

Row New York, Inc.

Financial Statements

June 30, 2023

Independent Auditors' Report

**To the Board of Trustees
Row New York, Inc.**

Opinion

We have audited the accompanying financial statements of Row New York, Inc., which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Row New York, Inc. as of June 30, 2023, 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Row New York, Inc. 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 Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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 substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Report on Summarized Comparative Information

We have previously audited Row New York, Inc.'s June 30, 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 15, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

PKF O'Connor Davies, LLP

February 1, 2024

Row New York, Inc.

Statement of Financial Position
June 30, 2023
(with comparative amounts at June 30, 2022)

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and cash equivalents	\$ 9,779,881	\$ 9,727,041
Pledges and grants receivable, net	6,661,224	1,009,361
Prepaid expenses and other assets	146,716	149,164
Property and equipment, net	<u>6,190,505</u>	<u>5,432,026</u>
 Total Assets	 <u>\$ 22,778,326</u>	 <u>\$ 16,317,592</u>
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 136,928	\$ 142,980
Deferred revenue	31,722	35,223
Conditional asset retirement obligation	<u>100,000</u>	<u>100,000</u>
Total Liabilities	<u>268,650</u>	<u>278,203</u>
 Net Assets		
Without donor restrictions	3,584,054	3,411,344
With donor restrictions	<u>18,925,622</u>	<u>12,628,045</u>
Total Net Assets	<u>22,509,676</u>	<u>16,039,389</u>
	 <u>\$ 22,778,326</u>	 <u>\$ 16,317,592</u>

See notes to the financial statements

Row New York, Inc..

Statement of Activities
Year Ended June 30, 2023
(with summarized totals for the year ended June 30, 2022)

	2023			2022 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
SUPPORT AND REVENUE				
Contributions				
Foundations	\$ 267,150	\$ 617,000	\$ 884,150	\$ 1,152,060
Capital campaign	-	8,150,150	8,150,150	2,030,609
Capital campaign - donated goods and services	-	11,989	11,989	131,917
Corporations	72,643	5,000	77,643	98,297
Individuals	130,567	30,000	160,567	365,102
Government	268,828	-	268,828	254,958
Program service fees	322,040	-	322,040	193,350
Special events, net of costs of direct benefits to donors of \$187,133 and \$176,905	681,827	-	681,827	468,300
Donated goods and services	16,775	-	16,775	64,952
Rental and other income	49,875	-	49,875	27,334
Interest income	275,661	-	275,661	-
Net assets released from restrictions	<u>2,205,377</u>	<u>(2,205,377)</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	<u>4,290,743</u>	<u>6,608,762</u>	<u>10,899,505</u>	<u>4,786,879</u>
OPERATING EXPENSES				
Program services	3,048,554	-	3,048,554	2,776,183
Supporting Services				
Management and general	635,240	-	635,240	470,770
Fundraising	555,559	-	555,559	531,005
Total Operating Expenses	<u>4,239,353</u>	<u>-</u>	<u>4,239,353</u>	<u>3,777,958</u>
Excess of Support and Revenue Over Total Operating Expenses	51,390	6,608,762	6,660,152	1,008,921
NON-OPERATING ACTIVITIES				
Present value discount adjustment	-	(311,185)	(311,185)	18,302
CARES Act revenue	<u>121,320</u>	<u>-</u>	<u>121,320</u>	<u>580,932</u>
Total Non-operating Expenses	<u>121,320</u>	<u>(311,185)</u>	<u>(189,865)</u>	<u>599,234</u>
Change in Net Assets	172,710	6,297,577	6,470,287	1,608,155
NET ASSETS				
Beginning of year	<u>3,411,344</u>	<u>12,628,045</u>	<u>16,039,389</u>	<u>14,431,234</u>
End of year	<u>\$ 3,584,054</u>	<u>\$ 18,925,622</u>	<u>\$ 22,509,676</u>	<u>\$ 16,039,389</u>

See notes to the financial statements

Row New York, Inc.

