



**BRONXWORKS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY INFORMATION**  
**(Together with Independent Auditors' Report)**

**YEARS ENDED JUNE 30, 2024 AND 2023**

**BRONXWORKS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY INFORMATION**  
**(Together with Independent Auditors' Report)**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

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## INDEPENDENT AUDITORS' REPORT

The Board of Directors  
BronxWorks, Inc. and Subsidiaries  
Bronx, NY

### ***Opinion***

We have audited the consolidated financial statements of BronxWorks, Inc. and Subsidiaries (the "Organization"), which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Organization as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the *Auditors' 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the 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 for one year after the date that the consolidated financial statements are available to be issued.

### ***Auditors' 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 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 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.

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In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits 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.

### ***Report on Supplementary Information***

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information shown on pages 18-19, as of and for the year ended June 30, 2024, is presented for purposes of additional analysis of the basic consolidated financial statements, rather than to present the financial position, change in net assets and cash flows of the individual companies, and is 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 GAAS. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*CBIZ CPAs P.C.<sup>1</sup>*

New York, NY  
December 20, 2024

<sup>1</sup> In certain jurisdictions, CBIZ CPAs P.C. operates under its previous name, Mayer Hoffman McCann P.C.

**BRONXWORKS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS OF JUNE 30, 2024 AND 2023**

	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>		
Cash and cash equivalents (Notes 2D and 13A)	\$ 9,200,153	\$ 2,369,957
Investments (Notes 2E, 5 and 7A)	7,125,245	6,477,505
Government grants receivable (Notes 2I and 13B)	74,381,914	64,939,808
Pledges receivable, net (Notes 2H and 4)	2,135,221	2,045,008
Program and medicaid receivables (Note 11)	3,507,667	2,748,071
Prepaid expenses and other assets	681,572	580,985
Operating lease right-of-use assets (Note 12)	31,905,165	22,896,905
Property, equipment and leasehold improvements, net (Notes 2F and 6)	3,398,806	3,735,126
<b>TOTAL ASSETS</b>	<b>\$ 132,335,743</b>	<b>\$ 105,793,365</b>
<b>LIABILITIES</b>		
Accounts and accrued expenses payable	\$ 13,160,832	\$ 18,687,905
Accrued salaries and related liabilities	4,284,550	3,717,919
Deferred revenue/due to funding sources (Notes 2G and 10A)	43,408,537	27,188,846
Lines of credit (Note 7)	8,600,000	9,030,958
Operating lease liabilities (Note 12)	32,708,005	23,039,352
<b>TOTAL LIABILITIES</b>	<b>102,161,924</b>	<b>81,664,980</b>
<b>COMMITMENTS AND CONTINGENCIES</b> (Note 10)		
<b>NET ASSETS</b> (Note 2C)		
Without donor restrictions:		
Net invested in property and equipment	3,398,806	3,735,126
Board designated	3,500,353	3,500,353
Operations	13,595,283	12,972,185
Total without donor restrictions	20,494,442	20,207,664
With donor restrictions (Note 8)	9,679,377	3,920,721
<b>TOTAL NET ASSETS</b>	<b>30,173,819</b>	<b>24,128,385</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 132,335,743</b>	<b>\$ 105,793,365</b>

The accompanying notes are an integral part of these consolidated financial statements.

