

# **The New York Foundling and Affiliate**

**Consolidated Financial Statements  
and Supplementary Information  
Year Ended June 30, 2024**

The report accompanying these financial statements was issued by BDO USA, P.C., a Virginia professional corporation, and the U.S. member of BDO International Limited, a UK company limited by guarantee.



## **The New York Foundling and Affiliate**

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Consolidated Financial Statements and Supplementary Information  
Year Ended June 30, 2024

# The New York Foundling and Affiliate

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## **Independent Auditor's Report**

The Board of Trustees  
The New York Foundling and Affiliate  
New York, New York

### ***Opinion***

We have audited the consolidated financial statements of The New York Foundling and Affiliate (the Organization), which comprise the consolidated statement of financial position as of June 30, 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

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

### ***Responsibilities of Management for the Consolidated Financial Statements***

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

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



### ***Auditor's Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 GAAS 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 GAAS, 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 Organization'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 Organization'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.

### ***Other Matter***

#### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating schedule of financial position and consolidating schedule of activities are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been



subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements, or to the consolidated financial statements themselves, and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

#### **Report on Summarized Comparative Information**

We have previously audited the Organization's 2023 consolidated financial statements, and our report dated December 1, 2023 expressed an unmodified opinion on those audited consolidated financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

*BDO USA, P.C.*

November 27, 2024

# The New York Foundling and Affiliate

## Consolidated Statement of Financial Position (with summarized comparative totals for 2023)

June 30,	2024	2023
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 7,263,276	\$ 9,291,811
Investments, at fair value, current portion (Note 5)	150,721,312	143,515,178
Accounts and grants receivable, net (Note 6)	29,695,873	34,218,618
Notes receivable, current portion (Note 7)	60,000	60,000
Prepaid expenses, deposits, and other assets	3,571,685	2,130,325
Consumer funds	702,561	733,151
Assets limited or restricted as to use, current portion (Note 8)	137,353	137,353
<b>Total Current Assets</b>	<b>192,152,060</b>	<b>190,086,436</b>
Investments, at fair value, net of current portion (Note 5)	37,205,651	34,986,087
Notes Receivable, net of current portion (Note 7)	360,000	420,000
Assets Limited or Restricted as to Use, net of current portion (Note 8)	526,473	438,780
Right-of-Use Assets - Operating Leases (Note 10)	32,878,572	20,686,380
Fixed Assets, Net (Note 9)	81,075,526	79,058,269
	<b>\$ 344,198,282</b>	<b>\$ 325,675,952</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 28,996,437	\$ 29,467,635
Line of credit, net of deferred financing costs (Note 15)	9,856,666	7,856,666
Consumer funds	681,097	733,151
Due to governmental agencies (Note 11)	10,935,077	9,508,709
Loans payable, current portion, net of deferred financing costs (Note 12)	6,841,643	7,847,239
Mortgages payable, current portion, net of deferred financing costs (Note 13)	715,140	679,447
Bonds payable, current portion, net of deferred financing costs (Note 14)	87,399	447,704
Operating lease liabilities, current portion (Note 10)	3,673,756	3,012,547
<b>Total Current Liabilities</b>	<b>61,787,215</b>	<b>59,553,098</b>
Accrued Pension Obligation (Note 16)	-	6,200
Loans Payable, net of current portion and deferred financing costs (Note 12)	-	808,309
Mortgages Payable, net of current portion and deferred financing costs (Note 13)	21,950,908	22,628,531
Bonds Payable, net of current portion and deferred financing costs (Note 14)	184,674	272,073
Operating Lease Liabilities, net of current portion (Note 10)	32,129,066	20,068,654
<b>Total Liabilities</b>	<b>116,051,863</b>	<b>103,336,865</b>
<b>Commitments and Contingencies (Note 19)</b>		
<b>Net Assets</b>		
Without donor restrictions	212,421,660	207,305,878
With donor restrictions (Note 17)	15,724,759	15,033,209
<b>Total Net Assets</b>	<b>228,146,419</b>	<b>222,339,087</b>
	<b>\$ 344,198,282</b>	<b>\$ 325,675,952</b>

See accompanying notes to consolidated financial statements.

**The New York Foundling and Affiliate**  
**Consolidated Statement of Activities**  
**(with summarized comparative totals for 2023)**

*Year ended June 30,*

	Without Donor Restrictions	With Donor Restrictions	2024	2023
<b>Program Revenue</b>				
Fee-for-service revenue	\$ 113,338,012	\$ -	\$ 113,338,012	\$ 113,058,561
Government and other grants and contracts	101,686,306	-	101,686,306	85,157,238
OPWDD workforce stabilization	-	-	-	863,496
Contributions	1,835,059	5,059,106	6,894,165	5,854,708
Special events, net of direct expenses of \$215,453 and \$242,111, respectively	736,344	67,333	803,677	591,655
Rental income	2,702,816	-	2,702,816	1,134,956
Coronavirus, Aid, Relief, and Economic Security Act (CARES Act) relief fund	-	-	-	2,118,257
Other program revenue	5,557,738	-	5,557,738	4,288,319
In-kind contributions	2,399,602	-	2,399,602	2,508,942
Net assets released from restrictions (Note 17)	4,618,004	(4,618,004)	-	-
<b>Total Program Revenue</b>	<b>232,873,881</b>	<b>508,435</b>	<b>233,382,316</b>	<b>215,576,132</b>
<b>Expenses</b>				
Program services:				
Child Welfare	49,314,765	-	49,314,765	46,195,424
OPWDD services	94,765,887	-	94,765,887	88,587,277
Education	41,908,721	-	41,908,721	34,190,970
Health and Behavior Health	13,474,148	-	13,474,148	13,951,300
Juvenile Justice	4,485,293	-	4,485,293	3,638,102
Community Engagement Initiatives	2,540,426	-	2,540,426	2,468,994
Other programs	6,952,710	-	6,952,710	5,586,752
<b>Total Program Services</b>	<b>213,441,950</b>	<b>-</b>	<b>213,441,950</b>	<b>194,618,819</b>
Supporting services:				
Management and general	30,222,206	-	30,222,206	30,408,355
Fundraising	1,279,533	-	1,279,533	1,351,621
<b>Total Supporting Services</b>	<b>31,501,739</b>	<b>-</b>	<b>31,501,739</b>	<b>31,759,976</b>
<b>Total Expenses</b>	<b>244,943,689</b>	<b>-</b>	<b>244,943,689</b>	<b>226,378,795</b>
<b>Change in Net Assets from Operations</b>	<b>(12,069,808)</b>	<b>508,435</b>	<b>(11,561,373)</b>	<b>(10,802,663)</b>
<b>Non-Operating Revenue (Expenses)</b>				
Investment gain, net (Note 5)	14,413,949	183,115	14,597,064	6,894,639
Legacies and bequests	2,795,414	-	2,795,414	654,301
Change in unfunded pension obligation	6,200	-	6,200	(14,867)
Gain from sale of properties	24,270	-	24,270	541,701
Gain from insurance proceeds	493,522	-	493,522	480,000
Severance	(547,765)	-	(547,765)	-
<b>Total Non-Operating Revenue (Expenses), Net</b>	<b>17,185,590</b>	<b>183,115</b>	<b>17,368,705</b>	<b>8,555,774</b>
<b>Change in Net Assets</b>	<b>5,115,782</b>	<b>691,550</b>	<b>5,807,332</b>	<b>(2,246,889)</b>
<b>Net Assets, beginning of year</b>	<b>207,305,878</b>	<b>15,033,209</b>	<b>222,339,087</b>	<b>224,585,976</b>
<b>Net Assets, end of year</b>	<b>\$ 212,421,660</b>	<b>\$ 15,724,759</b>	<b>\$ 228,146,419</b>	<b>\$ 222,339,087</b>

