

**Groundwork Hudson Valley, Inc.**

Financial Statements

December 31, 2024 and 2023

## **Independent Auditors' Report**

**Board of Directors**  
**Groundwork Hudson Valley, Inc.**

### ***Opinion***

We have audited the accompanying financial statements of Groundwork Hudson Valley, Inc., which comprise the statements of financial position as of December 31, 2024 and 2023 and the related statements of activities, functional expenses, and cash flows 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 Groundwork Hudson Valley, Inc. as of December 31, 2024 and 2023, 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 Groundwork Hudson Valley, 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 the 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 Groundwork Hudson Valley, 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the 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 Groundwork Hudson Valley, 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 Groundwork Hudson Valley, 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 audit.

*PKF O'Connor Davies, LLP*

Harrison, New York  
July 8, 2025

**Groundwork Hudson Valley, Inc.**

Statements of Financial Position

	December 31,	
	2024	2023
<b>ASSETS</b>		
Cash and cash equivalents	\$ 392,728	\$ 457,103
Investments	584,559	376,384
Grants receivable	480,649	411,922
Prepaid expenses and other assets	9,451	23,574
Security deposits	3,660	3,660
Operating lease right-of-use assets	9,679	49,615
Fixed assets, net	507,415	629,846
	<u>\$ 1,988,141</u>	<u>\$ 1,952,104</u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 46,146	\$ 35,729
Deferred revenue	374,294	15,323
Operating lease liability	9,729	50,165
Total Liabilities	<u>430,169</u>	<u>101,217</u>
Net Assets		
Without donor restrictions	1,499,476	1,734,998
With donor restrictions	58,496	115,889
Total Net Assets	<u>1,557,972</u>	<u>1,850,887</u>
	<u>\$ 1,988,141</u>	<u>\$ 1,952,104</u>

See notes to financial statements

**Groundwork Hudson Valley, Inc.**

Statements of Activities  
Years Ended December 31,

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE AND SUPPORT</b>						
Government grants	\$ 730,668	\$ -	\$ 730,668	\$ 477,401	\$ -	\$ 477,401
Private grants	467,849	55,000	522,849	520,170	180,000	700,170
Contributions	116,246	-	116,246	110,869	-	110,869
In-kind services	27,300	-	27,300	17,900	-	17,900
Fundraising events, net of direct benefit to donors of \$34,322 and \$35,485	256,672	-	256,672	271,125	-	271,125
Program service income	72,180	-	72,180	171,223	-	171,223
Shared costs income	3,000	-	3,000	13,385	-	13,385
Investment and other income	30,875	-	30,875	32,000	-	32,000
Net assets released from restriction	112,393	(112,393)	-	85,159	(85,159)	-
Total Revenue and Support	<u>1,817,183</u>	<u>(57,393)</u>	<u>1,759,790</u>	<u>1,699,232</u>	<u>94,841</u>	<u>1,794,073</u>
<b>EXPENSES</b>						
Program services	1,501,371	-	1,501,371	1,353,706	-	1,353,706
Administration	207,370	-	207,370	227,743	-	227,743
Fundraising	343,964	-	343,964	317,497	-	317,497
Total Expenses	<u>2,052,705</u>	<u>-</u>	<u>2,052,705</u>	<u>1,898,946</u>	<u>-</u>	<u>1,898,946</u>
Change in Net Assets	(235,522)	(57,393)	(292,915)	(199,714)	94,841	(104,873)
<b>NET ASSETS</b>						
Beginning of year	<u>1,734,998</u>	<u>115,889</u>	<u>1,850,887</u>	<u>1,934,712</u>	<u>21,048</u>	<u>1,955,760</u>
End of Year	<u>\$ 1,499,476</u>	<u>\$ 58,496</u>	<u>\$ 1,557,972</u>	<u>\$ 1,734,998</u>	<u>\$ 115,889</u>	<u>\$ 1,850,887</u>

