

Groundwork Hudson Valley, Inc.

Financial Statements

December 31, 2019 and 2018

Independent Auditors' Report

Board of Directors
Groundwork Hudson Valley, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Groundwork Hudson Valley, Inc., which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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, 2019, 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.

Report on Summarized Comparative Information

We have previously audited the Groundwork Hudson Valley, Inc. 's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 8, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

PKF O'Connor Davies, LLP

Harrison, New York
July 29, 2020

Groundwork Hudson Valley, Inc.

Statements of Financial Position

| | December 31, | |
|---------------------------------------|---------------------|---------------------|
| | 2019 | 2018 |
| ASSETS | | |
| Cash and cash equivalents | \$ 295,842 | \$ 313,190 |
| Contracts and grants receivable | 293,195 | 337,937 |
| Prepaid expenses and other assets | 9,782 | 7,092 |
| Security deposits | 3,660 | 3,660 |
| Fixed assets, net | <u>1,008,121</u> | <u>944,751</u> |
| | <u>\$ 1,610,600</u> | <u>\$ 1,606,630</u> |
| LIABILITIES AND NET ASSETS | | |
| Liabilities | | |
| Accounts payable and accrued expenses | \$ 23,861 | \$ 256,450 |
| Deferred revenue | 14,239 | - |
| Due to related party | - | <u>20,000</u> |
| Total Liabilities | <u>38,100</u> | <u>276,450</u> |
| Net Assets | | |
| Without donor restrictions | 1,566,509 | 1,285,595 |
| With donor restrictions | <u>5,991</u> | <u>44,585</u> |
| Total Net Assets | <u>1,572,500</u> | <u>1,330,180</u> |
| | <u>\$ 1,610,600</u> | <u>\$ 1,606,630</u> |

See notes to financial statements

Groundwork Hudson Valley, Inc.

Statements of Activities
Year Ended December 31,

| | 2019 | | | 2018 | | |
|--|-------------------------------|----------------------------|---------------------|-------------------------------|----------------------------|---------------------|
| | Without Donor Restrictions | With Donor Restrictions | Total | Without Donor Restrictions | With Donor Restrictions | Total |
| REVENUE AND SUPPORT | | | | | | |
| Government grants | \$ 485,989 | \$ 35,000 | \$ 520,989 | \$ 1,114,982 | \$ - | \$ 1,114,982 |
| Private grants | 278,136 | - | 278,136 | 114,620 | 73,000 | 187,620 |
| Contributions | 303,134 | - | 303,134 | 508,938 | - | 508,938 |
| In-kind services | - | - | - | 3,500 | - | 3,500 |
| Fundraising events, net of direct benefit to donors, of \$56,753 and \$65,124 | 334,677 | - | 334,677 | 353,990 | - | 353,990 |
| Program service income | 108,224 | - | 108,224 | 71,254 | - | 71,254 |
| Shared costs income | 8,605 | - | 8,605 | 10,776 | - | 10,776 |
| Interest and other income | 2,267 | - | 2,267 | 2,241 | - | 2,241 |
| Net assets released from restriction | 73,594 | (73,594) | - | 151,974 | (151,974) | - |
| Total Revenue and Support | <u>1,594,626</u> | <u>(38,594)</u> | <u>1,556,032</u> | <u>2,332,275</u> | <u>(78,974)</u> | <u>2,253,301</u> |
| EXPENSES | | | | | | |
| Program services | 918,196 | - | 918,196 | 1,201,162 | - | 1,201,162 |
| Administration | 160,158 | - | 160,158 | 202,785 | - | 202,785 |
| Fundraising | 235,358 | - | 235,358 | 235,449 | - | 235,449 |
| Total Expenses | <u>1,313,712</u> | <u>-</u> | <u>1,313,712</u> | <u>1,639,396</u> | <u>-</u> | <u>1,639,396</u> |
| Change in Net Assets | 280,914 | (38,594) | 242,320 | 692,879 | (78,974) | 613,905 |
| NET ASSETS | | | | | | |
| Beginning of year | <u>1,285,595</u> | <u>44,585</u> | <u>1,330,180</u> | <u>592,716</u> | <u>123,559</u> | <u>716,275</u> |
| End of Year | <u>\$ 1,566,509</u> | <u>\$ 5,991</u> | <u>\$ 1,572,500</u> | <u>\$ 1,285,595</u> | <u>\$ 44,585</u> | <u>\$ 1,330,180</u> |

See notes to financial statements

Groundwork Hudson Valley, Inc.