*See accompanying notes to consolidated financial statements.*



## The New York Foundling and Affiliate

### Consolidated Statement of Functional Expenses (with summarized comparative totals for 2023)

Year ended June 30,

	Program Services								Supporting Services				2024	2023
	Child Welfare	OPWDD Services	Education	Health and Behavior Health	Juvenile Justice	Community Engagement Initiatives	Other Programs	Total Program Services	Management and General	Fundraising	Total Supporting Services			
Salaries and wages	\$ 24,745,404	\$ 56,139,652	\$ 16,058,115	\$ 9,098,514	\$ 2,956,144	\$ 1,618,932	\$ 702,773	\$ 111,319,534	\$ 12,951,440	\$ 924,739	\$ 13,876,179	\$ 125,195,713	\$ 118,207,923	
Employee benefits:														
Payroll taxes and mandatory fringes	2,547,204	6,362,057	1,500,675	742,290	307,717	170,844	75,966	11,706,753	569,565	68,372	637,937	12,344,690	12,291,603	
Others	4,072,886	6,802,977	2,391,762	1,332,861	469,594	233,721	133,067	15,436,868	2,198,595	166,603	2,365,198	17,802,066	15,722,304	
<b>Total Salaries and Employee Benefits</b>	<b>31,365,494</b>	<b>69,304,686</b>	<b>19,950,552</b>	<b>11,173,665</b>	<b>3,733,455</b>	<b>2,023,497</b>	<b>911,806</b>	<b>138,463,155</b>	<b>15,719,600</b>	<b>1,159,714</b>	<b>16,879,314</b>	<b>155,342,469</b>	<b>146,221,830</b>	
<b>Other Expenses</b>														
Transportation and workers' expenses	363,430	494,591	133,245	40,589	28,059	12,800	6,321	1,079,035	166,258	3,483	169,741	1,248,776	1,001,731	
Allowances and activities - parents and children	527,159	1,523,463	3,101,063	31,194	12,382	47,543	48,065	5,290,869	176	-	176	5,291,045	2,831,774	
Tuition, school expenses, and camp fees	6,817	-	390,149	-	-	-	-	396,966	-	-	-	396,966	125,137	
Purchase of services	1,162,382	6,437,872	258,692	513,551	78,660	17,964	1,043,010	9,512,131	1,651,159	7,722	1,658,881	11,171,012	9,556,688	
Food	75,215	1,842,209	1,330,318	136	68	11,817	41,279	3,301,042	41	-	41	3,301,083	3,037,147	
Clothing, bedding, and linen	22,893	141,693	-	-	-	2,058	634	167,278	-	-	-	167,278	169,894	
Supplies and equipment	275,763	1,122,654	1,381,802	37,211	9,784	22,984	246,690	3,096,888	190,265	20,371	210,636	3,307,524	3,897,514	
Rent, utilities, and real estate taxes	1,890,330	4,888,329	1,509,554	671,094	56,105	27,839	731,636	9,774,887	155,197	-	155,197	9,930,084	9,271,633	
Rental of furnishing, equipment, and vehicles	79,439	1,240,992	48,566	706	-	-	74,878	1,444,581	186,229	44	186,273	1,630,854	1,643,922	
Repairs and maintenance - plant, equipment, and vehicles	788,697	3,558,679	8,340,764	170,286	89,242	14,148	953,715	13,915,531	1,247,627	26,523	1,274,150	15,189,681	10,906,665	
Communications	452,931	752,830	213,126	119,619	33,556	17,157	30,213	1,619,432	169,968	5,959	175,927	1,795,359	1,847,264	
Dues, licenses, and permits	76,718	4,557	643,956	6,944	-	-	768	732,943	48,490	1,215	49,705	782,648	1,000,933	
Office supplies	125,884	191,735	200,147	35,129	13,742	20,352	12,467	599,456	78,825	2,372	81,197	680,653	580,212	
COVID-19-related expenses	551	-	-	-	-	-	-	551	375	-	375	926	24,683	
Administrative expenses	372,318	445,294	153,932	61,113	19,364	78,173	9,886	1,140,080	399,990	35,266	435,256	1,575,336	1,337,691	
Professional services	1,053,291	335,683	984,797	194,899	274,595	168,024	96,149	3,107,438	5,222,205	7,856	5,230,061	8,337,499	8,522,754	
Staff development	67,075	80,402	414,031	20,879	10,586	45,940	11,131	650,044	304,750	5,129	309,879	959,923	826,101	
Insurance	58,394	1,241,912	357,762	76,333	-	-	190,921	1,925,322	2,176,229	-	2,176,229	4,101,551	3,624,781	
Interest and bank charges	59	345,031	-	-	-	-	956,452	1,301,542	1,113,369	2,862	1,116,231	2,417,773	2,370,274	
Boarding home and clothing pass-through	9,725,251	-	-	-	-	-	-	9,725,251	-	-	-	9,725,251	9,514,121	
Boarding payment - special	226,666	-	-	-	-	-	-	226,666	-	-	-	226,666	278,508	
Donated services	-	-	2,399,602	-	-	-	-	2,399,602	-	-	-	2,399,602	2,508,943	
Bad debt expense	-	297	-	3,640	-	-	-	3,937	-	-	-	3,937	-	
Depreciation and amortization	598,008	812,978	96,663	317,160	125,695	30,130	1,586,689	3,567,323	1,391,453	1,017	1,392,470	4,959,793	5,278,595	
<b>Total Operating Expenses</b>	<b>\$ 49,314,765</b>	<b>\$ 94,765,887</b>	<b>\$ 41,908,721</b>	<b>\$ 13,474,148</b>	<b>\$ 4,485,293</b>	<b>\$ 2,540,426</b>	<b>\$ 6,952,710</b>	<b>\$ 213,441,950</b>	<b>\$ 30,222,206</b>	<b>\$ 1,279,533</b>	<b>\$ 31,501,739</b>	<b>\$ 244,943,689</b>	<b>\$ 226,378,795</b>	

See accompanying notes to consolidated financial statements.

**The New York Foundling and Affiliate**  
**Consolidated Statement of Cash Flows**  
**(with summarized comparative totals for 2023)**

<i>Year ended June 30,</i>	<b>2024</b>	<b>2023</b>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 5,807,332	\$ (2,246,889)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	4,959,793	5,278,595
Interest expense related to deferred financing costs	125,272	125,272
Noncash lease expense	3,708,269	3,173,723
Bad debt expense	3,937	-
Net realized and unrealized (gain) loss on investments	(9,693,634)	2,474,199
Change in unfunded pension obligation	-	14,867
Changes in assets and liabilities:		
Accounts and grants receivable	4,518,808	(5,393,982)
Notes receivable	60,000	60,000
Prepaid expenses, deposits, and other assets	(1,441,360)	(463,409)
Assets limited or restricted as to use	(87,693)	419,320
Consumer funds	(21,464)	-
Accounts payable and accrued expenses	(471,198)	118,567
Accrued pension liabilities	-	(73,849)
Due to governmental agencies	1,426,368	(1,800,116)
Accrued pension obligation	(6,200)	(8,667)
Principal reduction in operating lease liabilities	(3,178,840)	(3,028,673)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>5,709,390</b>	<b>(1,351,042)</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of investments	(7,314,772)	(11,784,690)
Proceeds from sale of investments	7,582,708	769,616
Purchases of fixed assets	(6,977,050)	(3,547,820)
<b>Net Cash Used in Investing Activities</b>	<b>(6,709,114)</b>	<b>(14,562,894)</b>
<b>Cash Flows from Financing Activities</b>		
Proceeds from line of credit	10,000,000	8,000,000
Payments on line of credit	(8,000,000)	(6,000,000)
Principal payments of loans payable	(1,900,000)	(1,900,001)
Proceeds from mortgages payable	-	16,800,000
Principal payments of mortgages payable	(663,257)	(607,040)
Deferred financing costs	-	(693,593)
Principal payment of bonds payable	(465,554)	(451,385)
<b>Net Cash (Used in) Provided by Financing Activities</b>	<b>(1,028,811)</b>	<b>15,147,981</b>
<b>Net Decrease in Cash and Cash Equivalents</b>	<b>(2,028,535)</b>	<b>(765,955)</b>
<b>Cash and Cash Equivalents, beginning of year</b>	<b>9,291,811</b>	<b>10,057,766</b>
<b>Cash and Cash Equivalents, end of year</b>	<b>\$ 7,263,276</b>	<b>\$ 9,291,811</b>
<b>Supplemental Disclosures of Cash Flow Information</b>		
Cash paid during the year for interest	\$ 2,171,679	\$ 2,097,956
Right-of-use assets obtained in exchange for operating lease liabilities	15,900,461	1,205,526

*See accompanying notes to consolidated financial statements.*

# **The New York Foundling and Affiliate**

## **Notes to Consolidated Financial Statements**

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### **1. Nature of the Organization**

For more than 150 years, The New York Foundling (The Foundling) has been a leading provider of social services for low-income individuals and families living in the New York City (NYC) metropolitan region and Puerto Rico. The Foundling was organized by the Sisters of Charity and remains affiliated with the Sisters of Charity Ministry Network, Inc., which is the sole corporate member of The Foundling.

Regardless of creed or color, The Foundling provides preventive services to keep children safe at home and avoid the foster care system; supervision of children in foster and adoption homes; after-care supervision of children discharged from foster care; tutoring of children in the foster care system; and shelter care and casework services to unmarried mothers. The Foundling also provides services to individuals with intellectual and/or developmental disabilities.

The Foundling is a Section 501(c)(3) not-for-profit corporation exempt from federal income tax under Section 501(a) of the Internal Revenue Code (the Code) and has been classified as a publicly supported charitable organization under Section 509(a)(1) of the Code and qualifies for the maximum charitable contribution deduction by donors. The Foundling is also exempt from state and local taxes. The Foundling's revenues are earned primarily from Medicaid, New York State (NYS), New York City, and federal government sources for services provided, with additional support provided from philanthropy.

In September 2018, the Evelyn Douglin Center for Serving People in Need Inc, d/b/a The Thrive Network (Thrive or Affiliate) became a controlled affiliate of The Foundling. Thrive is a separate legal entity. Thrive surrendered its programmatic licenses to New York State and, through an auspice change process involving New York State, The Foundling was issued licenses to operate programs previously operated by Thrive. Thrive ceased operations in 2022 and has no activity for the year ended June 30, 2023. Thrive is in the process of liquidating its assets and liabilities and, upon completion, will formally file for dissolution with the New York State Attorney General.

### **2. Principles of Consolidation**

The accompanying consolidated financial statements include the balances, activities, and cash flows of The Foundling and Thrive (collectively, the Organization). All material intercompany transactions and balances have been eliminated in the accompanying consolidated financial statements.

