15,890	-	15,890
Investment return	287,582	-	287,582	246,881	-	246,881
Other	4,676	-	4,676	12,079	-	12,079
Net assets released from restrictions	749,871	(749,871)	-	960,370	(960,370)	-
Total public support and revenue	<u>11,719,388</u>	<u>343,574</u>	<u>12,062,962</u>	<u>11,418,680</u>	<u>(521,228)</u>	<u>10,897,452</u>
Expenses						
Program services						
Clinical	5,978,690	-	5,978,690	5,856,678	-	5,856,678
School community collaborative	2,620,208	-	2,620,208	2,507,568	-	2,507,568
Early childhood	84,838	-	84,838	84,775	-	84,775
Outreach	<u>190,942</u>	<u>-</u>	<u>190,942</u>	<u>179,934</u>	<u>-</u>	<u>179,934</u>
Total program services	<u>8,874,678</u>	<u>-</u>	<u>8,874,678</u>	<u>8,628,955</u>	<u>-</u>	<u>8,628,955</u>
Supporting activities						
Management and general	1,744,445	-	1,744,445	1,590,782	-	1,590,782
Fundraising	<u>580,105</u>	<u>-</u>	<u>580,105</u>	<u>488,609</u>	<u>-</u>	<u>488,609</u>
Total supporting activities	<u>2,324,550</u>	<u>-</u>	<u>2,324,550</u>	<u>2,079,391</u>	<u>-</u>	<u>2,079,391</u>
Total expenses	<u>11,199,228</u>	<u>-</u>	<u>11,199,228</u>	<u>10,708,346</u>	<u>-</u>	<u>10,708,346</u>
Increase (decrease) in net assets	520,160	343,574	863,734	710,334	(521,228)	189,106
Net assets, beginning of year	<u>5,151,655</u>	<u>793,619</u>	<u>5,945,274</u>	<u>4,441,321</u>	<u>1,314,847</u>	<u>5,756,168</u>
Net assets, end of year	<u>\$ 5,671,815</u>	<u>\$ 1,137,193</u>	<u>\$ 6,809,008</u>	<u>\$ 5,151,655</u>	<u>\$ 793,619</u>	<u>\$ 5,945,274</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, 2025
(With Summarized Comparative Information for 2024)