Statement of Functional Expenses
Year Ended June 30, 2023
(with summarized totals for the year ended June 30, 2022)

	2023			2022 Total	
	Program Services	Supporting Services Management and General	Fundraising		Total
Salaries and related expenses	\$ 1,689,115	\$ 248,852	\$ 372,205	\$ 2,310,172	\$ 1,992,514
Payroll taxes	153,601	22,629	33,846	210,076	188,107
Employee benefits	183,005	26,961	40,326	250,292	218,068
Payroll and benefits administration	37,540	5,531	8,272	51,343	42,192
Athletic and educational supplies and expenses	345,657	-	-	345,657	251,054
Occupancy	98,452	10,186	15,235	123,873	135,057
Depreciation and amortization	153,282	-	-	153,282	160,103
Student transportation	26,920	-	-	26,920	36,681
Repairs and maintenance	32,865	-	-	32,865	18,653
Office supplies and other	35,226	11,391	34,504	81,121	75,747
Insurance	121,260	4,278	-	125,538	139,739
Fundraising expenses	-	-	225,771	225,771	201,464
Promotion and branding	28,525	4,202	6,285	39,012	47,300
Audit and accounting fees	-	52,000	-	52,000	48,000
Consulting and legal (including in-kind services)	102,134	49,084	2,217	153,435	354,856
Bad debt	-	198,174	-	198,174	-
Travel, meetings and entertainment	40,972	1,952	4,031	46,955	45,328
Total Expenses	3,048,554	635,240	742,692	4,426,486	3,954,863
Less event costs with direct benefit to donors	-	-	(187,133)	(187,133)	(176,905)
Total Expenses Reported by Function	\$ 3,048,554	\$ 635,240	\$ 555,559	\$ 4,239,353	\$ 3,777,958

See notes to financial statements

Row New York, Inc.

Statement of Cash Flows
Year Ended June 30, 2023

(with comparative amounts for the year ended June 30, 2022)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 6,470,287	\$ 1,608,155
Adjustments to reconcile change in net assets to net cash from operating activities		
In-kind contributions of property and equipment	(11,989)	(131,917)
Bad debt expense	198,174	-
Discount on pledges	311,185	(18,302)
Realized gain from sale of investments	(131)	(184)
Donated marketable investment securities	(25,309)	(156,997)
Depreciation and amortization	153,282	160,103
Loss on disposal of property and equipment	2,530	9,336
Forgiveness of Paycheck Protection Program loan	-	(580,932)
Changes in operating assets and liabilities		
Pledges and grants receivable	(6,161,222)	830,127
Prepaid expenses and other assets	2,448	(24,099)
Accounts payable and accrued expenses	(6,052)	(157,461)
Deferred revenue	(3,501)	20,575
Net Cash from Operating Activities	929,702	1,558,404
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of marketable investment securities	25,440	157,181
Purchase of property and equipment	(902,302)	(755,414)
Net Cash from Investing Activities	(876,862)	(598,233)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of Paycheck Protection Program loan	-	(9,950)
Net Change in Cash and Cash Equivalents	52,840	950,221
CASH AND CASH EQUIVALENTS		
Beginning of year	9,727,041	8,776,820
End of year	\$ 9,779,881	\$ 9,727,041

See notes to the financial statements

Row New York, Inc.

Notes to Financial Statements
June 30, 2023

1. Organization and Tax Status

Row New York, Inc. (the “Organization”) combines the discipline of competitive rowing with rigorous academic support and social-emotional support to transform the lives of youth from some of New York City’s most under-resourced communities. Row New York, Inc. provides student-athletes with comprehensive year-round youth development programming on Meadow Lake in Queens and on the Harlem River in upper Manhattan. The values of confidence, teamwork, tenacity, and focus that teenagers develop with Row New York, Inc. persist once they leave the Organization, as self-possessed leaders who know their own power and potential in the boat, in the classroom, and in life. Year after year, 100 percent of the Organization’s student-athletes graduate from high school on time and put in 750-1,000 hours of physical activity-double the CDC recommendation. Further, 95% of Row New York, Inc.’s student-athletes have matriculated to college after they have graduated from the program and over 85% of youth have graduated college.

In addition to the Organization’s core youth-development program, each year hundreds of New Yorkers are reached through community rowing programs for public school students, Veterans, and individuals with cognitive and physical disabilities. The Organization strives to empower all to build strength, gain confidence, and pursue excellence both on and off the water.