See notes to financial statements

**Groundwork Hudson Valley, Inc.**

Statement of Functional Expenses  
Year Ended December 31, 2024

	Program Services	Administration	Fundraising	Direct Costs of Fundraising Events	Total
Payroll	\$ 770,341	\$ 95,033	\$ 159,564	\$ -	\$ 1,024,938
Payroll taxes and benefits	161,923	19,976	33,540	-	215,439
Program facilities and materials	167,928	-	-	-	167,928
Program consultants	82,719	-	-	-	82,719
Professional fees	35,010	67,594	88,174	-	190,778
Occupancy	51,994	6,414	10,770	-	69,178
Event venue and supply costs	-	-	30,441	34,322	64,763
Insurance	42,002	1,886	3,166	-	47,054
Travel	22,366	846	1,583	-	24,795
Office expenses	6,705	896	1,515	-	9,116
Technology and communications	9,557	2,257	9,305	-	21,119
Conferences and meetings	8,638	2,141	1,789	-	12,568
Other	1,957	10,327	4,117	-	16,401
Depreciation and amortization	<u>140,231</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>140,231</u>
Total Expenses	1,501,371	207,370	343,964	34,322	2,087,027
Expenses deducted directly from revenue on the statement of activities					
Direct cost of fundraising events	<u>-</u>	<u>-</u>	<u>-</u>	<u>(34,322)</u>	<u>(34,322)</u>
Total Expenses Reported by Function	<u>\$ 1,501,371</u>	<u>\$ 207,370</u>	<u>\$ 343,964</u>	<u>\$ -</u>	<u>\$ 2,052,705</u>

See notes to financial statements

**Groundwork Hudson Valley, Inc.**

Statement of Functional Expenses  
Year Ended December 31, 2023

	Program Services	Administration	Fundraising	Direct Costs of Fundraising Events	Total
Payroll	\$ 729,534	\$ 125,116	\$ 157,315	\$ -	\$ 1,011,965
Payroll taxes and benefits	141,080	24,195	30,422	-	195,697
Program facilities and materials	83,312	-	-	-	83,312
Program consultants	123,505	-	-	-	123,505
Professional fees	6,498	60,313	81,077	-	147,888
Occupancy	53,425	9,163	11,521	-	74,109
Insurance	39,212	2,308	2,901	-	44,421
Event venue and supply costs	-	-	17,782	35,485	53,267
Travel	15,749	61	1,890	-	17,700
Office expenses	8,359	1,747	1,985	-	12,091
Technology and communications	7,062	2,073	6,570	-	15,705
Conferences and meetings	6,800	1,815	1,467	-	10,082
Other	1,164	952	4,567	-	6,683
Depreciation and amortization	138,006	-	-	-	138,006
<b>Total Expenses</b>	<b>1,353,706</b>	<b>227,743</b>	<b>317,497</b>	<b>35,485</b>	<b>1,934,431</b>
Expenses deducted directly from revenue on the statement of activities					
Direct cost of fundraising events	-	-	-	(35,485)	(35,485)
<b>Total Expenses Reported by Function</b>	<b>\$ 1,353,706</b>	<b>\$ 227,743</b>	<b>\$ 317,497</b>	<b>\$ -</b>	<b>\$ 1,898,946</b>

See notes to financial statements

# Groundwork Hudson Valley, Inc.

## Statements of Cash Flows

	Year Ended December 31,	
	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (292,915)	\$ (104,873)
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	140,231	138,006
Unrealized gain on investments	-	(55)
Operating lease right-of-use assets	39,936	(37,037)
Changes in operating assets and liabilities		
Grants receivable	(68,727)	(41,366)
Prepaid expenses and other assets	14,123	(14,136)
Accounts payable and accrued expenses	10,417	(10,628)
Deferred revenue	358,971	(162,351)
Operating lease liability	(40,436)	37,587
Net Cash from Operating Activities	<u>161,600</u>	<u>(194,853)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(17,800)	(37,145)
Purchase of investments	(957,475)	(925,416)
Proceeds from the sale of investments	749,300	950,060
Net Cash from Investing Activities	<u>(225,975)</u>	<u>(12,501)</u>
Net Change in Cash and Cash Equivalents	(64,375)	(207,354)
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	<u>457,103</u>	<u>664,457</u>
End of Year	<u>\$ 392,728</u>	<u>\$ 457,103</u>
<b>SUPPLEMENTAL INFORMATION</b>		
Noncash Investing Transactions		
Disposal of fully depreciated fixed assets	\$ -	\$ 3,913