	2025							2024	
	Program Services				Supporting Activities			Total	Total
	Clinical	School Community Collaborative	Early Childhood	Outreach	Total	Management and General	Fund- Raising	Total	Total
Payroll and related expenses									
Payroll	\$ 3,650,638	\$ 1,851,134	\$ 52,806	\$ 119,033	\$ 5,673,611	\$ 1,012,467	\$ 284,743	\$ 1,297,210	\$ 6,970,821
Payroll taxes and fringe benefits	<u>1,593,956</u>	<u>694,310</u>	<u>23,199</u>	<u>55,914</u>	<u>2,367,379</u>	<u>344,445</u>	<u>90,223</u>	<u>434,668</u>	<u>2,802,047</u>
Total payroll and related expenses	<u>5,244,594</u>	<u>2,545,444</u>	<u>76,005</u>	<u>174,947</u>	<u>8,040,990</u>	<u>1,356,912</u>	<u>374,966</u>	<u>1,731,878</u>	<u>9,772,868</u>
Other expenses									
Advertising	-	-	-	-	-	67,863	-	67,863	67,863
Bank charges	8,296	-	-	-	8,296	1,291	7,142	8,433	16,729
Catering, facilities and other	7,701	-	-	1,122	8,823	10,668	144,638	155,306	164,129
Computer	66,237	6,444	18	11	72,710	26,804	81	26,885	99,595
Consulting	3,500	-	-	-	3,500	-	22,082	22,082	25,582
Depreciation	113,056	10,201	1,275	429	124,961	22,951	29,847	52,798	177,759
Dues and subscriptions	104	-	-	-	104	3,396	43	3,439	3,543
Equipment	8,654	5,520	68	38	14,280	2,878	1,436	4,314	18,594
Insurance	146,653	29,448	2,210	2,553	180,864	28,771	6,320	35,091	215,955
Interest	42,451	-	-	-	42,451	24,086	10,806	34,892	77,343
Professional fees	-	-	-	-	-	53,860	-	53,860	53,860
Office expenses and supplies	14,275	1,633	151	541	16,600	79,025	34,176	113,201	129,801
Postage	2,708	-	-	-	2,708	1,404	5,388	6,792	9,500
Printing and publications	-	684	-	-	684	790	46,684	47,474	48,158
Program supplies	39,483	61	973	2,915	43,432	175	39	214	43,646
Repairs and maintenance	121,902	-	1,946	915	124,763	26,391	11,596	37,987	162,750
Tax	892	-	-	-	892	406	202	608	1,500
Temporary help	45,972	10,102	-	-	56,074	-	-	-	56,074
Travel and automobile	6,868	-	-	-	6,868	1,992	-	1,992	8,860
Telephone and utilities	100,353	10,525	1,685	835	113,398	18,394	8,864	27,258	140,656
Other	<u>4,991</u>	<u>146</u>	<u>507</u>	<u>6,636</u>	<u>12,280</u>	<u>16,388</u>	<u>18,528</u>	<u>34,916</u>	<u>47,196</u>
Total other expenses	<u>734,096</u>	<u>74,764</u>	<u>8,833</u>	<u>15,995</u>	<u>833,688</u>	<u>387,533</u>	<u>347,872</u>	<u>735,405</u>	<u>1,569,093</u>
Total expenses	5,978,690	2,620,208	84,838	190,942	8,874,678	1,744,445	722,838	2,467,283	11,341,961
Less: costs of direct benefits to donors	-	-	-	-	-	-	142,733	142,733	142,733
Total expenses per consolidated statements of activities	<u>\$ 5,978,690</u>	<u>\$ 2,620,208</u>	<u>\$ 84,838</u>	<u>\$ 190,942</u>	<u>\$ 8,874,678</u>	<u>\$ 1,744,445</u>	<u>\$ 580,105</u>	<u>\$ 2,324,550</u>	<u>\$11,199,228</u>

See notes to consolidated financial statements.