The Organization was incorporated in 2001 as a 501(c)(3) nonprofit organization.

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 revenue and expenses during the reporting period. Accordingly, actual results may differ from those estimates.

Net Asset Presentation

Net assets and revenue are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as with or without donor restriction. Contributions are reported as an increase in without donor restricted net assets unless their use is limited by donor-imposed restrictions. All donor restricted support is reported as an increase in with donor restricted net assets. When a restriction expires, with donor restricted net assets are reclassified to without donor restriction and reported in the statement of activities as net assets released from restriction.

Row New York, Inc.

Notes to Financial Statements
June 30, 2023

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

Change in Accounting Policy

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842), which requires organizations that lease assets (lessees) to recognize the assets and related liabilities for the rights and obligations created by the leases on the statement of financial position for leases with terms exceeding 12 months. ASU No. 2016-02 defines a lease as a contract or part of a contract that conveys the right to control the use of identified assets for a period of time in exchange for consideration. The lessee in a lease will be required to initially measure the right-of-use asset and the lease liability at the present value of the remaining lease payments, as well as capitalize initial direct costs as part of the right-of-use asset.

The Organization adopted the requirements of the new standard effective July 1, 2022, using the modified retrospective transition method, which applies the provisions of the standard at the effective date without any adjustments to the comparative periods presented. The Organization has made an accounting policy election not to recognize right-of-use assets and lease liabilities that arise from short-term leases for any class of underlying asset.

Management has determined that any leases are immaterial to the financial statements as a whole and therefore, no right-of-use assets and lease liabilities have been recognized. As a whole, their remaining payments total approximately \$125,000 through 2025.

Cash and Cash Equivalents

Cash and cash equivalents consist of checking and savings accounts and cash held the Organization's brokerage account as well as short term investments with maturities of three months or less at the time of purchase.

Fair Value Measurements

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

Investment Valuation and Investment Income Recognition

Investments are valued at fair value in the statements of financial position. Purchases and sales of investments are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Realized and unrealized gains and losses are included in the determination of the change in net assets.

Row New York, Inc.

Notes to Financial Statements
June 30, 2023

2. Summary of Significant Accounting Policies (continued)

Property and Equipment

The Organization follows the practice of capitalizing all expenditures for property and equipment with a cost in excess of \$3,000 and a useful life of three years or more. Property and equipment are reflected at cost, or fair value at the time of the donation and depreciation is recognized on a straight-line basis over 3 to 10 years.

When property and equipment is sold, retired or disposed the cost and related accumulated depreciation is removed from the accounts and any gain or loss is reported in the statement of activities.

Property and equipment are reviewed for impairment if the use of the asset significantly changes or another indicator of possible impairment is identified. If the carrying amount for the asset is not recoverable, the asset is written down to the fair value. There were no asset impairments for the years ended June 30, 2023 and 2022.

Allowance for Accounts Doubtful for Collection

The Organization estimates an allowance for uncollectible balances for pledges and grants receivable. Such estimates are based on management's assessment of the aged basis of its receivables, current economic conditions, subsequent receipts and historical information. Receivables are written off against the allowance for doubtful accounts when all reasonable collection efforts have been exhausted.

Revenue Recognition

Contributions, including unconditional promises to give (pledges), are recognized as income in the period received. Conditional contributions are recognized as income when the conditions on which they depend have been substantially met. Amounts reflected in the financial statements include adjustments based upon estimates of collectability. Program service fees are recognized in the period in which the program occurs. Program service fees and other fees paid in advance are classified as deferred revenue.

In-Kind Contributions and Related Party

The Organization received pro-bono legal services valued at \$16,775 and \$64,952 in 2023 and 2022, of which \$16,190 and \$4,322 was from a board member's law firm. Such services have been reflected as both income and expenses on the accompanying statement of activities and within consulting and legal on the statement of functional expenses. There were no restrictions on such amounts. The Organization received pro-bono legal and architectural services valued at \$11,989 and \$131,917 in 2023 and 2022, of which \$0- and \$68,076 was from a board member's law firm. Such services have been reflected as both capital campaign – donated goods and services revenue and capitalized as construction-in-progress. The contributed services are valued at the estimated fair value based on current rates for similar legal and architectural services.