See notes to financial statements



## **Groundwork Hudson Valley, Inc.**

### **Notes to Financial Statements December 31, 2024 and 2023**

#### **1. Organization**

Groundwork Hudson Valley, Inc. (the "Organization") is a not-for-profit corporation that transforms urban neighborhoods through partnerships that inspire young leaders and promotes community resilience and sustainability. The Organization's work focuses on environmental restoration, youth development, and sustainability education.

The Organization revitalizes neglected public spaces, restores rivers and habitats, and improves local climate resilience by installing green infrastructure and engaging thousands of residents as advocates. Youth play a central role in this work, gaining hands-on training and employment through the Green Team, which builds bioswales, plants trees, and improves parks and community spaces.

The Organization's sustainability education programming is centered around the Science Barge, a floating urban farm and renewable energy demonstration site, and delivers thousands of hours of experiential learning to local students each year, helping to prepare communities for extreme weather and fostering the next generation of environmental stewards.

The Organization is exempt from Federal taxes under Section 501(c)(3) of the Internal Revenue Code and similar New York State statutes. The Organization has been designated as an organization which is not a private foundation.

#### **2. Summary of Significant Accounting Policies**

##### ***Basis of Presentation and Use of Estimates***

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates. Some of the more significant estimates made by management include the allowance for doubtful receivables and depreciation expense.

##### ***Classes of Net Assets***

Net assets of the Organization are classified based on the presence or absence of donor-imposed restrictions. Net assets are comprised of two groups as follows:

Net Assets Without Donor Restrictions – Amounts that are not subject to usage restrictions based on donor-imposed requirements. This class also includes assets previously restricted where restrictions have expired or been met.

## **Groundwork Hudson Valley, Inc.**

Notes to Financial Statements  
December 31, 2024 and 2023

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

#### ***Classes of Net Assets (continued)***

Net Assets With Donor Restrictions – Assets subject to usage limitations based on donor- imposed or grantor restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by actions of the Organization. Certain restrictions may be need to be maintained in perpetuity.

Earnings related to restricted net assets are included in net assets without donor- restrictions unless otherwise specifically required to be included in donor-restricted net assets by the donor or by applicable state law.

#### ***Cash and Cash Equivalents***

For the purposes of the statements of cash flows, the Organization considers all highly liquid debt instruments with a maturity of three months or less, at time of purchase, to be cash and cash equivalents.

#### ***Grants Receivable***

Grants receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that remain outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a reduction in grants receivable. At December 31, 2024 and 2023, no allowance for doubtful accounts has been deemed necessary. It is reasonably possible that management's estimate of the allowance will change.

#### ***Pledges Receivable***

The Organization discounts pledges that are expected to be collected beyond one year using a risk adjusted rate to estimate present value. All receivables are expected to be received within the next year.

#### ***Accounts Receivable and Allowance for Credit Losses***

Accounts receivable are recorded at amortized cost less an allowance for credit losses that are not expected to be recovered. The Organization recognizes the allowance for credit losses at inception of the receivable and reassesses at every reporting date based on the asset's expected collectability. The allowance is based on multiple factors including historical experience uncollectible accounts, the credit quality of the customer base, the aging of such receivables and current macroeconomic conditions, as well as expectations of conditions in the future, if applicable. The Organization's allowance for credit losses is based on the assessment of the collectability of assets pooled together with similar risk characteristics.

## Groundwork Hudson Valley, Inc.

Notes to Financial Statements  
December 31, 2024 and 2023

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

#### ***Accounts Receivable and Allowance for Credit Losses (continued)***

The Organization records a provision for expected credit losses using a historical loss rate method based on the ratio of its historical write-offs to its average accounts receivable. At each reporting period, the Organization assesses whether financial assets in a pool continue to display similar risk characteristics. If particular receivables no longer display risk characteristics that are similar to those of the receivables in the pool, the Organization may determine that it should move those receivables to a different pool or perform an individual assessment of expected credit losses for those specific receivables. The Organization's accounts receivable are short-term in nature and written off only when all collection attempts have failed. If any recoveries are made from any accounts previously written off, they are recognized in income or an offset to credit loss expense in the year of recovery, in accordance with the Organization's accounting policy election.