Statement of Functional Expenses
Year Ended December 31, 2019
(With comparative totals for 2018)

| | 2019 | | | | | 2018 | |
|--|---------------------|-------------------|-------------------|--|----------------------|---------------------|---------------------|
| | Program Services | Administration | Fundraising | | | Total | Total |
| | | | Fundraising | Direct Costs of Fundraising Events | Total Fundraising | | |
| Payroll | \$ 437,591 | \$ 78,339 | \$ 129,977 | \$ - | \$ 129,977 | \$ 645,907 | 711,280 |
| Payroll taxes and benefits | 87,564 | 15,676 | 26,009 | - | 26,009 | 129,249 | 145,864 |
| Program materials and supplies | 67,126 | - | - | - | - | 67,126 | 392,188 |
| Program consultants | 52,778 | - | - | - | - | 52,778 | 63,251 |
| Professional fees (including in-kind services of \$- and \$3,500) | 6,468 | 49,358 | 51,191 | 20,000 | 71,191 | 127,017 | 111,777 |
| Occupancy | 47,193 | 7,392 | 4,926 | - | 4,926 | 59,511 | 65,470 |
| Fundraising event costs | - | - | 17,239 | 36,753 | 53,992 | 53,992 | 56,289 |
| Insurance | 31,934 | 2,873 | - | - | - | 34,807 | 34,500 |
| Travel | 15,551 | - | - | - | - | 15,551 | 19,114 |
| Office expenses | 12,977 | 2,755 | 1,156 | - | 1,156 | 16,888 | 11,452 |
| Technology and communications | 15,149 | 2,546 | 1,697 | - | 1,697 | 19,392 | 8,711 |
| Other | 4,702 | 1,219 | 3,163 | - | 3,163 | 9,084 | 15,632 |
| Depreciation | 139,163 | - | - | - | - | 139,163 | 68,992 |
| Total Expenses | 918,196 | 160,158 | 235,358 | 56,753 | 292,111 | 1,370,465 | 1,704,520 |
| Expenses deducted directly from revenues on the statement of activities | | | | | | | |
| Direct cost of special events | - | - | - | (56,753) | (56,753) | (56,753) | (65,124) |
| Total Expenses Reported by Function | \$ 918,196 | \$ 160,158 | \$ 235,358 | \$ - | \$ 235,358 | \$ 1,313,712 | \$ 1,639,396 |

See notes to financial statements

Groundwork Hudson Valley, Inc.

Statements of Cash Flows

| | Year Ended December 31, | |
|--|-------------------------|------------|
| | 2019 | 2018 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in net assets | \$ 242,320 | \$ 613,905 |
| Adjustments to reconcile change in net assets to net cash from operating activities | | |
| Depreciation | 139,163 | 68,992 |
| Changes in operating assets and liabilities | | |
| Contracts and grants receivable | 44,742 | 86,197 |
| Pledges receivable | - | 2,400 |
| Due from related party | - | 584 |
| Prepaid expenses and other assets | (2,690) | (1,843) |
| Security deposits | - | 330 |
| Accounts payable and accrued expenses | (232,589) | 59,730 |
| Deferred revenue | 14,239 | (6,177) |
| Net Cash from Operating Activities | 205,185 | 824,118 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of fixed assets | (202,533) | (392,922) |
| CHANGES IN CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from lines of credit | - | 397,424 |
| Repayment of lines of credit | - | (600,038) |
| Repayment of loan from related party | (20,000) | - |
| Net Cash from Financing Activities | (20,000) | (202,614) |
| Net Change in Cash and Cash Equivalents | (17,348) | 228,582 |
| CASH AND CASH EQUIVALENTS | | |
| Beginning of year | 313,190 | 84,608 |
| End of Year | \$ 295,842 | \$ 313,190 |
| SUPPLEMENTAL INFORMATION | | |
| Cash paid for interest | \$ - | \$ 4,108 |
| Noncash Investing Transactions | | |
| Disposal of fully depreciated fixed assets | 181,150 | 15,031 |

See notes to financial statements

Groundwork Hudson Valley, Inc.