Row New York, Inc.

Notes to Financial Statements
June 30, 2023

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

In-Kind Contributions and Related Party (continued)

The Organization recognizes the fair value of donated services which create or enhance nonfinancial assets, or require specialized skills provided by individuals possessing those skills and would typically be purchased if not provided by donation. Volunteer services that do not require specialized skills or would not typically be purchased had they not been provided by the donation have not been recognized as such services do not meet the criteria for recognition in the financial statements.

Donated investments are recorded at their fair values at date of donation and are typically sold immediately.

Advertising

Advertising costs are expensed as incurred and totaled \$6,722 and \$7,254 in 2023 and 2022.

CARES Act Revenue

On February 24, 2021, the Organization received loan proceeds in the amount of \$590,882 under the Paycheck Protection Program (“PPP Loan”) at a fixed interest rate of 1%. The PPP Loan established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The PPP loan forgiveness in the amount of \$580,932 is recognized as CARES Act revenue on the 2022 statement of activities. The remaining balance was not forgiven, and the Organization repaid the balance.

During the year ended June 30, 2023, the Organization qualified for an Employer Retention Credit (“ERC”) under the CARES Act for wages paid to employees who were not working because of the COVID-19 crisis. As a result, the Organization recorded a total benefit of \$121,320, a portion of which is included in pledges and grants receivable and CARES Act revenue in the accompanying financial statements.

The Organization’s claim of the ERC is subject to audit until 2026. If the Organization’s ERC claim is audited, the government could reach a different conclusion as to the amount of the qualified wages or whether the Organization met the criteria to qualify for the ERC. In such circumstance, the Organization may have to return all or a part of the ERC it has received.

Functional Allocation of Expenses

The costs of providing programs and other activities have been summarized on a functional basis in the statement of activities. Expenses that can be specifically identified with a program or support service are allocated accordingly. The allocations of salary and related expenses, occupancy, and promotion and branding are based on the estimated time spent by staff in the program service functions.

Row New York, Inc.

Notes to Financial Statements
June 30, 2023

2. Summary of Significant Accounting Policies (continued)

Conditional Asset Retirement Obligation

The Organization accounts for Conditional Asset Retirement Obligations in accordance with U.S. GAAP guidance, which defines a conditional asset retirement obligation as a legal obligation to perform an asset retirement activity in which the timing and/or method of settlement are conditional on a future event that may or may not be within the control of the entity. Uncertainty with respect to the timing and/or method of settlement of the asset retirement obligation does not defer recognition of a liability. (See Note 9)

Accounting for Uncertainty in Income Taxes

The Organization recognizes the effect of tax positions when they 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 applicable taxing jurisdictions for any periods prior to the Organization's 2020 tax year.

Measure of Operations

The Organization has elected to present an operating measure in its statement of activities. Accordingly, items affecting operations are segregated from those not affecting operations. The CARES Act revenue and present value discount adjustment is treated as non-operating.

Summarized Financial Information

The financial statements include certain prior-year comparative information in total but not by net asset and functional class. Accordingly, the 2022 totals are not intended to present all information necessary for a complete presentation in accordance with U.S. GAAP. Such information should be read in conjunction with the Organization's financial statements as of and for the year ended June 30, 2022, from which the summarized information was derived.

Subsequent Events Evaluation 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 February 1, 2024.

Row New York, Inc.

Notes to Financial Statements June 30, 2023

3. Pledges and Grants Receivable

Pledges and grants receivable at June 30 are summarized as follows:

	<u>2023</u>	<u>2022</u>
Due within one year	\$ 2,415,846	\$ 993,137
Due within two to five years	<u>4,813,500</u>	<u>85,500</u>
	7,229,346	1,078,637
Allowance for doubtful accounts	(250,000)	(62,339)
Present value discount	<u>(318,122)</u>	<u>(6,937)</u>
	<u>\$ 6,661,224</u>	<u>\$ 1,009,361</u>

A present value discount for pledges due after one year from the date of the financial statements has been calculated using rates of 3.5% to 4% which approximate the risk and expected timing of future contribution payments. This discount will be amortized and recognized as income over the terms of the pledges.