There were no write offs for the years ended December 31, 2024 and 2023.

#### ***Recognition of Pledges***

U.S. GAAP requires that unconditional promises to give be recorded as revenue and receivable, discounted for future cash flows, at the time the pledge is made. If the pledge is restricted by the donor, it is recorded as income in net assets with donor restrictions. As the time or purpose restriction is satisfied, net assets with donor restrictions are released and transferred to net assets without donor restrictions to offset the costs incurred for the restricted purpose. The effect of this accounting treatment for pledges and net asset transfer is to have a net asset increase (surplus) in one year followed by a net asset decrease (loss) in the subsequent years, even though the funds are being received or used in subsequent years.

#### ***Fixed Assets***

Fixed assets are stated at cost or, if donated, at estimated fair value on the date of the gift and depreciated using the straight-line method over the estimated useful lives of such assets. Items with a cost in excess of \$5,000 are capitalized. Leasehold improvements are amortized over the lesser of the estimated useful life of the asset or the remaining term of the lease, inclusive of expected renewals. Purchases are capitalized based on the economic useful life of the assets and in accordance with guidelines issued by various governmental agencies for reimbursement purposes. When the grantor retains title or when it is probable that the title will revert to the grantor upon certain contingent events, the purchases are expensed in the year the funds are received and spent. The estimated lives by asset class are as follows:

	Years
Science barge and related structures and equipment	5-15
Leasehold improvements	3
Community garden improvements	8
Vehicles	3-5

## **Groundwork Hudson Valley, Inc.**

Notes to Financial Statements  
December 31, 2024 and 2023

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

#### ***Donated Services***

Contributions of donated non-cash assets are recorded at their fair value in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills and that would typically be purchased if not provided by donation, are recorded at their fair value in the period received.

Board members and other individuals volunteer their time and perform a variety of tasks that assist the Organization. These services do not meet the above criteria and have not been recorded in the financial statements.

#### ***Contributions***

All contributions, including unconditional promises to give, are considered available for general use unless specifically restricted by the donor or subject to other legal restrictions. When a donor restriction expires, that is when a stipulated time restriction ends, or purpose has been fulfilled net assets are reclassified to net assets without donor restrictions and are reported as such in the statements of activities as net assets released from restrictions.

#### ***Government and Private Grants***

The Organization receives government and private grants, which are reviewed to determine if they contain traits more similar to contributions or exchange transactions. For those grants that have been determined to be exchange transactions, revenue is recognized when earned. The difference between grants earned and cash received is recorded as either grants receivable or deferred revenue.

Grant revenue is recognized for these programs as expenses are incurred up to the maximum of the grant award.

#### ***Fair Value Measurements***

The Organization follows U.S. GAAP guidance on fair value measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

## **Groundwork Hudson Valley, Inc.**

Notes to Financial Statements  
December 31, 2024 and 2023

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

#### ***Investment Valuation and Income Recognition***

Investments are carried at fair value. Certificates of deposits and treasury bills are stated at cost plus accrued interest, which approximates fair value. Contributions of stocks or other financial assets are sold immediately so that the settlement of the contribution approximates the closing fair value of the contributed assets on the date of contribution.

#### ***Leases***

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 statements of financial position. 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 leases 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.

#### ***Functional Expense Allocation***

The majority of expenses can generally be directly identified with the program or supporting service to which they relate and are charged accordingly. Other expenses have been allocated by function among program and supporting service classifications on the basis of the allocation of payroll costs, function and other bases as determined by management of the Organization to be appropriate.

#### ***Accounting for Uncertainty in Income Taxes***

The Organization recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that the Organization had no uncertain tax positions that would require financial statement recognition or disclosure. The Organization is no longer subject to examinations by the applicable taxing jurisdictions for tax years prior to December 31, 2021.

#### ***Evaluation of Subsequent Events by Management***

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is July 8, 2025.