**BRONXWORKS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

	<b>2024</b>	<b>2023</b>
<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS FROM OPERATIONS</b>		
<b>OPERATING SUPPORT AND REVENUE:</b>		
<b>Earned Revenue:</b>		
Government grants (Notes 2G, 13B, and 14)	\$ 114,894,901	\$ 113,749,443
Program service fees (Note 11)	4,270,013	2,401,401
Medicaid (Notes 2G and 11)	725,172	816,395
Investment activity (Note 5)	671,030	508,761
Other revenues	382,797	563,222
<b>Total Earned Revenue</b>	<b>120,943,913</b>	<b>118,039,222</b>
<b>Public Support:</b>		
Foundation grants and other contributions (Note 2H)	1,387,368	1,437,186
Contributed non-financial assets (Note 2K)	358,826	420,927
Net assets released from restrictions (Notes 2C and 8)	3,214,971	2,704,113
<b>Total Public Support</b>	<b>4,961,165</b>	<b>4,562,226</b>
<b>TOTAL OPERATING SUPPORT AND REVENUE</b>	<b>125,905,078</b>	<b>122,601,448</b>
<b>OPERATING EXPENSES (Note 2J):</b>		
<b>Program Services:</b>		
BronxWorks programs	6,328,204	10,156,857
Services for the elderly	3,943,440	3,499,082
Homeless/prevention/relocation	40,030,517	35,226,410
Homeless shelters	24,615,618	23,066,941
Supportive housing	3,805,782	3,628,538
Health programs	3,460,864	2,745,800
Children and youth	14,447,933	12,444,685
Workforce development	3,305,942	3,102,557
Family shelter for the homeless	7,500,335	5,870,477
Bronx Point Project (Note 14)	3,226,736	9,904,968
<b>Total Program Services</b>	<b>110,665,371</b>	<b>109,646,315</b>
<b>Supporting Services:</b>		
Management and general	13,309,721	10,731,433
Fundraising	1,041,247	856,760
<b>Total Supporting Services</b>	<b>14,350,968</b>	<b>11,588,193</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>125,016,339</b>	<b>121,234,508</b>
<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS FROM OPERATIONS</b>	<b>888,739</b>	<b>1,366,940</b>
<b>NONOPERATING EXPENSES (NOTE 2L):</b>		
Depreciation and amortization expense (Note 6)	336,320	344,722
Interest expense (Notes 2F and 7)	265,641	94,365
<b>TOTAL NONOPERATING EXPENSES</b>	<b>601,961</b>	<b>439,087</b>
<b>CHANGE IN NONOPERATING ACTIVITY</b>	<b>(601,961)</b>	<b>(439,087)</b>
<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<b>286,778</b>	<b>927,853</b>
<b>Net Assets Without Donor Restrictions - Beginning of Year</b>	<b>20,207,664</b>	<b>19,279,811</b>
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS - END OF YEAR</b>	<b>20,494,442</b>	<b>20,207,664</b>
<b>CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS:</b>		
Foundation grants and other contributions (Note 2H)	8,973,627	4,329,580
Net assets released from restrictions (Notes 2C and 8)	(3,214,971)	(2,704,113)
<b>CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS</b>	<b>5,758,656</b>	<b>1,625,467</b>
<b>Net Assets With Donor Restrictions - Beginning of Year</b>	<b>3,920,721</b>	<b>2,295,254</b>
<b>NET ASSETS WITH DONOR RESTRICTIONS - END OF YEAR</b>	<b>9,679,377</b>	<b>3,920,721</b>
<b>CHANGE IN TOTAL NET ASSETS</b>	<b>6,045,434</b>	<b>2,553,320</b>
<b>TOTAL NET ASSETS - END OF YEAR</b>	<b>\$ 30,173,819</b>	<b>\$ 24,128,385</b>

The accompanying notes are an integral part of these consolidated financial statements.

**BRONXWORKS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2024**  
**(With Comparative Totals for June 30, 2023)**