4. Concentration of Credit Risk

Financial instruments that potentially subject the Organization to significant concentrations of credit risk consist principally of cash and cash equivalents and receivables. The Organization maintains its cash and cash equivalents with high quality institutions. The Organization routinely assesses the diversification and financial strength of its cash and cash equivalents portfolio. Deposits held at financial institutions insured by the Federal Deposit Insurance Corporation ("FDIC") are insured up to \$250,000. Cash equivalent holdings at financial institutions insured by the Securities Investor Protection Corporation ("SIPC") are insured up to \$500,000 (\$250,000 for cash holdings). At times balances may exceed the FDIC and/or SIPC limit. As of June 30, 2023, the Organization's uninsured cash and cash equivalents on deposits totaled approximately \$2,100,000. The Organization has not experienced any losses in such accounts. Concentrations of credit risk with respect to receivables are disclosed in note 10.

The Organization has approximately \$6,900,000 of U.S. Treasury Bills at June 30, 2023 which are not insured by the FDIC but are backed by the full faith and credit of the U.S. government. The full amount of U.S. Treasury Bills are included in cash and cash equivalents on the 2023 statement of financial position.

Row New York, Inc.

Notes to Financial Statements June 30, 2023

5. Property and Equipment

Property and equipment is reported at cost less accumulated depreciation and amortization as follows:

	<u>2023</u>	<u>2022</u>
Equipment	\$ 954,916	\$ 894,993
Vehicles	207,476	207,476
Docks	80,447	80,447
Existing boathouses	437,943	415,205
Construction-in-progress - New Boathouse	<u>5,830,544</u>	<u>5,010,715</u>
	7,511,326	6,608,836
Less: accumulated depreciation and amortization	<u>(1,320,821)</u>	<u>(1,176,810)</u>
	<u>\$ 6,190,505</u>	<u>\$ 5,432,026</u>

The Organization is undergoing a major capital project to build the new Sherman Creek Boathouse. The project has an estimated cost of \$40 million. As of June 30, 2023 and 2022, the Organization has incurred costs included in construction-in-progress of \$5,830,544 and \$5,010,715 for this project.

During the fiscal years ended June 30, 2023 and 2022, property and equipment with a cost of \$11,800 and \$18,762 and accumulated depreciation of \$9,270 and \$9,426 was disposed.

6. Employee Benefits

The Organization maintains a 401(k) retirement plan. The Organization contributed \$-0- to the plan during the years ended June 30, 2023 and 2022.

7. Line of Credit

During 2018, the Organization obtained a line of credit with a local bank. Under the terms of the line of credit, the Organization may borrow up to \$250,000. Borrowings under the line bear interest at 9.75%, and the line is automatically renewed annually. At June 30, 2023 and 2022, no amount was drawn on the line.

Row New York, Inc.

Notes to Financial Statements
June 30, 2023

8. With Donor Restricted Net Assets

Changes in the net assets balances by restriction in the fiscal years 2023 and 2022 were as follows:

	<u>Balance at June 30, 2022</u>	<u>Additions</u>	<u>Release from Restrictions</u>	<u>Balance at June 30, 2023</u>
Restricted for Purpose:				
Capital campaign	\$ 11,955,066	\$ 8,162,139	\$ (1,331,483)	\$ 18,785,722
Adaptive rowing program	-	305,000	(56,250)	248,750
Middle/High school/College program	288,250	240,000	(420,977)	107,273
Other	<u>15,000</u>	<u>47,000</u>	<u>(50,000)</u>	<u>12,000</u>
	12,258,316	8,754,139	(1,858,710)	19,153,745
Restricted for Time:				
General operating support	376,666	60,000	(346,667)	89,999
Present value discount adjustment	<u>(6,937)</u>	<u>(311,185)</u>	<u>-</u>	<u>(318,122)</u>
Total Net Assets with Donor Restrictions	<u>\$ 12,628,045</u>	<u>\$ 8,502,954</u>	<u>\$ (2,205,377)</u>	<u>\$ 18,925,622</u>
	<u>Balance at June 30, 2021</u>	<u>Additions</u>	<u>Release from Restrictions</u>	<u>Balance at June 30, 2022</u>
Restricted for Purpose:				
Capital campaign	\$ 10,805,040	\$ 2,162,526	\$ (1,012,500)	\$ 11,955,066
Middle/High school/College program	116,458	519,500	(347,708)	288,250
Other	<u>36,038</u>	<u>20,000</u>	<u>(41,038)</u>	<u>15,000</u>
	10,957,536	2,702,026	(1,401,246)	12,258,316
Restricted for Time:				
General operating support	373,333	210,000	(206,667)	376,666
Present value discount adjustment	<u>(25,239)</u>	<u>18,302</u>	<u>-</u>	<u>(6,937)</u>
Total Net Assets with Donor Restrictions	<u>\$ 11,305,630</u>	<u>\$ 2,930,328</u>	<u>\$ (1,607,913)</u>	<u>\$ 12,628,045</u>