Notes to Financial Statements
December 31, 2019 and 2018

1. Organization

Groundwork Hudson Valley, Inc. (the “Organization”), is a non-for-profit corporation, incorporated in the State of New York. The Organization has been a dynamic force for change in distressed communities in the lower Hudson Valley by working to make neglected neighborhoods more livable and sustainable through an array of on-the-ground environmental projects that directly involve local residents.

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.

Change in Accounting Principle

Effective January 1, 2019, the Organization adopted new U.S. GAAP revenue recognition guidance (“Topic 606”) which provides a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers, and supersedes most current revenue recognition guidance. The core principle of the new accounting standards update (the “ASU”) is that an entity should recognize revenue from the transfer of promised goods or services to customers in an amount that reflects the consideration the entity expects to receive for those promised goods or services to customers. The guidance includes a five-step framework to determine the timing and amount of revenue to recognize related to contracts with customers. In addition, this guidance requires new or expanded disclosures related to judgments made by entities when following this framework. Adoption of the ASU resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to prior audited financial statements were required on a modified retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

Effective January 1, 2019, the Organization adopted new U.S. GAAP guidance ASU 2018-08 Contributions Received and Contributions Made. The ASU provides a framework for evaluating whether grants or contributions should be accounted for as exchange transactions or as non-exchange transactions. Adoption of the ASU resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to prior audited financial statements were required on a modified retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

Groundwork Hudson Valley, Inc.

Notes to Financial Statements
December 31, 2019 and 2018

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

Classes of Net Assets

Net assets are classified based on the existence or absence of donor-imposed restrictions. Net assets without donor restrictions are those funds having no restriction as to use or purpose imposed by donors. Net assets with donor restrictions are those whose use by the Organization has been limited by donors to a specific period or purpose. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2018, from which the summarized information was derived.

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.

Contracts and Grants Receivable

Contracts and 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 accounts receivable. As of December 31, 2019 and 2018, no allowance for doubtful accounts has been deemed necessary.

Pledges Receivable

The Organization discounts pledges that are expected to be collected beyond one year using a risk adjusted rate to estimate present value.

Groundwork Hudson Valley, Inc.

Notes to Financial Statements
December 31, 2019 and 2018

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

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. Leasehold improvements are amortized over the lesser of the estimated useful life of the asset or the 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:

| | <u>Years</u> |
|--|--------------|
| Science barge and related structures and equipment | 15 |
| Ecohouse | 10 |
| Furniture and equipment | 5-10 |
| Vehicles | 3-5 |

Donated Services

Donated services are reported in the financial statements at fair value, if those services create or enhance non-financial assets or require specialized skills provided by individuals possessing those skills and that would typically be purchased if not donated. Contributions of donated non-cash assets are recorded at their fair value in the period received. During the year ended December 31, 2018, \$3,500 was donated to the Organization and have been reported in the statements of activities, respectively. No donated services were received during the year ended December 31, 2019.

During the years ended December 31, 2019 and 2018, \$20,000 and \$28,300 was donated to the Organization in relation to fundraising events and have been reported in the statements of activities net of expenses, respectively.

Groundwork Hudson Valley, Inc.

Notes to Financial Statements
December 31, 2019 and 2018

2. Summary of Significant Accounting Policies (continued)

Donated Services (continued)

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 unrestricted use unless specifically restricted by the donor or subject to other legal restrictions. When a donor restriction expires, that is when a stipulated time restrictions are reclassified to net assets without donor restrictions and are reported as such in the statement of activities.