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

#### ***Basis of Presentation***

The accompanying consolidated financial statements of the Organization have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) using the accrual basis of accounting. In the consolidated statement of financial position, assets and liabilities are presented in order of liquidity or conversion to cash and their maturity resulting in the use of cash, respectively.

#### ***Consolidated Financial Statement Presentation***

The classification of a not-for-profit organization's net assets and its support, revenue, and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for

# The New York Foundling and Affiliate

## Notes to Consolidated Financial Statements

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each of the two classes of net assets—with donor restrictions and without donor restrictions—be displayed in a statement of financial position and that the amounts of change in each of those classes of net assets be displayed in a statement of activities.

These classes are defined as follows:

*Without Donor Restrictions* - This class consists of net assets that are not subject to donor-imposed stipulations and are, therefore, available for the general operations of the Organization.

*With Donor Restrictions* - This class consists of net assets whose use is limited by donor-imposed, time, and/or purpose restrictions. The Organization reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires—that is, when a stipulated time restriction ends, or purpose restriction is accomplished—the net assets are reclassified as net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions.

Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature), while permitting the Organization to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a Board-approved spending policy. At June 30, 2024, the Organization has net assets with donor restrictions held in perpetuity of \$3,964,542. See Note 17 for further discussion of net assets with donor restrictions held in perpetuity.

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

The Organization considers all highly liquid financial instruments with maturity dates of three months or less from the date purchased to be cash equivalents, excluding assets whose use is limited or restricted as to use.

### ***Receivables and Credit Losses***

The Organization writes off receivables when it believes that the facts and circumstances indicate that continued pursuit of collection is no longer warranted. When cash is received in connection with receivables for which the Organization has previously recognized as credit losses, the Organization recognizes recoveries of those credit losses.

Effective July 1, 2023, the Organization adopted the Accounting Standards Codification (ASC) 326, *Financial Instruments - Credit Losses*, as amended, that changed how the Organization measures credit losses for most financial assets and certain other instruments not measured at fair value through changes in net assets from an incurred-loss model to an expected-loss approach. The Organization adopted this guidance using the modified retrospective approach. The items within the scope of this guidance include:

- Accounts receivable.
- Notes receivable, as described in Note 7.

# The New York Foundling and Affiliate

## Notes to Consolidated Financial Statements

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### *Accounts Receivable*

Accounts receivable, net of current expected credit losses, are recorded at the reimbursable amount and do not bear interest. In evaluating the collectability of accounts receivable, the Organization analyzes its past history and identifies trends for each of its major payor sources to estimate the appropriate transaction price, allowance for credit losses and provision for credit losses. Management regularly reviews data about these major payor sources in evaluating the sufficiency of the allowance for credit losses. Actual results could differ from those estimates.

Accounts receivable balances are further reduced by an allowance for current expected credit losses. The Organization has adopted the ASC 326 model in its financial statements for the year ended June 30, 2024. The Organization provides evaluation and therapies to individuals with developmental disabilities, and other services, and bills third-party payors within days of the service being provided, and typically expects to receive payment within 60 to 120 days of the service being provided.

The Organization reviews its accounts receivables on a regular basis and analyzes these balances for potential credit losses based on a “roll-rate” methodology. Under a “roll-rate” methodology, loss rates for each aging bucket take into account the migration of each balance through the various aging buckets to determine the appropriate credit loss rate for each bucket. The Organization considers other available external data and management’s reasonable outlook for business and economic conditions over the life of the receivables. In accordance with ASC 326-20-30-2, the Organization determined that similar risk characteristics existed for receivables with similar days outstanding, regardless of payor class, so the pools for the allowance for credit losses were calculated based on aging buckets. This is consistent with the Organization’s previous methodology for calculating its allowance for doubtful accounts.

### *Allowance for Credit Losses*

The Organization recognizes an allowance for credit losses for financial assets carried at amortized cost to present the net amount expected to be collected as of the year ended. Such allowance is based on the credit losses expected to arise over the life of the asset (contractual term) which includes consideration of prepayments and is based on the expectation as of the financial position date.

Assets are written off when the Organization determines that such financial assets are deemed uncollectible or based on regulatory requirements, whichever is earlier. Write-offs are recognized as a deduction from the allowance for credit losses. Expected recoveries of amounts previously written off, not to exceed the aggregate of the amount previously written off, are included in determining the necessary reserve at the financial position date.

The Organization pools its accounts receivable based on similar risk characteristics in estimating expected credit losses. In situations where certain accounts receivable do not share same risk characteristics with other receivables, the Organization measures the expected credit losses for those receivables individually. The Organization also continuously evaluates such pooling decisions and adjusts as needed from period to period as risk characteristics change.

The Organization determines its estimated credit losses for accounts receivable using a loss rate approach in determining its lifetime expected credit losses on its receivables from funders. This method is used for calculating an estimate of losses based primarily on the Organization’s historical

# The New York Foundling and Affiliate

## Notes to Consolidated Financial Statements

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loss experience. In determining its loss rates, the Organization evaluates information related to its historical losses, adjusted for current conditions, and further adjusted for the period of time that the Organization can reasonably forecast. Qualitative and quantitative adjustments related to current conditions and the reasonable and supportable forecast period consider all of the following: the funders' creditworthiness, changes in policy and procedures, existence, and effect of any concentration of credit and changes in level of such considerations, and the current and forecasted direction of the economic and operation environment.

Management anticipates that historic loss rates will be consistent during the next fiscal year and concluded that no adjustments to their methodology or inputs are required. Management applies these forecasts to create the following credit loss matrix to calculate the allowance for credit losses at June 30, 2024:

Balance, beginning of period	\$	2,603,446
Provision for expected credit losses for the current period		73,843
Write-offs charged against the allowance		(251,784)
Balance, end of period	\$	2,425,505

### *Consumer Funds*

Consumer funds consist of cash deposits held by the Organization on behalf of its residents for the residents' personal use.

### *Fair Value Measurements*

ASC 820, *Fair Value Measurement*, establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs, requiring that inputs that are most observable be used when available. Observable inputs are those that market participants operating within the same marketplace as the Organization would use in pricing the Organization's asset or liability based on independently derived and observable market data. Unobservable inputs are inputs that cannot be sourced from a broad active market in which assets or liabilities identical or similar to those of the Organization are traded. The Organization estimates the price of any assets for which there are only unobservable inputs by using assumptions that market participants who have investments in the same or similar assets would use, as determined by the money managers administering each investment based on best information available in the circumstances. The input hierarchy is broken down into three levels based on the degree to which the exit price is independently observable or determinable, as follows:

*Level 1* - Valuation is based on quoted market prices in active markets for identical assets or liabilities. Since valuations are based on quoted market prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

*Level 2* - Valuation is based on: (a) quoted prices for similar assets or liabilities in active markets, (b) quoted prices for identical or similar assets or liabilities in inactive markets, (c) inputs other than quoted prices that are observable for the asset or liability, and (d) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

# The New York Foundling and Affiliate

## Notes to Consolidated Financial Statements

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*Level 3* - Valuation is based on inputs that are unobservable and reflect management's best estimate of what market participants would use as fair value.

### ***Investments, at Fair Value***

Investments are recorded at their fair values. Realized and unrealized gains and losses on investments are reported in the consolidated statement of activities as increases or decreases in net assets.

Investments consist of corporate and foreign equities, publicly traded mutual funds, certificates of deposit, and investments in limited partnerships. Corporate and foreign equities are carried at fair value based upon quoted market prices. Publicly traded mutual funds are stated at fair value based upon quoted market prices, which represent the net asset values (NAV) held by the Organization at year-end. Investments in certificates of deposit are carried at cost plus accrued interest.

The Organization's investments in limited partnerships have no readily determined market value and are valued at fair value, as estimated by the general partners. Because of the inherent uncertainty of valuation, it is reasonably possible that estimated values may differ significantly from the values that would have been used had a ready market for the securities existed, and the differences could be material. In addition, certain investments may also have risk associated with their concentrations of investments in one geographic region and in certain industries. The limited partnership's ability to liquidate certain of its investments may be inhibited since the issuers may be privately held or the limited partnership may own a relatively large portion of the issuers' equity securities.

### ***Contributions, Promises to Give, and In-Kind Contributions***

Contributions and promises to give are recorded as revenue at the time they are made or pledged unconditionally and supported by a written commitment. Contributions are classified as either with or without donor restrictions. Contributions are nonexchange transactions in which no commensurate value is exchanged. Therefore, contributions fall under the purview of ASC Topic 958, *Not-for-Profit Entities*.

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at present value of estimated future cash flows. Conditional promises to give are not included as support until such time as the conditions are substantially met. Securities and tangible property received as a gift or bequest are reflected at fair value at the date of the gift. The Organization uses the allowance method to determine uncollectible unconditional pledge receivables.

In-kind contributions are reported in the consolidated financial statements for voluntary donations of services if those services create or enhance non-financial assets or require specialized skills provided by individuals possessing those skills and would typically be purchased if not provided by the donation. In-kind contributions recorded for the fiscal year ended June 30, 2024 totaled \$2,399,602, which consisted of \$2,291,796 for personnel services, donated space, and other goods and services to support the Puerto Rico Head Start program, and \$107,806 to support other programs within New York City.