Row New York, Inc.

Notes to Financial Statements June 30, 2023

9. Contingencies

The Organization, in the normal course of business, may be exposed to various potential claims and assessments, which in the opinion of management, in the event of unfavorable outcomes, the Organization has insured against or would not materially impact the financial stability of the Organization.

The Organization also has a pending contingency associated with the decommissioning of a Boathouse that was purchased in a prior year. No formal board resolution or formal estimate has been made as to the likelihood, timing, date or cost of the disposal nor has an agreement been made with the local government (NYC Parks Department) to determine final rights and obligations for the Organization. The Organization has recorded a \$100,000 liability related to the potential decommissioning.

10. Concentration of Revenue and Pledges and Grants Receivable

For the year ended June 30, 2022, a single donor contributed \$2,150,000 in contribution support, representing approximately 45% of the Organization's total support and revenue. For the year ended June 30, 2023, two donors contributed \$8,000,000 in contribution support, representing approximately 75% of the Organization's total support and revenue.

At June 30, 2023 and 2022 three donors compromised approximately 92% and 75% of total pledges and grants receivable.

11. Liquidity and Availability of Financial Assets

The following reflects the Organization's financial assets and resources available as of June 30, to meet cash needs for general expenditures within one year of the date of the statement of financial position:

	<u>2023</u>	<u>2022</u>
Financial Assets:		
Cash and cash equivalents	\$ 9,779,881	\$ 9,727,041
Pledges and grants receivable, net	<u>6,661,224</u>	<u>1,009,361</u>
Total Financial Assets	16,441,105	10,736,402
Less contractual or donor imposed restrictions amounts:		
Restricted by donor with time or purpose restrictions	<u>13,095,078</u>	<u>7,617,330</u>
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	<u>\$ 3,346,027</u>	<u>\$ 3,119,072</u>

Row New York, Inc.

Notes to Financial Statements
June 30, 2023

11. Liquidity and Availability of Financial Assets (*continued*)

A portion of the net asset amounts with donor restrictions have been used to pay for soft costs relating to the construction of the boathouse. As of June 30, 2023 and 2022, \$5,830,544 and \$5,010,715 was expended on such costs.

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due. As part of the Organization's liquidity management strategy, the Organization seeks to maintain adequate liquidity to meet its obligations, including planned expenditures as approved by the Board. The Organization has a goal of maintaining 90 days cash on hand to ensure its ability to meet normal operating expenses.

The Organization also has a committed line of credit in the amount of \$250,000, which it could draw upon in the event of an unanticipated liquidity need. Anticipated cash flow for the budget year is reviewed monthly by members of the senior management team and quarterly by the Board.

12. License Agreement

In September 2022, the Organization entered into a license agreement with the City of New York Department of Parks and Recreation to use, occupy, maintain and operate rowing facilities at Sherman Creek in Manhattan, New York. The project will involve the construction of a new, state-of-the-art Community Boathouse and Learning Center. The project is expected to begin construction during the calendar year 2024 and is expected to take approximately two years to be completed, at which time, once occupied and operational, the license agreement provides that the Boathouse will become City property and the Organization will have the exclusive right to use and occupy the space for the remainder of the 20 year term with an option for renewal.

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