	Program Services										Supporting Services					Total 2024	Total 2023
	BronxWorks Programs	Services for the Elderly	Homeless/Prevention/Relocation	Homeless Shelters	Supportive Housing	Health Programs	Children and Youth	Workforce Development	Family Shelter for the Homeless	Bronx Point Project	Total Program Services	Management and General	Fundraising	Total Supporting Services			
Salaries	\$ 3,589,638	\$ 2,190,318	\$ 18,459,609	\$ 8,960,019	\$ 1,659,140	\$ 2,059,965	\$ 9,105,288	\$ 2,065,228	\$ 2,236,298	\$ -	\$ 50,325,503	\$ 6,553,082	\$ 552,678	\$ 7,105,760	\$ 57,431,263	\$ 52,275,422	
Payroll taxes and benefits (Note 9)	964,365	610,804	5,150,301	2,478,854	457,902	571,099	2,537,103	573,766	624,343	-	13,968,537	1,735,896	147,041	1,882,937	15,851,474	13,778,423	
<b>Total salaries and related costs</b>	<b>4,554,003</b>	<b>2,801,122</b>	<b>23,609,910</b>	<b>11,438,873</b>	<b>2,117,042</b>	<b>2,631,064</b>	<b>11,642,391</b>	<b>2,638,994</b>	<b>2,860,641</b>	<b>-</b>	<b>64,294,040</b>	<b>8,288,978</b>	<b>699,719</b>	<b>8,988,697</b>	<b>73,282,737</b>	<b>66,053,845</b>	
Professional fees (Note 2K)	153,462	13,518	1,231,448	2,362,406	380,889	59,033	135,329	255,747	2,120	-	4,593,952	1,302,927	283,917	1,586,844	6,180,796	6,104,792	
Office supplies	59,470	38,886	451,420	200,213	64,674	42,724	182,508	30,528	45,048	-	1,115,471	309,654	12,751	322,405	1,437,876	1,480,223	
Occupancy (Note 12)	110,550	27,292	2,235,639	141,463	19,816	205,839	188,487	132,123	1,112,683	-	4,173,892	851,667	-	851,667	5,025,559	6,401,650	
Telephone	69,498	44,192	213,836	68,311	31,389	51,175	76,276	39,336	15,419	-	609,432	199,190	3,587	202,777	812,209	817,322	
Repairs and maintenance	349,920	122,848	1,799,178	1,644,500	41,231	6,168	85,384	7,267	1,755	-	4,058,251	478,873	80	478,953	4,537,204	3,722,251	
Printing and publications	15,282	31,367	69,970	46,387	28,097	51,578	54,603	21,491	-	-	318,775	55,521	1,478	56,999	375,774	334,601	
Travel and meetings	7,664	4,030	44,832	9,293	5,870	15,740	47,042	5,114	1,468	-	141,053	125,148	2,354	127,502	268,555	275,985	
Insurance	132,580	109,371	674,554	544,711	55,611	65,250	242,740	64,189	-	-	1,889,006	228,016	7,182	235,198	2,124,204	1,848,033	
Postage	1,675	468	8,571	446	604	909	260	944	704	-	14,581	12,631	266	12,897	27,478	24,091	
Program supplies	14,388	38,214	67,248	60,404	16,332	72,301	342,282	3,848	7,749	-	622,766	58,387	888	59,275	682,041	647,743	
Food and entertainment	9,037	499,016	902,532	541,928	21,363	121,177	364,781	34,442	74,413	-	2,568,689	31,271	21,983	53,254	2,621,943	2,142,025	
Equipment/rental/furniture	28,819	36,376	249,238	52,094	92,359	10,075	83,988	35,649	11,608	-	600,206	66,284	3,834	70,118	670,324	1,030,726	
Direct assistance to individuals	801,613	97,098	771,134	213,394	659,086	54,425	858,571	28,508	101,876	-	3,585,705	46,817	88	46,905	3,632,610	4,716,119	
Subcontracted services and stipends	-	32,675	65,788	58,895	234,002	43,115	65,010	-	-	-	499,485	20,619	-	20,619	520,104	812,768	
Payroll service and bank charges	-	-	-	-	-	-	-	-	-	-	-	449,438	-	449,438	449,438	457,241	
Bad debt expense	-	-	-	42	-	-	-	-	-	-	42	-	-	-	42	-	
Interest (Note 7)	-	-	-	-	-	-	-	-	-	-	-	265,641	-	265,641	265,641	94,365	
Depreciation and amortization (Note 6)	-	-	-	-	-	-	-	-	-	-	-	336,320	-	336,320	336,320	344,722	
Miscellaneous	20,243	46,967	209,375	33,431	37,417	30,291	78,281	7,762	6,747	730	471,244	784,300	3,120	787,420	1,258,664	662,705	
<b>Subtotal</b>	<b>6,328,204</b>	<b>3,943,440</b>	<b>32,604,673</b>	<b>17,416,791</b>	<b>3,805,782</b>	<b>3,460,864</b>	<b>14,447,933</b>	<b>3,305,942</b>	<b>4,242,231</b>	<b>730</b>	<b>89,556,590</b>	<b>13,911,682</b>	<b>1,041,247</b>	<b>14,952,929</b>	<b>104,509,519</b>	<b>97,971,207</b>	
Occupancy (Note 12)	-	-	5,020,882	7,198,827	-	-	-	-	3,258,104	-	15,477,813	-	-	-	15,477,813	11,375,628	
Direct assistance to individuals	-	-	2,404,962	-	-	-	-	-	-	-	2,404,962	-	-	-	2,404,962	2,421,792	
Construction and improvements (Note 14)	-	-	-	-	-	-	-	-	-	3,226,006	3,226,006	-	-	-	3,226,006	9,904,968	
<b>Subtotal pass-through expenses</b>	<b>-</b>	<b>-</b>	<b>7,425,844</b>	<b>7,198,827</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,258,104</b>	<b>3,226,006</b>	<b>21,108,781</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,108,781</b>	<b>23,702,388</b>	
<b>TOTAL EXPENSES</b>	<b>\$ 6,328,204</b>	<b>\$ 3,943,440</b>	<b>\$ 40,030,517</b>	<b>\$ 24,615,618</b>	<b>\$ 3,805,782</b>	<b>\$ 3,460,864</b>	<b>\$ 14,447,933</b>	<b>\$ 3,305,942</b>	<b>\$ 7,500,335</b>	<b>\$ 3,226,736</b>	<b>\$ 110,665,371</b>	<b>\$ 13,911,682</b>	<b>\$ 1,041,247</b>	<b>\$ 14,952,929</b>	<b>\$ 125,618,300</b>	<b>\$ 121,673,595</b>	