\$10,708,346

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

Consolidated Statement of Functional Expenses
Year Ended December 31, 2024

	Program Services					Supporting Activities			Total
	Clinical	School Community Collaborative	Early Childhood	Outreach	Total	Management and General	Fund- Raising	Total	
Payroll and related expenses									
Payroll	\$ 3,538,453	\$ 1,761,094	\$ 52,550	\$ 112,669	\$ 5,464,766	\$ 903,209	\$ 275,042	\$ 1,178,251	\$ 6,643,017
Payroll taxes and fringe benefits	<u>1,573,243</u>	<u>687,148</u>	<u>23,008</u>	<u>56,235</u>	<u>2,339,634</u>	<u>332,691</u>	<u>80,716</u>	<u>413,407</u>	<u>2,753,041</u>
Total payroll and related expenses	<u>5,111,696</u>	<u>2,448,242</u>	<u>75,558</u>	<u>168,904</u>	<u>7,804,400</u>	<u>1,235,900</u>	<u>355,758</u>	<u>1,591,658</u>	<u>9,396,058</u>
Other expenses									
Advertising	-	-	-	-	-	28,988	595	29,583	29,583
Bank charges	8,066	-	-	-	8,066	563	5,833	6,396	14,462
Catering, facilities and other	3,638	564	255	1,168	5,625	7,853	105,371	113,224	118,849
Computer	54,769	7,915	43	108	62,835	24,350	518	24,868	87,703
Consulting	9,368	632	-	-	10,000	-	14,920	14,920	24,920
Depreciation	150,251	10,014	2,079	731	163,075	19,795	30,296	50,091	213,166
Dues and subscriptions	-	-	-	-	-	2,548	488	3,036	3,036
Equipment	25,755	6,081	349	146	32,331	5,635	2,490	8,125	40,456
Insurance	126,484	25,042	1,982	2,196	155,704	28,035	5,693	33,728	189,432
Interest	54,936	-	158	70	55,164	33,618	10,960	44,578	99,742
Professional fees	-	-	-	-	-	35,970	-	35,970	35,970
Office expenses and supplies	15,449	2,610	670	348	19,077	77,086	2,160	79,246	98,323
Postage	2,569	-	-	-	2,569	1,434	4,108	5,542	8,111
Printing and publications	248	369	-	-	617	208	24,032	24,240	24,857
Program supplies	18,175	94	436	324	19,029	49	-	49	19,078
Repairs and maintenance	121,600	-	1,687	672	123,959	62,574	10,804	73,378	197,337
Tax	892	-	-	-	892	406	202	608	1,500
Travel and automobile	9,160	-	-	-	9,160	-	-	-	9,160
Telephone and utilities	98,644	6,005	1,525	717	106,891	19,602	8,886	28,488	135,379
Other	<u>44,978</u>	<u>-</u>	<u>33</u>	<u>4,550</u>	<u>49,561</u>	<u>6,168</u>	<u>8,195</u>	<u>14,363</u>	<u>63,924</u>
Total other expenses	<u>744,982</u>	<u>59,326</u>	<u>9,217</u>	<u>11,030</u>	<u>824,555</u>	<u>354,882</u>	<u>235,551</u>	<u>590,433</u>	<u>1,414,988</u>
Total expenses	5,856,678	2,507,568	84,775	179,934	8,628,955	1,590,782	591,309	2,182,091	10,811,046
Less: costs of direct benefits to donors	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>102,700</u>	<u>102,700</u>	<u>102,700</u>
Total expenses per consolidated statement of activities	<u>\$ 5,856,678</u>	<u>\$ 2,507,568</u>	<u>\$ 84,775</u>	<u>\$ 179,934</u>	<u>\$ 8,628,955</u>	<u>\$ 1,590,782</u>	<u>\$ 488,609</u>	<u>\$ 2,079,391</u>	<u>\$10,708,346</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>2025</u>	<u>2024</u>
Cash flows from operating activities		
Increase in net assets	\$ 863,734	\$ 189,106
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation	177,759	213,166
Amortization of financing costs	18,298	34,190
Realized and unrealized (gain) on investments	(202,892)	(135,704)
Contributions and grants earmarked for capital	(125,000)	(193,211)
(Increase) decrease in assets		
Government grants and other receivables	159,758	62,464
Contributions receivable	(516,405)	325,000
Prepaid expenses and other assets	(35,377)	(5,196)
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	159,592	(177,612)
Unearned revenue	<u>(23,596)</u>	<u>8,894</u>
Net cash provided by operating activities	<u>475,871</u>	<u>321,097</u>
Cash flows from investing activities		
Purchases of property and equipment	(321,050)	(255,743)
Purchases of investments	(224,295)	(306,704)
Proceeds from sale of investments	<u>192,298</u>	<u>275,495</u>
Net cash (used in) investing activities	<u>(353,047)</u>	<u>(286,952)</u>
Cash flows from financing activities		
Repayment of long-term debt	(235,284)	(299,639)
Costs of financing	(93,685)	-
Contributions and grants earmarked for capital	<u>125,000</u>	<u>193,211</u>
Net cash (used in) financing activities	<u>(203,969)</u>	<u>(106,428)</u>
Net (decrease) in cash and cash equivalents	(81,145)	(72,283)
Cash and cash equivalents, beginning of year	<u>2,438,096</u>	<u>2,510,379</u>
Cash and cash equivalents, end of year	<u>\$ 2,356,951</u>	<u>\$ 2,438,096</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	<u>\$ 59,045</u>	<u>\$ 65,552</u>

See notes to consolidated financial statements.

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

**Notes to Consolidated Financial Statements
December 31, 2025 and December 31, 2024**

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 2025 and 2024.

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, 2025 and December 31, 2024**

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.

All of the Agency's revenue is recognized at a point in time.