Revenue Recognition

The Organization receives government contract and private grants, which are reviewed to determine if they contain traits more similar to contributions or exchange transactions. For those contracts and 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 contracts and grants receivables or deferred income.

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

Functional Expense Allocation

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the functions benefited. Administration expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

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 periods prior to December 31, 2016.

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 29, 2020.

Groundwork Hudson Valley, Inc.

Notes to Financial Statements
December 31, 2019 and 2018

3. Fixed Assets

Fixed assets consist of the following at December 31:

| | <u>2019</u> | <u>2018</u> |
|--|--------------------|-------------------|
| Land - lot for community garden | \$ 79,193 | \$ 79,193 |
| Depreciable Assets: | | |
| Science barge and related structures and equipment | 1,166,355 | 1,144,972 |
| Ecohouse | 17,543 | 17,543 |
| Furniture and equipment | 3,914 | 3,914 |
| Vehicles | 40,017 | 40,017 |
| Leasehold improvements | <u>9,179</u> | <u>9,179</u> |
| Total Depreciable Assets | <u>1,237,008</u> | <u>1,215,625</u> |
| Accumulated depreciation and amortization | <u>(308,080)</u> | <u>(350,067)</u> |
| Net Depreciable Assets | <u>928,928</u> | <u>865,558</u> |
| | <u>\$1,008,121</u> | <u>\$ 944,751</u> |

4. Lines of Credit

In 2017, the Organization opened two lines of credit with The Westchester Bank (the "Bank"). The first line of credit provides for borrowings up to \$245,000 with an interest rate of 2% above prime. The purpose of this line of credit is to support the costs of dry docking repairs for the science barge project. The science barge project is funded by private and government grants on a reimbursement basis. Any outstanding payments are due upon the maturity date of November 30, 2018. As of December 31, 2018, the line of credit had been repaid. Interest expense for the year ended December 31, 2018 was \$2,993. This line of credit was closed in 2018 when the project ended.

The second line of credit provides working capital borrowings up to \$50,000, with an interest rate of 2.25% above prime. 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 in 2019 from the second line of credit and there was no interest expense for the year ended December 31, 2019. Interest expense for the year ended December 31, 2018 was \$510. As of December 31, 2018, the line of credit has been repaid. Subsequently, on February 2020 the line of credit borrowings increased up to \$100,000 maturity continues to be on demand.

In 2018, the Organization opened a third line of credit with the Bank to provide additional borrowings up to \$325,000 with an interest rate of 2% above prime. The purpose of this line of credit is to support the development of a new playground being created by the Organization. The playground project is funded by several private and government grants on a reimbursement basis. Any outstanding payments are due upon the maturity

Groundwork Hudson Valley, Inc.

Notes to Financial Statements
December 31, 2019 and 2018

4. Lines of Credit *(continued)*

date of May 31, 2019. Interest expense for the years ended December 31, 2018 was \$605. No interest expense was incurred during 2019. As of December 31, 2018, the line of credit has been repaid. This line of credit was renewed in 2019, with a new maturity date of November 30, 2019. No funds were drawn in 2019 from the third line of credit. This line of credit was closed in December 2019.

In 2018, the Organization opened a fourth line of credit with the Bank to provide additional borrowings up to \$175,000 with an interest rate of 2% above prime. The purpose of this line of credit is to support expenses related to the Science Barge funded by several private and government grants on a reimbursement basis. Any outstanding payments are due upon the maturity date of November 30, 2019. No funds were drawn in 2019 and 2018 from the line of credit, and there was no interest expense for the years ended December 31, 2019 and 2018. This line of credit was closed in December 2019.

5. Related Party Transactions

The Organization is one of the Groundwork Trusts in the national network of Groundwork USA, Inc. ("GWUSA"). The Organization is related to GWUSA in that they share administrative offices. GWUSA reimburses the Organization for occupancy, and other administrative costs that the Organization incurs on behalf of GWUSA. These reimbursements are reflected as shared costs income on the statements of activities.