The accompanying notes are an integral part of these consolidated financial statements.

**BRONXWORKS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Program Services										Supporting Services				Total 2023
	BronxWorks Programs	Services for the Elderly	Homeless/ Prevention/ Relocation	Homeless Shelters	Supportive Housing	Health Programs	Children and Youth	Workforce Development	Family Shelter for the Homeless	Bronx Point Project	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries	\$ 5,779,619	\$ 1,958,506	\$ 15,742,710	\$ 8,737,497	\$ 1,613,289	\$ 1,691,443	\$ 7,630,398	\$ 1,998,000	\$ 1,218,046	\$ -	\$ 46,369,508	\$ 5,468,904	\$ 437,010	\$ 5,905,914	\$ 52,275,422
Payroll taxes and benefits (Note 9)	1,523,635	511,261	4,156,863	2,407,286	432,017	449,967	1,874,318	532,392	315,551	-	12,203,290	1,457,763	117,370	1,575,133	13,778,423
<b>Total salaries and related costs</b>	<b>7,303,254</b>	<b>2,469,767</b>	<b>19,899,573</b>	<b>11,144,783</b>	<b>2,045,306</b>	<b>2,141,410</b>	<b>9,504,716</b>	<b>2,530,392</b>	<b>1,533,597</b>	<b>-</b>	<b>58,572,798</b>	<b>6,926,667</b>	<b>554,380</b>	<b>7,481,047</b>	<b>66,053,845</b>
Professional fees (Note 2K)	60,192	5,679	1,695,001	1,614,108	379,398	13,827	134,918	206,703	450,846	-	4,560,672	1,270,282	273,838	1,544,120	6,104,792
Office supplies	66,466	40,826	405,845	127,529	51,152	35,213	217,523	26,755	48,331	-	1,019,640	449,989	10,594	460,583	1,480,223
Occupancy (Note 12)	235,069	40,904	264,250	1,772,562	18,694	192,258	169,626	121,338	3,359,666	-	6,174,367	227,189	94	227,283	6,401,650
Telephone	79,649	48,070	238,057	76,041	42,822	58,879	102,419	51,428	11,962	-	709,327	103,642	4,353	107,995	817,322
Repairs and maintenance	206,419	97,716	997,031	2,024,592	31,465	2,337	105,412	14,763	23,475	-	3,503,210	219,041	-	219,041	3,722,251
Printing and publications	20,947	34,334	53,750	53,417	31,822	29,057	52,277	17,446	-	-	293,050	41,027	524	41,551	334,601
Travel and meetings	8,156	2,406	39,400	17,719	8,741	11,772	86,228	8,333	2,687	-	185,442	90,515	28	90,543	275,985
Insurance	115,371	93,025	544,380	466,225	54,690	49,612	187,692	43,731	49,176	-	1,603,902	239,656	4,475	244,131	1,848,033
Postage	1,420	616	5,010	206	596	349	27	2,646	202	-	11,072	13,019	-	13,019	24,091
Program supplies	22,923	65,836	40,096	24,604	18,814	54,041	379,331	12,646	3,858	-	622,149	25,040	554	25,594	647,743
Food and entertainment	71,668	379,121	700,080	454,849	14,603	28,999	353,619	3,634	86,998	-	2,093,571	48,374	80	48,454	2,142,025
Equipment/rental/furniture	56,506	43,908	384,114	57,134	23,850	26,933	114,690	8,144	188,154	-	903,433	119,899	7,394	127,293	1,030,726
Direct assistance to individuals	1,896,473	122,506	690,149	195,268	645,661	47,346	844,175	48,746	102,096	-	4,592,420	123,544	155	123,699	4,716,119
Subcontracted services and stipends	725	20,670	352,948	67,190	226,800	18,502	123,346	500	2,087	-	812,768	-	-	-	812,768
Payroll service and bank charges	-	-	-	-	-	-	-	-	-	-	-	457,241	-	457,241	457,241
Interest (Note 7)	-	-	-	-	-	-	-	-	-	-	-	94,365	-	94,365	94,365
Depreciation and amortization (Note 6)	-	-	-	-	-	-	-	-	-	-	-	344,722	-	344,722	344,722