# The New York Foundling and Affiliate

## Notes to Consolidated Financial Statements

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### ***Assets Limited or Restricted as to Use***

Assets limited or restricted as to use include assets held by the trustees under bond indenture agreements and assets held as part of a non-qualified deferred compensation plan for a key executive. Amounts required to meet current liabilities of The Foundling have been classified as current assets in the consolidated statement of financial position at June 30, 2024.

### ***Rent Receivable and Rental Income***

In accordance with Financial Accounting Standards Board (FASB) ASC Topic 842, *Accounting for Leases*, non-contingent rent increases are being amortized over the life of the lease on a straight-line basis. Deferred rent receivable represents the difference between the accumulated cash received over the life of the lease and the accumulated rental income from the lease commencement date through June 30, 2024. Normally, rent receivables are due within 30 days after the date of the invoice. Rent receivables more than 90 days old are considered past due and are written off when they are determined to be uncollectible. The Organization does not accrue interest on past-due receivables.

Rental income is recorded on a straight-line basis over the life of the lease.

### ***Fixed Assets***

Fixed assets are carried at cost, less accumulated depreciation and amortization or, if donated, at fair market value at date of the gift. The Organization capitalizes fixed assets that have a cost of \$1,000 or more and useful life of more than a year. Leasehold improvements are amortized over the shorter of the lease term or the estimated useful lives of the related assets.

Depreciation and amortization is computed using the straight-line method over the respective assets' estimated useful lives, described below:

Asset Category	Years
Buildings and improvements	10-30
Equipment, furniture and signs	3-10
Vehicles	4

### ***Impairment of Long-Lived Assets***

The Organization reviews long-lived assets, including both fixed and intangible assets, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset. As of June 30, 2024, there have been no such losses.

### ***Deferred Issuance and Financing Costs***

Deferred issuance and financing costs represent costs incurred to obtain financing. Amortization of these costs is provided on the straight-line basis, which does not differ materially from the interest method, extending over the term of indebtedness. Deferred issuance and financing costs are netted



# The New York Foundling and Affiliate

## Notes to Consolidated Financial Statements

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against the related line of credit, loan, mortgage, or bond payable in the consolidated statement of financial position.

### ***Revenue Recognition***

The Organization receives substantially all of its revenue for services provided from governmental agencies, including the Office for People with Developmental Disabilities (OPWDD), New York City Administration for Children Services (ACS), and Medicaid. These revenues are based on predetermined rates based on cost reimbursement principles and are subject to audit and retroactive adjustment by the respective third-party fiscal intermediary. The fiscal years ended June 30, 2022 through June 30, 2023 remain subject to audit by ACS.

### ***Government and Other Grants and Contracts***

Government and other grants and contracts revenue are nonexchange transactions in which no commensurate value is exchanged. Accordingly, contribution accounting is applied under ASC Topic 958, *Not-for-Profit Entities*. Government and other grants and contracts revenue are evaluated for contributions that are conditional. Factors indicating the existence of a conditional contribution include the presence of a barrier that must be overcome and either a right of return of assets transferred or a right of release of a funder's obligation to transfer the assets. Government and other grants and contracts revenue are recognized when the conditions are satisfied, which is generally when the expenditures for each contract are incurred. Included in government and other grants and contracts revenue are estimated retroactive revenue adjustments due to underspent interim rates, future audits, reviews, and investigations. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews, and investigations. Government and other grant funds received in excess of revenue earned are recorded as deferred revenue. Upon termination, the unexpended cash funds received under the terms of the grant provisions revert to the grantor.

### ***Fee-for-Service and Per-Diem Revenue***

Fee-for-service and per-diem revenue is generated from foster care services, services to individuals with developmental disabilities, mental health services, and other services. Fee-for-service and per-diem revenue is recorded at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing services. These amounts are due from third-party payors (including government programs and health insurers), and others, and include an estimate for variable consideration for retroactive revenue adjustments due to rate changes, settlement of audits and disallowances, reviews, and investigations. Generally, the Organization submits both fee-for-service and per-diem claims to third-party payors electronically through a state-wide system several days after the services are performed.

Revenue is recognized as performance obligations are satisfied over time based on actual charges incurred in relation to total expected (or actual) charges. The Organization measures revenue from the commencement of services to the continuation of services, and until services are no longer required. The Organization believes that this method provides a reasonable representation of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation.

# The New York Foundling and Affiliate

## Notes to Consolidated Financial Statements

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As substantially all of its performance obligations relate to established rate agreements with a duration of less than one year, the Organization has elected, as part of its adoption of the revenue standard, to apply the optional exemption provided in FASB Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period.

Throughout the year, rates may vary as determined by New York State, and the Organization will record additional revenue resulting from a rate increase and record a reduction of revenue with a rate decrease. These rate adjustments represent variable consideration in the form of explicit or implicit price concessions and the Organization considers these amounts in determination of the transaction price. The Organization determines its estimates of contractual adjustments based on contractual agreements, its policies, and historical experience. The Organization determines its estimates of explicit or implicit price concessions and contractual adjustments based on its historical collection experience.

Laws and regulations governing Medicaid programs are subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Additionally, noncompliance with such laws and regulations could result in fines, penalties, and exclusion from Medicaid programs. The Organization is not aware of any allegations of noncompliance that could have a material adverse effect on the accompanying consolidated financial statements and believes that it is in compliance with all applicable laws and regulations.

As a practical expedient, the Organization utilizes the portfolio approach for analyzing the revenue contracts in accordance with Topic 606. The Organization accounts for the contracts within each portfolio collectively, rather than individually, based on each revenue stream. The Organization considers the similar nature and characteristics of the contract and customers in using the portfolio approach. The Organization believes that the use of the portfolio approach to analyze contracts will not differ materially than if the contracts were analyzed individually.

The following table shows the Organization's fee-for-service revenue disaggregated by payor:

*Year ended June 30, 2024*

New York City ACS	\$ 9,709,769
New York State Medicaid	103,371,606
Medicaid Managed Care	81,473
Medical - Commercial (Private)	175,164
<b>Total</b>	<b>\$ 113,338,012</b>

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# The New York Foundling and Affiliate

## Notes to Consolidated Financial Statements

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The following table shows the Organization's fee-for-service revenue disaggregated by service line:

*Year ended June 30, 2024*

Foster Care	\$ 9,709,769
Article 29i	4,895,774
NYS OPWDD	96,795,231
Article 31	1,518,477
NYS Medicaid	418,761
<b>Total</b>	<b>\$ 113,338,012</b>

### ***Donor-Restricted Fund***

The Organization's donor-restricted fund in perpetuity (the Donor Fund) consists of investments that are held in perpetuity. The Organization follows the requirements of the New York Prudent Management of Institutional Funds Act (NYPMIFA) as they relate to the Organization's contributions and net assets with donor restrictions - in perpetuity, effective upon New York State's enactment of the legislation in September 2010. Specifically, the Organization classifies the portion of the Donor Fund that is not classified as with donor restrictions (time-restricted) until appropriated for expenditure by the Organization. If the endowment fund is also subject to a purpose restriction, the reclassification of the appropriated amount to without donor restrictions does not occur until the purpose also has been met.

The following applies to the Donor Fund:

### ***Interpretation of Relevant Law***

The Investment Committee of the Board of Directors of the Organization has interpreted NYPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted funds absent explicit donor stipulations to the contrary. As a result of the interpretation, the Organization classifies as net assets with donor restrictions - in perpetuity (a) the original value of the gifts donated to the Donor Fund, (b) the original value of subsequent gifts to the Donor Fund, and (c) accumulations to the Donor Fund made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the Donor Fund. The investment income earned on the accumulations to the Donor Fund is classified based on donor stipulations as either net assets without donor restrictions or net assets with donor restrictions - time/purpose restricted.

### ***Investment and Spending Policies***

The Organization has adopted investment and spending policies for net assets with donor restrictions - in perpetuity that attempt to provide a stream of returns that would be utilized to fund various programs, while seeking to maintain the purchasing power of the Donor Fund. The Donor Fund includes those assets of donor-restricted funds that the Organization must hold in perpetuity. The Organization's long-term strategy is to target diversified asset allocation that includes cash and cash equivalents, short-term investments, publicly traded mutual funds, and alternative investments, which produce results that exceed key indexes and benchmarks currently available for similar asset classes. However, within the alternative investment category, the Organization is mindful of each investment manager's strategies and the liquidity of each manager's investment portfolio.

# The New York Foundling and Affiliate

## Notes to Consolidated Financial Statements

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The Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted funds:

- The duration and preservation of the funds.
- Availability of other funding sources.
- General economic conditions.
- The possible effect of inflation and deflation.
- The expected total return from income and the appreciation/depreciation of investments.
- Purposes of donor-restricted fund.
- The investment and spending policies of the Organization's Donor Fund's investment returns distribution policy, which mandates appropriations of donor-restricted assets to be deemed prudent by the Investment Committee of the Board of Directors of the Organization.

### ***Income Taxes***

The Foundling is exempt from federal income tax under Section 501(c)(3) of the Code and private foundation excise tax, pursuant to a group exemption issued to the Roman Catholic Church in the United States.

Thrive is exempt from federal income tax under Section 501(c)(3) of the Code and comparable New York State law. Thrive has been classified as a publicly supported organization, which is not a private foundation under Section 509(a) of the Code.