As of December 31, 2019 and 2018, the Organization had zero outstanding balances due from GWUSA.

GWUSA made grants to the Organization totaling approximately \$49,467 and \$106,906 in 2019 and 2018.

As of December 31, 2018, the Organization has an outstanding loan payable in the amount of \$20,000 due to a member of the Board of Directors (the "Board"). The loan bears no interest and the lender has not established terms of repayment. The loan was repaid in full during 2019.

6. Net Assets with Donor Restrictions

Changes in net assets with donor restrictions consist of the following at December 31:

| <u>Purpose / Restriction</u> | <u>2018</u> | <u>Additions</u> | <u>Releases</u> | <u>2019</u> |
|------------------------------|------------------|------------------|--------------------|-----------------|
| Greenway, parks and rivers | \$ 21,269 | \$ - | \$ (18,769) | \$ 2,500 |
| Sustainability education | 23,316 | 25,000 | (44,825) | 3,491 |
| Youth development | - | 10,000 | (10,000) | - |
| | <u>\$ 44,585</u> | <u>\$ 35,000</u> | <u>\$ (73,594)</u> | <u>\$ 5,991</u> |

Groundwork Hudson Valley, Inc.

Notes to Financial Statements
December 31, 2019 and 2018

6. Net Assets with Donor Restrictions (*continued*)

| <u>Purpose / Restriction</u> | <u>2017</u> | <u>Additions</u> | <u>Releases</u> | <u>2018</u> |
|------------------------------|-------------------|------------------|--------------------|------------------|
| Greenway, parks and rivers | \$ 65,490 | \$ 28,000 | \$ (72,221) | \$ 21,269 |
| Sustainability education | 48,495 | 20,000 | (45,179) | 23,316 |
| Youth development | <u>9,574</u> | <u>25,000</u> | <u>(34,574)</u> | <u>-</u> |
| | <u>\$ 123,559</u> | <u>\$ 73,000</u> | <u>\$(151,974)</u> | <u>\$ 44,585</u> |

7. Commitments and Contingencies

Lease Commitments

The Organization leases office space and certain equipment under various non-cancelable operating leases. At December 31, 2019, aggregate future minimum annual rental payments are payable as follows:

| | |
|------|------------------|
| 2020 | \$ 16,158 |
| 2021 | <u>1,476</u> |
| | <u>\$ 17,634</u> |

Office space lease has been on a month-to-month basis since May 2020, while the lease renewal is under negotiations.

Government Contracts

Government contracts 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.

8. Concentrations and Risks

Credit Risk

Cash includes cash balances held in bank accounts that are federally insured. At times cash deposits may exceed the federally insured limit of the financial institution and expose the organization to credit risk. The Organization believes it is not exposed to any significant risk of loss of these funds. At December 31, 2019 and 2018, approximately \$264,000 and \$65,000 of cash was maintained with an institution in excess of the federally insured limits.

Groundwork Hudson Valley, Inc.

Notes to Financial Statements
December 31, 2019 and 2018

8. Concentrations and Risks (continued)

Operating Risk

Five large funders provided approximately 46% and 52% of the Organization's revenue and support in 2019 and 2018, respectively. 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.

The Coronavirus pandemic may have an adverse effect on the operations. Given the uncertainty around the extent and timing of the potential spread or migration of the Coronavirus and around imposition or relaxation of protective measures, management cannot reasonably estimate the impact to future results of operations, cash flows, or financial condition.

9. 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 salary for all eligible employees, which totaled \$11,327 and \$12,561 in 2019 and 2018, respectively.

10. Liquidity

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

| | |
|--|-------------------|
| Cash and cash equivalents | \$ 295,842 |
| Contracts and grants receivable | <u>293,195</u> |
| Total financial assets available within one year | 589,037 |
| Less : | |
| Net assets with donor restrictions | <u>(5,991)</u> |
| Total financial assets available within one year for general expenditures | <u>\$ 583,046</u> |

At December 31, 2019 and 2018, the Organization had an available revolving line of credit of \$50,000 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.

* * * * *