Miscellaneous	11,619	33,698	46,712	43,308	34,124	35,265	68,686	5,352	7,342	-	286,106	376,308	291	376,599	662,705
<b>Subtotal</b>	<b>10,156,857</b>	<b>3,499,082</b>	<b>26,356,396</b>	<b>18,139,535</b>	<b>3,628,538</b>	<b>2,745,800</b>	<b>12,444,685</b>	<b>3,102,557</b>	<b>5,870,477</b>	<b>-</b>	<b>85,943,927</b>	<b>11,170,520</b>	<b>856,760</b>	<b>12,027,280</b>	<b>97,971,207</b>
Occupancy (Note 12)	-	-	6,448,222	4,927,406	-	-	-	-	-	-	11,375,628	-	-	-	11,375,628
Direct assistance to individuals	-	-	2,421,792	-	-	-	-	-	-	-	2,421,792	-	-	-	2,421,792
Construction and improvements (Note 14)	-	-	-	-	-	-	-	-	-	9,904,968	9,904,968	-	-	-	9,904,968
<b>Subtotal pass-through expenses</b>	<b>-</b>	<b>-</b>	<b>8,870,014</b>	<b>4,927,406</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,904,968</b>	<b>23,702,388</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,702,388</b>
<b>TOTAL EXPENSES</b>	<b>\$ 10,156,857</b>	<b>\$ 3,499,082</b>	<b>\$ 35,226,410</b>	<b>\$ 23,066,941</b>	<b>\$ 3,628,538</b>	<b>\$ 2,745,800</b>	<b>\$ 12,444,685</b>	<b>\$ 3,102,557</b>	<b>\$ 5,870,477</b>	<b>\$ 9,904,968</b>	<b>\$ 109,646,315</b>	<b>\$ 11,170,520</b>	<b>\$ 856,760</b>	<b>\$ 12,027,280</b>	<b>\$ 121,673,595</b>

The accompanying notes are an integral part of these consolidated financial statements.

**BRONXWORKS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

	<b>2024</b>	<b>2023</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in total net assets	\$ 6,045,434	\$ 2,553,320
Adjustments to reconcile change in total net assets to net cash provided by operating activities:		
Bad debt	42	-
Depreciation and amortization	336,320	344,722
Deferred rent	-	(885,933)
Non-cash lease expenses	660,393	142,447
Net realized/unrealized gain on investments	(480,729)	(384,632)
	6,561,460	1,769,924
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Government grants receivable	(9,442,148)	(22,410,808)
Pledges receivable, net	(90,213)	(1,375,860)
Program and medicaid receivables	(759,596)	(360,995)
Prepaid expenses and other assets	(100,587)	140,022
(Decrease) increase in liabilities:		
Accounts and accrued expenses payable	(5,527,073)	12,486,528
Accrued salaries and related liabilities	566,631	(5,597,365)
Deferred revenue / due to funding sources	16,219,691	8,136,327
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>7,428,165</b>	<b>(7,212,227)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of investments	(167,011)	(132,177)
Purchase of property, equipment and leasehold improvements	-	(39,337)
<b>Net Cash Used in Investing Activities</b>	<b>(167,011)</b>	<b>(171,514)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayment of line of credit	(9,030,958)	-
Proceeds from lines of credit	8,600,000	9,030,958
<b>Net Cash (Used in) Provided by Financing Activities</b>	<b>(430,958)</b>	<b>9,030,958</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>6,830,196</b>	<b>1,647,217</b>
Cash and cash equivalents - beginning of year	2,369,957	722,740
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 9,200,153</b>	<b>\$ 2,369,957</b>
<b>Supplemental Disclosure of Cash Flow Information:</b>		
Cash paid during the year for interest	\$ 265,641	\$ 94,365