Special events

The Agency considers special event revenue to be both an exchange and a contribution transaction. The Agency's performance obligation and condition of the contribution are to host the event for its registered attendees. Payments are received upon the event registration. Support and revenue are recognized at a point in time when the event takes place for both the exchange and contribution transaction.

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

**Notes to Consolidated Financial Statements (continued)
December 31, 2025 and December 31, 2024**

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

Contributions

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.

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 contribution revenue.

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

**Notes to Consolidated Financial Statements (continued)
December 31, 2025 and December 31, 2024**

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

Allowance for credit losses

As of December 31, 2025 and December 31, 2024, the Agency's management has determined that there are no potentially uncollectible receivables and thus, an allowance for credit losses is not necessary. Such estimate is based on management's experience, the aging of the receivables, subsequent receipts, current economic conditions and anticipated future economic conditions. The Agency did not adjust the allowance for credit losses and did not have any bad debt write-offs in 2025 and 2024.

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

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.

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

**Notes to Consolidated Financial Statements (continued)
December 31, 2025 and December 31, 2024**

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

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, 2025. 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.

Subsequent events

The Agency has evaluated events and transactions for potential recognition or any other disclosure through May 20, 2026, which is the date the consolidated financial statements were available to be

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

**Notes to Consolidated Financial Statements (continued)
December 31, 2025 and December 31, 2024**

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, 2025 and December 31, 2024 that are available for general use within one year of the consolidated statements of financial position date:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 2,356,951	\$ 2,438,096
Investments, at fair value	1,946,234	1,711,345
Government grants and other receivables	1,342,316	1,502,074
Current portion of contributions receivable	<u>175,000</u>	<u>-</u>
Total	<u>\$ 5,820,501</u>	<u>\$ 5,651,515</u>

The Agency also has available a \$500,000 revolving line of credit (see note 7) 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 as of December 31, 2025 and December 31, 2024:

	<u>2025</u>		<u>2024</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Cash and cash equivalents	\$ 46,062	\$ 46,062	\$ 43,441	\$ 43,441
Mutual and exchange-traded funds				
Equities	857,337	1,334,427	824,725	1,131,553
Fixed income	<u>570,263</u>	<u>565,745</u>	<u>560,730</u>	<u>536,351</u>
Total	<u>\$1,473,662</u>	<u>\$1,946,234</u>	<u>\$1,428,896</u>	<u>\$1,711,345</u>

Investment return for the years ended December 31, 2025 and December 31, 2024 consists of the following:

	<u>2025</u>	<u>2024</u>
Interest and dividends	\$ 84,690	\$ 111,177
Realized gain on the sale of investments	12,769	3,793
Unrealized gain on investments	<u>190,123</u>	<u>131,911</u>
Total investment return	<u>\$ 287,582</u>	<u>\$ 246,881</u>

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

**Notes to Consolidated Financial Statements (continued)
December 31, 2025 and December 31, 2024**

Note 4 – Contributions receivable

As of December 31, 2025, contributions receivable are due to be collected as follows:

	<u>Amount</u>
Due in one year	\$ 175,000
Due in one to five years	<u>350,000</u>
Sub-total	525,000
Less: interest discount at a rate of 1.0% for 2025	<u>8,595</u>
Total	516,405
Less: current portion	<u>175,000</u>
Long-term portion	<u>\$ 341,405</u>

Note 5 – Property and equipment, net

Property and equipment consist of the following as of December 31, 2025 and December 31, 2024:

	<u>2025</u>	<u>2024</u>
Land	\$ 259,150	\$ 259,150
Buildings and improvements	6,354,805	6,037,319
Furniture, fixtures and equipment	903,724	824,224
Construction in progress	<u>4,991</u>	<u>80,927</u>
Sub-total	7,522,670	7,201,620
Less: accumulated depreciation	<u>5,355,672</u>	<u>5,177,913</u>
Total	<u>\$ 2,166,998</u>	<u>\$ 2,023,707</u>

Note 6 – Government grants and other receivables and unearned revenue

The following is a summary of the Agency's government grants and other receivables and unearned revenue for the years ended December 31, 2025 and December 31, 2024:

	<u>2025</u>	<u>2024</u>
Government grants and other receivables, beginning of year	\$1,502,074	\$1,564,538
Government grants and other receivables, end of year	\$1,342,316	\$1,502,074
Unearned revenue, beginning of year	\$ 60,939	\$ 52,045
Unearned revenue, end of year	\$ 37,343	\$ 60,939

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

**Notes to Consolidated Financial Statements (continued)
December 31, 2025 and December 31, 2024**

Note 7 – 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 required 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. In connection with the Bond Purchase and Loan Agreement, the LEAC assigned the mortgage to a bank. During 2025, the Agency refinanced the then outstanding principal balance of the series 2015C-2 bonds of \$737,000. The refinanced 2015C-2 bonds bear interest at a fixed rate of 6.1% per annum and require monthly principal payments of \$4,849 plus interest through June 1, 2038. The Agency may make prepayments subject to a prepayment premium of five percent in year one declining one percent annually to one percent from October 31, 2029 through maturity. The refinanced 2015C-2 bonds are secured by a lien on the Agency’s main office. The 2015C-1 and 2015C-3 bonds matured June 1, 2024 and June 2020, respectively.

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, 2025:

<u>Year</u>	<u>Mortgage Note Payable</u>	<u>Bonds</u>	<u>Total</u>
2026	\$ 39,587	\$ 58,184	\$ 97,771
2027	41,691	58,184	99,875
2028	217,831	58,184	276,015
2029	-	58,184	58,184
2030	-	58,184	58,184
2031 and thereafter	-	436,383	436,383
Sub-total	<u>\$ 299,109</u>	<u>\$ 727,303</u>	1,026,412
Less: current portion			97,771
Less: unamortized costs of financing			<u>138,311</u>
Net long-term portion			<u>\$ 790,330</u>

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

**Notes to Consolidated Financial Statements (continued)
December 31, 2025 and December 31, 2024**

Note 7 – 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 8 – Net assets with donor restrictions

The following is a summary of the net assets with donor restrictions for the years ended December 31, 2025 and December 31, 2024:

<u>Description</u>	2025			
	Balance	<u>Contributions</u>	Net assets	Balance
	December 31, <u>2024</u>		released from <u>Restrictions</u>	December 31, <u>2025</u>
Capital improvements	\$ 74,072	\$ -	\$ (23,672)	\$ 50,400
Emergency services	474,321	616,811	(453,472)	637,660
Right from the start	151,151	360,335	(204,775)	306,711
Other family life programs	94,075	116,299	(67,952)	142,422
Total	<u>\$ 793,619</u>	<u>\$1,093,445</u>	<u>\$ (749,871)</u>	<u>\$1,137,193</u>

<u>Description</u>	2024			
	Balance	<u>Contributions</u>	Net assets	Balance
	December 31, <u>2023</u>		released from <u>Restrictions</u>	December 31, <u>2024</u>
Capital improvements	\$ 165,737	\$ 59,114	\$ (150,779)	\$ 74,072
Emergency services	726,495	89,394	(341,568)	474,321
Time restricted	175,531	-	(175,531)	-
Right from the start	114,834	200,000	(163,683)	151,151
Other family life programs	132,250	90,634	(128,809)	94,075
Total	<u>\$1,314,847</u>	<u>\$ 439,142</u>	<u>\$ (960,370)</u>	<u>\$ 793,619</u>

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

**Notes to Consolidated Financial Statements (continued)
December 31, 2025 and December 31, 2024**

Note 9 – 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, 2025 and December 31, 2024, 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 2025 and 2024 is for the Plan’s years ended December 31, 2024 and December 31, 2023, 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>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
1199 SEIU Healthcare Employee Pension Fund	13-3604862-001	12/31/27	Green	Green	\$ 331,757	\$301,655

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, 2025 and December 31, 2024 was \$233,831 and \$209,549, respectively.

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

**Notes to Consolidated Financial Statements (continued)
December 31, 2025 and December 31, 2024**

Note 10 – 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.