The Organization has not taken any unsubstantiated tax positions that would require provision of a liability under ASC 740, *Accounting for Uncertainty in Income Taxes*. Under ASC 740, an organization must recognize the tax liability associated with uncertain tax positions taken for tax return purposes when it is more likely than not that the position will not be sustained upon examination by a taxing authority. The Organization does not believe that there are any material uncertain tax positions and, accordingly, has not recognized any liability for unrecognized tax benefits. The Organization has filed Internal Revenue Service (IRS) Form 990, as required, and all other applicable returns in jurisdictions when it is required. For the year ended June 30, 2024, there were no interest or penalties recorded or included in the consolidated financial statements. The Organization is subject to routine audits by taxing authorities. As of June 30, 2024, the Organization was not subject to any examination by a taxing authority. There was no unrelated business income from an unrelated trade or business for the year ended June 30, 2024.

### ***Functional Allocation Expenses***

The cost of providing the various programs and other activities has been summarized on a functional basis in the consolidated statement of activities. Certain shared costs have been allocated among the programs and supporting services based on benefits received. They pertain mainly to shared costs of occupancy, including rent, utilities, and maintenance, that are allocated based on square footage used. Other costs, such as information technology, are allocated based on the number of users. All other indirect costs are captured as management and general.

# **The New York Foundling and Affiliate**

## **Notes to Consolidated Financial Statements**

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### ***Concentration of Credit Risk***

Financial instruments that potentially subject the Organization to concentration of credit risk consist primarily of cash and cash equivalents in excess of Federal Deposit Insurance Corporation (FDIC) insurance limits. At various times during the year, the Organization may have cash deposits at financial institutions in excess of FDIC insurance limits. These financial institutions have strong credit ratings, and management believes that credit risk related to these accounts is minimal. None of the Organization's deposits are held in financial institutions that have experienced liquidity issues. The Organization has not experienced any losses in such accounts and management does not believe the Organization is exposed to any significant credit risk with respect to cash and cash equivalents.

### ***Risks and Uncertainties - Investments***

The Organization's investments are concentrated in marketable equity securities, publicly traded mutual funds, and limited partnerships. Such investments are subject to various market risks that determine the value of the funds. Due to the level of risk associated with certain equity securities and the level of uncertainty related to changes in the value of these securities, it is at least reasonably possible that changes in market conditions in the near term could materially affect the value of investments reported in the consolidated financial statements.

### ***Use of Estimates***

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### ***Comparative Information***

The consolidated financial statements include certain prior-year summarized comparative information. With respect to the consolidated statement of financial position and consolidated statement of activities, the prior-year information is presented in total, not by net asset class. With respect to the consolidated statement of functional expenses, the prior-year expenses are presented by expense classification rather than functional category. Such information does not include sufficient detail to constitute presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended June 30, 2023, from which the summarized information was derived.

### ***Recently Adopted Accounting Pronouncements***

#### ***Financial Instruments - Credit Losses***

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The new credit losses standard changes the impairment model for most financial assets and certain other instruments. For trade and other receivables, contract assets recognized as a result of applying ASC 606, loans, and certain other instruments, entities will be required to use new forward-looking expected loss model that generally will result in earlier recognition of credit losses than under today's incurred loss model. ASU 2016-13 is effective for annual periods beginning after December 15, 2022. This ASU has been adopted

# The New York Foundling and Affiliate

## Notes to Consolidated Financial Statements

for the year ended June 30, 2024 and did not have a material impact on the accompanying financial statements.

### 4. Liquidity and Availability of Resources

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

*June 30, 2024*

Cash and cash equivalents	\$	7,263,276
Investments, at fair value, current portion		150,721,312
Accounts and grants receivable		29,695,873
Note receivable, current portion		60,000
<b>Total Current Assets*</b>		<b>187,740,461</b>
Less those unavailable for general expenditures within one year, due to:		
Restricted by donor for specific purpose or in perpetuity		(15,724,759)
<b>Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year</b>	<b>\$</b>	<b>172,015,702</b>

\* Total current assets excluding nonfinancial assets; prepaid expenses, deposits, and other assets; consumer funds; and assets limited or restricted as to use, current portion.

### *Liquidity Management*

As part of the Organization's liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization invests cash in excess of daily requirements in short-term investments. The Board of Directors of the Organization has an investment committee that provides guidance with respect to appropriate management of its investments. Additionally, the Organization has \$2,000,000 available for general expenditure at June 30, 2024 on its line of credit.

### 5. Financial Instruments and Fair Value

The following table presents the Organization's fair value hierarchy for those investments measured at fair value on a recurring basis:

*June 30, 2024*

Description	Level 1	Level 2	Level 3	Balance
Corporate and foreign equities	\$ 120,985,993	\$ -	\$ -	\$ 120,985,993
Publicly traded mutual funds	31,678,019	-	-	31,678,019
Limited partnerships	-	-	35,262,951	35,262,951
<b>Total Investments, at fair value</b>	<b>\$ 152,664,012</b>	<b>\$ -</b>	<b>\$ 35,262,951</b>	<b>\$ 187,926,963</b>

# The New York Foundling and Affiliate

## Notes to Consolidated Financial Statements

The following table sets forth changes in the assets measured at fair value using Level 3 inputs on a recurring basis:

Description	Balance, July 1, 2023	Purchases	Sales	Realized Gain	Net Unrealized Gain	Transfers	Balance, June 30, 2024
Limited partnerships	\$ 32,913,874	\$ 161,430	\$ (2,305,736)	\$ 1,723,028	\$ 1,232,657	\$ 1,537,698	<b>\$35,262,951</b>

The following table summarizes the fair value measurements of investment funds that calculate net assets per share (or its equivalent):

*June 30, 2024*

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Limited partnerships:				
Hedge fund	\$ 13,900,937	\$ 217,769	Quarterly	45 days prior written notice
Private equity*	21,362,014	26,648,363	N/A	N/A
<b>Total</b>	<b>\$ 35,262,951</b>	<b>\$ 26,866,132</b>		

\* Redemption not permitted; distributions require liquidation of underlying assets.

The following table summarizes information about Level 3 fair value measurements:

Description	Fair Value, June 30, 2024	Valuation Technique	Unobservable Input
Limited partnerships:			
Hedge fund	\$ 13,900,937	Market comparable entities	Discount for lack of marketability*
Private equity	21,362,014	Market comparable entities	Discount for lack of marketability*
	<b>\$ 35,262,951</b>		

\* Represents amounts used when the reporting entity has determined that market participants would take into account these premiums and discounts when pricing the investments.

Investment earnings are comprised of the following:

*June 30, 2024*

Realized loss	\$ (2,793,975)
Unrealized gain	12,487,609
Interest and dividends	5,637,483
Investment management fees	(734,053)
<b>Total Net Gain from Investments</b>	<b>\$ 14,597,064</b>

# The New York Foundling and Affiliate

## Notes to Consolidated Financial Statements

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### *Corporate and Foreign Equities and Publicly Traded Mutual Funds*

The Organization's holdings in corporate and foreign equities consist principally of debt and equity securities carried at the aggregate market value that is determined by quoted market prices. Each of these investments can be liquidated daily and valuation is based on Level 1 inputs within the hierarchy used in measuring fair value. Publicly traded mutual funds are valued at the NAV of shares held by the Organization. The mutual funds are traded at quoted prices through the National Securities Clearing Corporation and can be redeemed on a daily basis. Management believes that the most appropriate classification for these investments is Level 1.

### *Certificates of Deposit*

The Organization's holdings in certificates of deposit in prior year consist of time deposits with a financial institution that have an original maturity date of greater than three months at the date of purchase. Investments in certificates of deposit are valued at cost plus accrued interest. Management believes that the most appropriate classification for these investments is Level 2. As of June 30, 2024, the Organization did not hold any certificates of deposit.

### *Limited Partnerships*

The Organization's holdings in limited partnerships are valued based on Level 3 inputs within the investment hierarchy used in measuring fair value.

Limited partnership investments are reported as Level 3, as those assets have significant inputs, one or more, that are included in the price development that are not observable.

Given the absence of market quotations, their fair value is estimated using information provided to the Organization by the investment managers and general partners. The values are based on estimates that require varying degrees of judgment and, for fund of funds investments, are primarily based on financial data supplied by the investment managers of the underlying funds. Individual investment holdings within the alternative investments may include investments in both nonmarketable and market-traded securities. Nonmarketable securities may include equity in private companies, real estate, thinly traded securities, and other investment vehicles. The investments may indirectly expose the Organization to the effects of securities lending; short sales of securities; and trading in futures and forward contracts, options, swap contracts, and other derivative products. While these consolidated financial statements contain varying degrees of risk, the Organization's exposure with respect to each such investment is limited to the amount of the Organization's investment in each of the respective funds. The financial statements of the investees are audited annually by nationally recognized firms of independent auditors. The Organization does not directly invest in the underlying securities of the investment funds and, due to restrictions on transferability and timing of withdrawals from the limited partnerships, the amount ultimately realized upon liquidation could differ from reported values that are based on current conditions.

Redemptions of the Organization's investments in these investment entities vary, but are primarily available at month-end, quarter-end, or year-end with appropriate notice. Management fees and incentive fees are charged by these investment entities at an annual rate ranging from 0.08% to 2.00% plus an incentive allocation, usually 20% of profits.