**BRONXWORKS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 1 — ORGANIZATION AND NATURE OF ACTIVITIES**

The consolidated financial statements of BronxWorks, Inc. and Subsidiaries (collectively referred to as the "Organization") have been prepared by consolidating BronxWorks, Inc., Citizens' Advice Bureau Property Holding Company, Inc. ("CAB") and Bronx Point Housing Development Fund Corporation, Inc. ("Bronx Point HDFC") (the "Subsidiaries"). BronxWorks, Inc. is a sole member and accordingly, has effective control over and has an economic interest in the Subsidiaries.

BronxWorks, Inc. (the "Organization" or "BronxWorks") is a Bronx-based nonprofit organization which helps individuals and families improve their economic and social well-being. From toddlers to seniors, BronxWorks feeds, shelters, teaches and supports its neighbors to build a stronger community. BronxWorks is supported primarily by grants from governmental agencies, foundation grants and other contributions.

BronxWorks is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and is a publicly supported organization as described in Section 509(a).

CAB owns the property located at 60 East Tremont Avenue, Bronx, New York (the "Headquarters Property"), which is used by the Organization as its headquarters office.

BronxWorks, Inc. is the sole member of Bronx Point HDFC, a tax-exempt New York not-for-profit corporation. Bronx Point HDFC is the indemnified record leaseholder of the Bronx Point Project (the "Project"). In that role, Bronx Point HDFC is solely a nominee of, and on behalf of, Bronx Point Owner LLC, an entity which is not affiliated with BronxWorks, and which possesses all equitable and beneficial interest in the Project. The City approved the Project on the condition that Bronx Point Owner LLC design and construct certain improvements for a public esplanade adjacent to the Project. See Note 14.

The Subsidiaries are exempt from federal income tax under Section 501(c)(2) of the Internal Revenue Code.

**NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- A. ***Basis of Accounting and Principles of Consolidation*** – The Organization's consolidated financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). All significant intercompany transactions have been eliminated during consolidation.
- B. ***Use of Estimates*** – The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
- C. ***Net Assets*** – The Organization maintains its net assets in accordance with the following:
- Without donor restrictions – represents net assets not subject to any donor-imposed stipulations or other restrictions over which the Board of Directors have discretionary control. During the year ended June 30, 2022, the Board of Directors established a Board Designated fund for future capital improvements of the properties owned by the Organization.
- With donor restrictions – represents assets that are subject to donor-imposed stipulations. 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 to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. Net assets with donor restrictions are released from donor restrictions by incurring expenses, thereby satisfying the restricted purposes of providing services as specified by the donors. Unconditional promises to give that are due in future periods to support the current-period activities are reported as net assets without donor restrictions.
- D. ***Cash and Cash Equivalents*** – Cash and cash equivalents consist of all highly liquid instruments with maturities of three months or less when acquired, except for amounts held at an investment institution.