## Groundwork Hudson Valley, Inc.

### Notes to Financial Statements December 31, 2024 and 2023

#### 3. Investments and Investment Return

The following are major categories of investments measured at fair value at December 31, 2024 and 2023. All investments are valued using Level 1 inputs under the fair value hierarchy.

Investments in certificate of deposit have maturity dates less than 12 months from year end. Investments in treasury bills have maturity dates of one year or less. Investments consisted of the following at December 31:

	2024	2023
Certificate of deposit	\$ 200,710	\$ 129,799
Treasury bills	383,849	246,585
	<u>\$ 584,559</u>	<u>\$ 376,384</u>

Investment and other income consisted of interest income of \$30,078 and \$31,692 for the years ended December 31, 2024 and 2023, which includes earnings on cash and cash equivalents.

#### 4. Fixed Assets

Fixed assets consist of the following at December 31:

	2024	2023
Non-depreciable Assets:		
Land - lot for community garden	<u>\$ 79,193</u>	<u>\$ 79,193</u>
Depreciable Assets:		
Science barge and related structures and equipment	1,233,976	1,233,976
Community garden improvements	17,800	-
Vehicles	69,488	69,488
Leasehold improvements	<u>9,179</u>	<u>9,179</u>
Total Depreciable Assets	1,330,443	1,312,643
Accumulated depreciation and amortization	<u>(902,221)</u>	<u>(761,990)</u>
Net Depreciable Assets	<u>428,222</u>	<u>550,653</u>
	<u>\$ 507,415</u>	<u>\$ 629,846</u>

## Groundwork Hudson Valley, Inc.

### Notes to Financial Statements December 31, 2024 and 2023

#### 5. Line of Credit

The Organization maintains a line of credit with Valley Bank (the “Bank”). The line of credit provides working capital borrowings up to \$100,000, with an interest rate of 1.50% above prime. The prime rate was 7.5% and 8.5% at December 31, 2024 and 2023. The line of credit is secured by substantially all assets of the Organization. This is a revolving line of credit due on demand. No funds were drawn during 2024 and 2023.

#### 6. Related Party Transactions

The Organization is one of the Groundwork Trusts in the national network of Groundwork USA, Inc. (“GWUSA”). During the year ended December 31, 2023, GWUSA shared administrative office space and IT network costs with the Organization and reimbursed the Organization for its proportionate share of these costs. There were no shared costs during the year ended December 31, 2024.

GWUSA made grants to the Organization totaling \$252,815 and \$272,252 during the years ended December 31, 2024 and 2023.

#### 7. Net Assets With Donor Restrictions

Changes in net assets with donor restrictions consist of the following for the years ended December 31:

Purpose / Restriction	2024			
	Beginning Balance	Additions	Releases	Ending Balance
Sustainability education	\$ 15,889	\$ -	\$ (15,889)	\$ -
Youth development	100,000	55,000	(96,504)	58,496
	<u>\$ 115,889</u>	<u>\$ 55,000</u>	<u>\$ (112,393)</u>	<u>\$ 58,496</u>

  

Purpose / Restriction	2023			
	Beginning Balance	Additions	Releases	Ending Balance
Community adaptation	\$ 5,192	\$ -	\$ (5,192)	\$ -
Sustainability education	15,856	25,000	(24,967)	15,889
Youth development	-	155,000	(55,000)	100,000
	<u>\$ 21,048</u>	<u>\$ 180,000</u>	<u>\$ (85,159)</u>	<u>\$ 115,889</u>

## Groundwork Hudson Valley, Inc.

### Notes to Financial Statements December 31, 2024 and 2023

#### 8. Leases

The Organization evaluated current contracts to determine which met the criteria of a lease. The 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. The Organization has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments.

The Organization's operating leases include of a copier lease. The lease term excludes an end of lease purchase option, available at the Organization's option, which it is not reasonably certain to exercise. Therefore, the payments associated with the purchase are not included in the ROU asset nor the lease liability recognized at December 31, 2024 and 2023.