# The New York Foundling and Affiliate

## Notes to Consolidated Financial Statements

### 6. Accounts and Grants Receivable

Accounts and grants receivable consist of the following:

*June 30, 2024*

Accounts receivable:	
Foster Care	\$ 9,028,277
Development Disabilities	7,129,313
Article 31 and 29i	112,000
NYC ACS Preventive Services	2,879,037
NYC ACS Programs	1,571,155
Fostering College Success Initiative (DORM Project)	288,329
School-based mental health	538,777
NYC Department of Mental Hygiene	809,376
Mayor's Office of Criminal Justice	626,445
NYS Office of Children and Family Services	542,984
Office of Temporary and Disability	1,609,477
Department of Youth and Community Development Discretionary Fund	510,075
College Bound Tutoring fee	359,735
Contribution receivable	2,403,324
Grant receivable	30,000
Capital Grant - Brooklyn Borough President Office	365,000
Rent receivable	523,841
Other	368,728
	<hr/>
	\$ 29,695,873

### 7. Notes Receivable

In 2007, the New York Foundling Charitable Corporation (NYFCC) loaned \$1,500,000 to the John Coleman School, a voluntary agency also sponsored by the Sisters of Charity, to provide working capital. The loan bears interest on the unpaid principal balance at the rate incurred by The Foundling on its outstanding debt, and the principal is being repaid at \$5,000 per month. As a result of the merger of NYFCC, the note was transferred to The Foundling. As of June 30, 2024, the balance of the note receivable amounted to \$420,000.

### 8. Assets Limited or Restricted as to Use

Assets limited or restricted as to use are as follows:

*June 30, 2024*

Gift annuity	\$ 93,975
Deferred compensation investments	569,851
	663,826
Less: current portion	(137,353)
	<hr/>
	\$ 526,473

# The New York Foundling and Affiliate

## Notes to Consolidated Financial Statements

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### 9. Fixed Assets, Net

Fixed assets, net, consist of the following:

*June 30, 2024*

Land	\$ 8,227,050
Buildings and improvements	92,462,109
Equipment, furniture, and signs	14,463,619
Leasehold improvements	36,240,284
Vehicles	147,892
	151,540,954
Less: accumulated depreciation	(76,291,775)
	75,249,179
Add: construction-in-progress	5,826,347
	\$ 81,075,526

The estimated cost to complete construction-in-progress is \$11,600,000. Construction-in-progress includes construction for renovations and improvements for various residential homes and terrace projects for developmental disabilities programs.

Depreciation expense for the year ended June 30, 2024 totaled \$4,959,793.

### 10. Leases

The Organization has adopted ASU 2016-02, *Accounting for Leases (Topic 842)*, effective July 1, 2020. The Organization leases certain property under operating leases. Leases are classified as either finance or operating leases based on the underlying terms of the agreement and certain criteria, such as the term of the lease relative to the useful life of the asset and the total lease payments to be made as compared to the fair value of the asset, amongst other criteria. Finance leases result in an accounting treatment similar to an acquisition of the asset.

For leases with initial terms greater than a year, the Organization records the related right-of-use assets and liabilities at the present value of the lease payments to be paid over the life of the related lease. The Organization's leases may include variable lease payments and renewal options. Variable lease payments are excluded from the amounts used to determine the right-of-use assets and liabilities unless the variable lease payments depend on an index or rate or are in substance fixed payments. Lease payments related to periods subject to renewal options are also excluded from the amounts used to determine the right-of-use assets and liabilities unless the Organization is reasonably certain to exercise the option to extend the lease. The present value of lease payments is calculated by utilizing the discount rate stated in the lease, when readily determinable. For leases for which this rate is not readily available, the Organization has elected to use a risk-free discount rate determined using a period comparable with that of the lease term. The Organization has made an accounting policy election not to separate lease components from non-lease components in contracts when determining its lease payments for all of its asset classes, as permitted by ASU 2016-02. As such, the Organization accounts for the applicable non-lease components together with the related lease components when determining the right-of-use assets and liabilities.

# The New York Foundling and Affiliate

## Notes to Consolidated Financial Statements

The Organization has made an accounting policy election not to record leases with an initial term of less than a year as right-of-use assets and liabilities.

The following tables summarize information related to the lease assets and liabilities:

### *Year ended June 30, 2024*

Lease costs:	
Operating lease cost	\$ 4,537,940
Other information:	
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	4,008,512
Right-of-use assets obtained in exchange for operating lease obligations	15,900,461
Weighted-average remaining lease term - operating leases	12.30 years
Weighted-average discount rate - operating leases	2.57%

### *June 30, 2024*

Right-of-use assets and liabilities:	
Right-of-use assets - operating leases	\$ 32,878,572
Lease liability - operating leases	35,802,822

For operating leases, right-of-use assets - operating leases and operating lease liabilities are recorded in the accompanying consolidated statement of financial position.

The following table reconciles the undiscounted operating lease payments to the lease liabilities recorded on the accompanying consolidated statement of financial position at June 30, 2024:

### *Year ending June 30,*

2025	\$ 3,673,756
2026	3,577,010
2027	3,662,014
2028	3,720,875
2029	3,439,311
Thereafter	25,436,711
<b>Total Lease Payments</b>	<b>43,509,677</b>
Less: imputed interest	(7,706,855)
<b>Total Operating Lease Liabilities</b>	<b>35,802,822</b>
Less: current portion	(3,673,756)
	<b>\$ 32,129,066</b>

Total rental expense charged to operations for the year ended June 30, 2024 totaled \$7,533,863.

# The New York Foundling and Affiliate

## Notes to Consolidated Financial Statements

### 11. Due to Governmental Agencies

Amounts due to governmental agencies consisting primarily of advanced payments from funding sources, which will be recouped in subsequent periods, are as follows:

*June 30, 2024*

NYC ACS Foster Care	\$ 6,682,620
NYC ACS Family Day Care	609,439
NYC ACS Preventive and others	548,414
NYS OPWDD	3,094,604
	<hr/>
	\$ 10,935,077

### 12. Loans Payable, Net

On June 20, 2014, The Foundling entered into a loan agreement in the amount of \$10,000,000 with a financial institution to finance capital projects. Principal payments are to be paid in monthly installments of \$33,333, which are due on the first business day of each month through November 18, 2024. The Foundling is currently working with the financial institution to amend the loan agreement which will extend the maturity date on the remaining principal balance (see Note 20). The interest is payable on a monthly basis at the Secured Overnight Financing Rate (SOFR) plus 4.55%, which was 6.879% at June 30, 2024. The loan is secured by the office building.

On December 18, 2014, The Foundling entered into a loan agreement in the amount of \$15,000,000 with a financial institution to finance the termination costs of the Archdiocese Defined Benefit Plan. Principal payments are to be paid in monthly installments of \$125,000, which are due on the first business day of each month through December 18, 2024, the maturity date. Interest is payable on a monthly basis at the SOFR plus 4.65%, which was 6.993% at June 30, 2024. The loan is secured by the office building.

Future minimum annual principal payments on the loans payable discussed above are as follows:

*Year ending June 30,*

2025	\$ 6,908,334
2026	-
2027	-
2028	-
2029	-
Thereafter	-
	<hr/>
	6,908,334
Less: unamortized balance of deferred financing costs	(66,691)
	<hr/>
	\$ 6,841,643

# The New York Foundling and Affiliate

## Notes to Consolidated Financial Statements

### 13. Mortgages Payable, Net

Facilities held under mortgages and the corresponding outstanding balances due on each note consist of the following:

*June 30, 2024*

34 Beechmont Drive <sup>(a)</sup>	\$	305,181
2 Sylvia Lane <sup>(b)</sup>		259,206
Brooklyn facilities <sup>(c)</sup> :		
337A Macon St.		1,573,520
2112 Canarsie Road		1,283,128
8 Schenck		902,204
East 38 <sup>th</sup> St.		1,454,887
1663 Union Street		1,457,124
170 Brown Place <sup>(d)</sup>		16,187,253
		23,422,503
Less: unamortized balance of deferred financing costs		(756,455)
	\$	22,666,048

- (a) In December 2012, The Foundling entered into a mortgage agreement with a financial institution to finance the operation of a community residential center. Principal payments are to be paid in monthly installments of \$7,350, which are due on the first business day of each month through December 3, 2027, the maturity date. Interest is payable on a monthly basis at a rate of 3.66% per annum. The mortgage is secured by the property located at 34 Beechmont Drive, New Rochelle, New York.
- (b) In December 2012, The Foundling entered into a mortgage agreement with a financial institution to finance the operation of a community residential center. Principal and interest payments are to be paid in monthly installments of \$6,327, which are due on the first business day of each month through December 3, 2027, the maturity date. Interest is payable on a monthly basis at a rate of 3.66% per annum. The mortgage is secured by the property located at 2 Sylvia Lane.
- (c) In August 2020, The Foundling entered into five mortgage agreements with a financial institution to finance the operation of facilities for developmentally disabled individuals. The principal amounts shall bear interest at the rate of 3.64% per annum. Monthly payments of principal and interest range from \$2,060 to \$5,320, which are due on the first day of each month through September 1, 2035. The mortgages are secured by the related properties in Brooklyn, New York.
- (d) On July 6, 2022, The Foundling entered into a loan agreement in the amount of \$16,800,000 with a financial institution to finance capital projects and pay off the outstanding balance of the line of credit, and the remaining proceeds were transferred into the investment account. Principal payments are to be paid in monthly installments of \$106,970, which are due on the first business day of each month through July 6, 2037, the maturity date. Interest is payable on a monthly basis at 5.79%. The loan is secured by the property located at 170 Brown Place, Bronx, New York, and a general revenue pledge.