**BRONXWORKS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- E. ***Investments and Fair Value Measurements*** – Investments are reported at fair value. Investment income consisting of interest, dividends, realized and unrealized gains or losses is classified as operating revenue and is available to support operations. Fair value measurements are based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three levels, as described in Note 5.
- F. ***Property, Equipment and Leasehold Improvements*** – Property, equipment and leasehold improvements are stated at cost less accumulated depreciation or amortization. These amounts do not purport to represent replacement or realizable values. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. Leasehold improvements are amortized over the lesser of the useful lives of the improvements or the term of the applicable lease. The Organization capitalizes all owned property and equipment having a useful life of greater than one year and a cost of \$5,000 or more. There may be instances where certain expenditures for property and equipment are included in the consolidated financial statements as expenses because the cost of these items was reimbursed by certain governmental funding sources and/or the contractual agreement specifies that title to these assets rests with the funding sources rather than the Organization.
- G. ***Revenue Recognition*** – The Organization records receivables and revenue when earned based on established rates or contracts for services provided. Government grants are recorded as revenues to the extent that expenses have been incurred for the purposes specified by the grantors. Government grants are nonexchange transactions and accounted for under Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) 2018-08. Government grants are recognized as revenue when barriers within the contract are overcome, and there is no right of return / release from obligations. Government grants amounted to \$114,894,901 and \$113,749,443 for the years ended June 30, 2024 and 2023, respectively, and are included in the consolidated statements of activities.

As of June 30, 2024 and 2023, the Organization was awarded grants and contracts from government agencies in the aggregate amounts of approximately \$374 million and \$405 million, respectively. Such grants have not been recognized in the accompanying consolidated financial statements as they are for future periods and will be recognized when contract barriers are overcome. Such barriers include expending these funds in accordance with their agreements. If such services are not provided, the governmental entities are not obligated to expend the funds allotted under the grants and contracts and the Organization may be required to return the funds already remitted.

To the extent amounts received exceed amounts spent, the Organization records deferred revenue / due to funding sources as a liability. As of June 30, 2024 and 2023, the Organization received advances from government agencies of approximately \$43,000,000 and \$27,000,000, respectively.

Laws and regulations governing Medicaid programs are subject to interpretation. Noncompliance with such laws and regulations could result in fines, penalties and exclusion from Medicaid programs. Revenues from government contracts are subject to audit and negotiations between the Organization and the government agencies.

- H. ***Contributions*** – Contributions are accounted for under ASU 2018-08. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. When material, the discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.
- I. ***Allowance for Uncollectable Grants Receivables*** – The Organization determined that as of both June 30, 2024 and 2023, an allowance for grants receivable of \$300,000 was necessary. Such estimate is based on management’s assessments of the creditworthiness of its donors and other funders, the aged basis of its receivables, as well as current economic conditions and historical information.

**BRONXWORKS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

J. **Functional Allocation of Expenses** – The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statements of functional expenses. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Salaries, wages, benefits and payroll taxes are allocated on the basis of time and effort. Insurance and telephone expenses are allocated based on the number of full-time equivalents charged to the respective program and supporting function. The remainder of the functional expenses are charged directly to the program and supporting function.

K. **Contributed Non-Financial Assets** – Contributed non-financial assets are recognized in the consolidated financial statements at fair value, if the services enhance or create non-financial assets or require specialized skills, provided the individuals possess those skills and they would typically need to be purchased, if not provided by donation.

Contributed non-financial assets consisted of the following for the year ended June 30, 2024:

<u>Nonfinancial Asset</u>	<u>Amount</u>	<u>Usage in Programs</u>	<u>Donor-imposed Restrictions</u>	<u>Fair Value Method</u>
Legal services	\$ 256,313	Management and general	None	Market value
School supplies	23,525	Program services	Children and Youth	Market value
Gala event items	<u>78,988</u>	Fundraising	None	Market value
Total	<u>\$ 358,826</u>			

Contributed non-financial assets consisted of the following for the year ended June 30, 2023:

<u>Nonfinancial Asset</u>	<u>Amount</u>	<u>Usage in Programs</u>	<u>Donor-imposed Restrictions</u>	<u>Fair Value Method</u>
Legal services	\$ 324,447	Management and general	None	Market value
School supplies	7,075	Program services	Children and Youth	Market value
Gala event items	<u>89,405</u>	Fundraising	None	Market value
Total	<u>\$ 420,927</u>			

L. **Operating and Non-Operating Activities** – The Organization’s non-operating activities includes depreciation and amortization, interest expense and reserves for future building maintenance improvements and repairs, as well as other income.