In addition, the Organization extended its lease for office space, which was set to end on January 2025. The lease extension was not executed until February 2025, the renewal period ends in January 2027. The right-of-use asset and lease liability for the lease extension space is expected to approximate \$77,000.

For the year ended December 31:

	<u>2024</u>	<u>2023</u>
Operating lease expense	<u>\$ 41,733</u>	<u>\$ 38,058</u>
Supplemental cash flows		
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	\$ 41,708	\$ 34,408
ROU assets obtained in exchange for operating lease liability	\$ -	\$ 69,658
Weighted average remaining lease term		
Operating leases	1.37	1.45
Weighted average discount rate		
Operating leases	4.00%	4.00%



## Groundwork Hudson Valley, Inc.

Notes to Financial Statements  
December 31, 2024 and 2023

### 8. Leases (*continued*)

Minimum future lease payments under the operating leases at December 31, 2024, for each of the following years and in the aggregate are:

2025	\$ 6,608
2026	<u>3,408</u>
Total future minimum lease payments	10,016
Less present value discount	<u>(287)</u>
	<u><u>\$ 9,729</u></u>

### 9. Donated Services

Donated services are reviewed periodically to ensure that estimates recorded reasonably reflect the estimated fair value of the contributed services. For the years ended December 31, the Organization received the following donated services:

	<u>2024</u>	<u>2023</u>	<u>Usage in Program/Activities</u>	<u>Donor Restriction</u>
Professional fees	\$ 27,300	\$ 17,900	Program Services and Administration	None

The Organization estimates the fair value of these donated services based on the usual and customary rates of the vendor.

### 10. Commitments and Contingencies

Government grants are subject to audit by various governmental agencies. Management is of the opinion that expense adjustments, if any, resulting from governmental agency audits, will not be material. Disallowances and adjustments, if any, resulting from such audits will be reflected in the financial statements in the year of settlement. As such, no reserves have been recorded.

### 11. Concentrations and Risks

#### ***Credit Risk***

Financial instruments that potentially subject the Organization to concentration of credit risk consist primarily of cash, investments and receivables. At times, the Organization has cash deposits at financial institutions which exceed the Federal Deposit Insurance Corporation ("FDIC") insurance limits of \$250,000. Investment holdings at financial institutions insured by the Securities Investor Protection Corporation ("SIPC") are insured up to \$500,000 (\$250,000 for cash holdings). At December 31, 2024 and 2023, funds totaling approximately \$13,000 and \$40,000 were in excess of the FDIC limits. At December 31, 2024 and 2023, no funds were held in excess of the SIPC limits.

Receivables are expected to be collected in the normal course of business.

## Groundwork Hudson Valley, Inc.

### Notes to Financial Statements December 31, 2024 and 2023

#### 11. Concentrations and Risks (*continued*)

##### ***Operating Risk***

Five large funders provided approximately 61% and 27% of the Organization's revenue and support during the years ended December 31, 2024 and 2023. These funders represented 86% and 36% of the grants receivable balance at December 31, 2024 and 2023. Future giving is not guaranteed. Any significant changes in the giving levels of these funding sources could have a major impact on the operations of the Organization.

#### 12. Retirement Plan

The Organization has a SIMPLE Individual Retirement Account plan whereby eligible employees can contribute pre-tax dollars up to statutory limits. All contributions made to the plan are fully vested. The Organization provides an employer contribution of 2% of eligible salary for all eligible employees, which totaled \$15,697 and \$16,198 during the years ended December 31, 2024 and 2023.

#### 13. Liquidity and Availability of Financial Assets

The Organization's financial assets available, within one year of the statement of financial position date, for general expenditure are as follows:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 392,728	\$ 457,103
Investments	584,559	376,384
Grants receivable	<u>480,649</u>	<u>411,922</u>
Total financial assets available within one year	1,457,936	1,245,409
Less :		
Net assets with donor restrictions	<u>(58,496)</u>	<u>(115,889)</u>
Total financial assets available within one year for general expenditures	<u>\$ 1,399,440</u>	<u>\$ 1,129,520</u>

At December 31, 2024 and 2023, the Organization had an available revolving line of credit of \$100,000 for working capital.

As part of its liquidity management, the Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

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