# The New York Foundling and Affiliate

## Notes to Consolidated Financial Statements

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Future principal payments are as follows:

*Year ending June 30,*

2025	\$	736,467
2026		771,178
2027		807,634
2028		785,171
2029		716,979
Thereafter		19,605,074
		23,422,503
Less: unamortized balance of deferred financing costs		(756,455)
		22,666,048
Less: current portion of loans payable		(715,140)
	\$	21,950,908

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### 14. Bonds Payable, Net

#### *Rockland County Economic Assistance Corporation (RCEAC) Revenue Bonds*

*Year ending June 30, 2024*

RCEAC revenue bonds maturing every first day of the month starting in August 2012 through 2027, bearing interest rates at 3% computed on the basis of 360 days.	\$	5,000,000
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Proceeds from these bonds have been made available to The Foundling to pay off the outstanding debt due to a financial institution. The bonds were issued and sold by RCEAC. Pursuant to the indentures of trust for the bonds, payment of principal and interest to the bondholders is solely the obligation of The Foundling; RCEAC is not obligated for repayment of the bonds. The bonds are secured by the individual properties of the intermediate care facilities and community residence in Rockland County, New York. At June 30, 2024, \$284,305 of the bonds remains outstanding.

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# The New York Foundling and Affiliate

## Notes to Consolidated Financial Statements

The following table sets forth the scheduled annual principal and interest payments to be made on the bonds during each of the next five years and thereafter:

*Year ending June 30,*

	Principal		Interest	
2025	\$	91,476	\$	7,279
2026		94,729		4,491
2027		98,100		1,603
		284,305		13,373
Less: unamortized balance of deferred financing costs		(12,232)		-
		272,073		13,373
Less: current portion of loans payable and deferred financing costs		(87,399)		-
	\$	184,674	\$	13,373

The bond agreement provides for certain covenants, including maintenance of minimum liquidity and debt service coverage ratios. At June 30, 2024, The Foundling was in compliance with both the minimum liquidity ratios and the debt service coverage ratio requirement.

### 15. Line of Credit

In June 2014, The Foundling obtained a \$5,000,000 line of credit from a financial institution. This line of credit is secured by accounts receivable of the Organization. The line of credit has been amended multiple times from 2014 through 2021 to expand and/or reduce the maximum amount available to The Foundling. As of June 30, 2024, the current maximum amount available to be utilized by The Foundling on the line of credit is \$12,000,000. The interest rate on the line of credit is 4.50%. As of June 30, 2024, \$10,000,000 was outstanding on the line of credit. As of June 30, 2024, the unamortized balance of deferred financing costs associated with the line of credit is \$143,334 and is netted against the outstanding amount on the line of credit in the consolidated statement of financial position.

The line of credit, loans payable, and mortgages payable are all held with one financial institution. The line of credit, loans payable, and mortgages payable agreements provide for certain covenants, including maintenance of minimum liquidity ratio. At June 30, 2024, The Foundling was in compliance with the minimum liquidity ratio for the line of credit, loans payable, and mortgages payable.

### 16. Post-Retirement Plans

#### *Defined Contribution Plan*

The Foundling has established a defined contribution plan for its employees on January 1, 2015. Employees become eligible to participate as of their date of hire and may elect to contribute up to the statutory limit allowed. The Foundling matches all employee contributions up to 2% of participating employees' compensation. In addition, The Foundling makes direct contributions

# The New York Foundling and Affiliate

## Notes to Consolidated Financial Statements

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ranging from 2% to 4%, depending on number of years of service. For the year ended June 30, 2024, the employer contribution expense was \$4,046,541.

### ***Religious Pension Plan***

The Foundling also participates in a defined benefit pension plan (defined benefit plan) administered by a life insurance company. As of June 30, 2024, The Foundling had no unfunded pension obligation. This amount represents the excess of the projected benefit obligation, adjusted for previously recorded pension cost liabilities. The Foundling recorded an increase to net assets without donor restrictions of \$6,200 for the year ended June 30, 2024 in the accompanying consolidated statement of activities, resulting from changes in the unfunded pension liability.

## **17. Net Assets with Donor Restrictions**

Net assets with donor restrictions are available for the following purposes:

*June 30, 2024*

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Restricted for specific purpose:	
Foster care deaf services	\$ 4,610,458
Foster youth educational support	2,326,814
Head Start	1,481,144
Training and workshop	606,150
Mott Haven Scholarship	1,724,921
Integrated Behavioral Health	53,334
Summer Camp	65,000
Child Abuse Prevention Program	25,000
Early Childhood Mental Health	100,000
Food Pantry, non-residential	84,285
Other programs	683,111
<b>Total Restricted for Specific Purpose</b>	<b>11,760,217</b>
Restricted in perpetuity - donor fund:	
Alice Ward Kelly Fund	1,050,232
James Donohue Fund	268,742
William Fries Fund	10,000
Emily M. Moos Fund	251,487
Other funds	221,289
General operating support	1,962,792
Nursing training program purposes	200,000
<b>Total Restricted in Perpetuity - Donor Fund</b>	<b>3,964,542</b>
<b>Total Net Assets with Donor Restrictions</b>	<b>\$ 15,724,759</b>



# The New York Foundling and Affiliate

## Notes to Consolidated Financial Statements

Net assets with donor restrictions were released from their restriction by incurring expenses for the following purposes:

*June 30, 2024*

Released for specific purpose:

Foster care deaf services	\$	262,590
Foster youth educational support		1,876,451
School-based mental health		220,556
Training and workshop		30,372
In-house mentored internship		110,000
YV Life set		108,000
Integrated Behavioral Health		730,000
Healthy Families		125,000
Mott Haven Scholarship		350,000
Summer Camp		196,199
Child Abuse Prevention Program		160,771
Early Childhood Mental Health		190,000
Other programs		258,065

**Total Net Assets Released from Donor Restrictions** \$ 4,618,004

All assets included in The Foundling's net assets with donor restrictions in perpetuity are as follows:

*June 30, 2024*

Donor fund:

Fixed income	\$	53,795
Short-term investments		2,503,006
Publicly traded mutual funds		612,267
Limited partnerships		795,474

**Total Net Assets with Donor Restrictions - in Perpetuity** \$ 3,964,542

The following table provides a reconciliation of the changes in The Foundling's net assets with donor restrictions - in perpetuity:

*Year ended June 30, 2024*

	Restricted for a Specific Purpose	Restricted in Perpetuity	Total
<b>Endowment Net Assets</b> , beginning of year	\$ 2,482,142	\$ 3,964,542	\$ 6,446,684
Investment income, net	183,116	-	183,116
Appropriation of endowment assets for expenditure	(35,190)	-	(35,190)
<b>Endowment Net Assets</b> , end of year	\$ 2,630,068	\$ 3,964,542	\$ 6,594,610

# The New York Foundling and Affiliate

## Notes to Consolidated Financial Statements

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### 18. Rental Income

The Organization entered into a five-year ground lease with an unrelated third party for building space. The lease expires August 1, 2028. The lease includes escalations in base rent payments to the Organization, increasing after the 3<sup>rd</sup> year of the lease term.

Total base rent payments to be received by the Organization over the remaining life of the lease totaling \$8,304,423 are as follows:

*Year ending June 30,*

2025	\$	1,974,087
2026		1,974,087
2027		2,007,029
2028		2,013,617
2029		335,603
		<hr/>
		\$ 8,304,423

### 19. Commitments and Contingencies

#### *Litigation*

The Organization is involved in various claims and legal actions arising in the ordinary course of business. In the opinion of management and the Organization's legal counsel, the ultimate disposition of these matters will not have a material adverse effect on the Organization's consolidated statement of financial position, results of activities, or liquidity.

### 20. Subsequent Events

The Organization has performed subsequent events procedures through November 27, 2024, which is the date the consolidated financial statements were available to be issued. Other than the event disclosed below, there were no other subsequent events requiring adjustments to the consolidated financial statements or disclosures stated herein.

The Foundling is currently working with a financial institution to amend the terms of their financing arrangements. As of the date of this report, the proposed amendments included an extension on the maturity date of the loan agreement entered on June 20, 2014 (Note 12) and an increase on the borrowing base of the line of credit (Note 15) up to \$15,000,000.

## Supplementary Information

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**The New York Foundling and Affiliate**  
**Consolidating Schedule of Financial Position**  
**(with summarized comparative totals for 2023)**

June 30,

	The Foundling	Thrive	Eliminations	2024	2023
<b>Assets</b>					
<b>Current Assets</b>					
Cash and cash equivalents	\$ 7,176,910	\$ 86,366	\$ -	\$ 7,263,276	\$ 9,291,811
Investments, at fair value, current portion	150,721,312	-	-	150,721,312	143,515,178
Accounts and grants receivable, net	29,689,000	6,873	-	29,695,873	34,218,618
Notes receivable, current portion	60,000	-	-	60,000	60,000
Prepaid expenses, deposits, and other assets	3,571,685	-	-	3,571,685	2,130,325
Due from affiliates	1,039,820	-	(1,039,820)	-	-
Consumer funds	702,561	-	-	702,561	733,151
Assets limited or restricted as to use, current portion	137,353	-	-	137,353	137,353
<b>Total Current Assets</b>	<b>193,098,641</b>	<b>93,239</b>	<b>(1,039,820)</b>	<b>192,152,060</b>	<b>190,086,436</b>
<b>Investments, at fair value, net of current portion</b>	<b>37,205,651</b>	<b>-</b>	<b>-</b>	<b>37,205,651</b>	<b>34,986,087</b>
<b>Notes Receivable, net of current portion</b>	<b>360,000</b>	<b>-</b>	<b>-</b>	<b>360,000</b>	<b>420,000</b>
<b>Assets Limited or Restricted as to Use, net of current portion</b>	<b>526,473</b>	<b>-</b>	<b>-</b>	<b>526,473</b>	<b>438,780</b>
<b>Right-of-Use Assets - Operating Leases</b>	<b>32,878,572</b>	<b>-</b>	<b>-</b>	<b>32,878,572</b>	<b>20,686,380</b>
<b>Fixed Assets, Net</b>	<b>81,075,526</b>	<b>-</b>	<b>-</b>	<b>81,075,526</b>	<b>79,058,269</b>
<b>Total Assets</b>	<b>\$ 345,144,863</b>	<b>\$ 93,239</b>	<b>\$ (1,039,820)</b>	<b>\$ 344,198,282</b>	<b>\$ 325,675,952</b>

**The New York Foundling and Affiliate**  
**Consolidating Schedule of Financial Position**  
**(with summarized comparative totals for 2023)**

June 30,

	The Foundling	Thrive	Eliminations	2024	2023
<b>Liabilities and Net Assets</b>					
<b>Current Liabilities</b>					
Accounts payable and accrued expenses	\$ 28,441,280	\$ 555,157	\$ -	\$ 28,996,437	\$ 29,467,635
Line of credit, net of deferred financing costs	9,856,666	-	-	9,856,666	7,856,666
Consumer funds	681,097	-	-	681,097	733,151
Due to affiliate	-	1,039,820	(1,039,820)	-	-
Due to governmental agencies	10,935,077	-	-	10,935,077	9,508,709
Loans payable, current portion, net of deferred financing costs	6,841,643	-	-	6,841,643	7,847,239
Mortgages payable, current portion, net of deferred financing costs	715,140	-	-	715,140	679,447
Bonds payable, current portion, net of deferred financing costs	87,399	-	-	87,399	447,704
Operating lease liabilities, current portion	3,673,756	-	-	3,673,756	3,012,547
<b>Total Current Liabilities</b>	<b>61,232,058</b>	<b>1,594,977</b>	<b>(1,039,820)</b>	<b>61,787,215</b>	<b>59,553,098</b>
<b>Accrued Pension Obligation</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,200</b>
<b>Loans Payable, net of current portion and deferred financing costs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>808,309</b>
<b>Mortgages Payable, net of current portion and deferred financing costs</b>	<b>21,950,908</b>	<b>-</b>	<b>-</b>	<b>21,950,908</b>	<b>22,628,531</b>
<b>Bonds Payable, net of current portion and deferred financing costs</b>	<b>184,674</b>	<b>-</b>	<b>-</b>	<b>184,674</b>	<b>272,073</b>
<b>Operating Lease Liabilities, net of current portion</b>	<b>32,129,066</b>	<b>-</b>	<b>-</b>	<b>32,129,066</b>	<b>20,068,654</b>
<b>Total Liabilities</b>	<b>115,496,706</b>	<b>1,594,977</b>	<b>(1,039,820)</b>	<b>116,051,863</b>	<b>103,336,865</b>
<b>Commitments and Contingencies</b>					
<b>Net Assets (Deficit)</b>					
Without donor restrictions	213,923,398	(1,501,738)	-	212,421,660	207,305,878
With donor restrictions	15,724,759	-	-	15,724,759	15,033,209
<b>Total Net Assets (Deficit)</b>	<b>229,648,157</b>	<b>(1,501,738)</b>	<b>-</b>	<b>228,146,419</b>	<b>222,339,087</b>
	\$ 345,144,863	\$ 93,239	\$ (1,039,820)	\$ 344,198,282	\$ 325,675,952

# The New York Foundling and Affiliate

## Consolidating Schedule of Activities (with summarized comparative totals for 2023)

Year ended June 30,

	The Foundling			Thrive			Eliminations	Totals	
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total		2024	2023
<b>Program Revenue</b>									
Fee-for-service revenue	\$ 113,338,012	\$ -	\$ 113,338,012	\$ -	\$ -	\$ -	\$ -	\$ 113,338,012	\$ 113,058,561
Government and other grants and contracts	101,686,306	-	101,686,306	-	-	-	-	101,686,306	85,157,238
OPWDD workforce stabilization	-	-	-	-	-	-	-	-	863,496
Contributions	1,835,059	5,059,106	6,894,165	-	-	-	-	6,894,165	5,854,708
Special events, net of direct expenses	736,344	67,333	803,677	-	-	-	-	803,677	591,655
Rental income	2,702,816	-	2,702,816	-	-	-	-	2,702,816	1,134,956
Coronavirus, Aid, Relief, and Economic Security Act (CARES Act) relief fund	-	-	-	-	-	-	-	-	2,118,257
Other program revenue	5,557,738	-	5,557,738	-	-	-	-	5,557,738	4,288,319
In-kind contributions	2,399,602	-	2,399,602	-	-	-	-	2,399,602	2,508,942
Net assets released from restrictions	4,618,004	(4,618,004)	-	-	-	-	-	-	-
<b>Total Program Revenue</b>	<b>232,873,881</b>	<b>508,435</b>	<b>233,382,316</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>233,382,316</b>	<b>215,576,132</b>
<b>Expenses</b>									
Program services:									
Child Welfare	49,314,765	-	49,314,765	-	-	-	-	49,314,765	46,195,424
OPWDD services	94,765,887	-	94,765,887	-	-	-	-	94,765,887	88,587,277
Education	41,908,721	-	41,908,721	-	-	-	-	41,908,721	34,190,970
Health and Behavior Health	13,474,148	-	13,474,148	-	-	-	-	13,474,148	13,951,300
Juvenile Justice	4,485,293	-	4,485,293	-	-	-	-	4,485,293	3,638,102
Community Engagement Initiatives	2,540,426	-	2,540,426	-	-	-	-	2,540,426	2,468,994
Other programs	6,952,710	-	6,952,710	-	-	-	-	6,952,710	5,586,752
<b>Total Program Services</b>	<b>213,441,950</b>	<b>-</b>	<b>213,441,950</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>213,441,950</b>	<b>194,618,819</b>
Supporting services:									
Management and general	30,222,206	-	30,222,206	-	-	-	-	30,222,206	30,408,355
Fundraising	1,279,533	-	1,279,533	-	-	-	-	1,279,533	1,351,621
<b>Total Supporting Services</b>	<b>31,501,739</b>	<b>-</b>	<b>31,501,739</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31,501,739</b>	<b>31,759,976</b>
<b>Total Expenses</b>	<b>244,943,689</b>	<b>-</b>	<b>244,943,689</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>244,943,689</b>	<b>226,378,795</b>
<b>Change in Net Assets from Operations</b>	<b>(12,069,808)</b>	<b>508,435</b>	<b>(11,561,373)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(11,561,373)</b>	<b>(10,802,663)</b>
<b>Non-Operating Revenue (Expenses)</b>									
Investment gain, net	14,413,949	183,115	14,597,064	-	-	-	-	14,597,064	6,894,639
Legacies and bequests	2,795,414	-	2,795,414	-	-	-	-	2,795,414	654,301
Change in unfunded pension obligation	6,200	-	6,200	-	-	-	-	6,200	(14,867)
Gain from sale of properties	24,270	-	24,270	-	-	-	-	24,270	541,701
Gain from insurance proceeds	493,522	-	493,522	-	-	-	-	493,522	480,000
Severance	(547,765)	-	(547,765)	-	-	-	-	(547,765)	-
<b>Total Non-Operating Revenue (Expenses), Net</b>	<b>17,185,590</b>	<b>183,115</b>	<b>17,368,705</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,368,705</b>	<b>8,555,774</b>
<b>Change in Net Assets</b>	<b>5,115,782</b>	<b>691,550</b>	<b>5,807,332</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,807,332</b>	<b>(2,246,889)</b>
<b>Net Assets (Deficit), beginning of year</b>	<b>208,807,616</b>	<b>15,033,209</b>	<b>223,840,825</b>	<b>(1,501,738)</b>	<b>-</b>	<b>(1,501,738)</b>	<b>-</b>	<b>222,339,087</b>	<b>224,585,976</b>
<b>Net Assets (Deficit), end of year</b>	<b>\$ 213,923,398</b>	<b>\$ 15,724,759</b>	<b>\$ 229,648,157</b>	<b>\$ (1,501,738)</b>	<b>\$ -</b>	<b>\$ (1,501,738)</b>	<b>\$ -</b>	<b>\$ 228,146,419</b>	<b>\$ 222,339,087</b>