M. **Pass-Through Expenses** – There are certain expenses related to rents, real estate taxes and stabilization of beds for the Department of Homeless Services (“DHS”) contracts and construction and improvement expenses related to the Bronx Point Project as further described in Note 14. The role of the Organization is to be a conduit to pay such expenses. DHS reimburses the Organization for these expenses without any administrative costs being added. Accordingly, such expenses are referred to as pass-through and included in program service expenses in the consolidated statements of activities.

N. **Recently Adopted Accounting Standards** – On January 1, 2023, the Organization adopted FASB ASU 2016-03, *Financial Instruments – Credit Losses*, (Topic 326), *Measurement of Credit Losses on Financial Instruments* (Accounting Standards Update “ASU” 326). This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (“CECL”) methodology. CECL requires an estimate of the credit losses for the remaining estimated life of the financial asset using historical experience, current conditions, and reasonable and supportable forecasts and generally applies to financial assets measured at amortized cost and will be presented at the net amount expected to be collected by using an allowance for credit losses.

**BRONXWORKS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The Organization adopted ASC 326 and all related subsequent amendments thereto effective January 1, 2023, using the modified retrospective approach for all financial assets measured at amortized cost. The adoption had no effect on the change in net assets as previously reported.

- O. **Reclassifications** – Certain line items in the 2023 consolidated financial statements were reclassified to conform to the 2024 presentation. Such reclassifications did not have an impact on net assets.

**NOTE 3 — LIQUIDITY AND AVAILABILITY**

As part of 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. To help manage unanticipated liquidity needs, the Organization has two lines of credit with the aggregate borrowing amount of approximately \$15,000,000, which it could draw upon if necessary. Although BronxWorks does not intend to spend from its investment portfolio, amounts from the portfolio could be made available, if necessary.

BronxWorks financial assets available within one year of the consolidated statements of financial position date for general expenditure are as follows as of June 30:

	2024	2023
Cash and cash equivalents	\$ 9,200,153	\$ 2,369,957
Investments	7,125,245	6,477,505
Government grants receivable	74,381,914	64,939,808
Pledges receivable, net	2,135,221	2,045,008
Program and medicaid receivable	3,507,667	2,748,071
	96,350,200	78,580,349
Less: Board Designated for capital improvements	(3,500,353)	(3,500,353)
Less: Net assets with donor restrictions	(9,679,377)	(3,920,721)
	\$ 83,170,470	\$ 71,159,275

**NOTE 4 — PLEDGES RECEIVABLE, NET**

Pledges receivable are recorded net of a discount (at a risk adjusted rate) to reflect the present value of future cash flows and are scheduled to be collected as follows as of June 30:

	2024	2023
Less than one year	\$ 2,135,221	\$ 476,936
One to four years	-	1,578,332
	2,135,221	2,055,268
Less: present value discount (3.03% - 4.5%)	-	(10,260)
	\$ 2,135,221	\$ 2,045,008

**BRONXWORKS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 5 — INVESTMENTS AND FAIR VALUE MEASUREMENTS**

Investments consist of the following as of June 30:

	<u>2024</u>	<u>2023</u>
Cash and money market funds	\$ 181,674	\$ 236,870
Corporate securities	1,620,563	1,463,280
Equity	3,450,407	3,002,643
Government sponsored entities	13,421	12,758
Mortgage backed securities	292,091	280,900
Mutual funds	684,829	1,083,615
REIT	281,224	300,041
US Treasury	108,348	97,398
Alternative investments	<u>492,688</u>	<u>-</u>
	<u>\$ 7,125,245</u>	<u>\$ 6,477,505</u>

The fair value hierarchy defines three levels as follows:

Level 1: Valuations based on quoted prices (unadjusted) in an active market that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs. Level 1 instrument valuations are obtained from real-time quotes for transactions in active exchange markets involving identical assets.

Level 2: Valuations based on observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3: Valuations based on unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

In determining fair value, the Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible as well as considers counterparty credit risk (or other parties such as counterparty in a swap) in its assessment of fair value.

The Organization is invested in various alternative investments that are not available to retail investors and are not publicly traded (collectively, the "Funds"). The fair value estimates of these investments are based on net asset value (NAV) as provided by the respective fund managers of the Funds. Because the Organization uses NAV as a practical expedient for fair value, these investments are excluded from the fair value hierarchy.

Financial assets carried at fair value at June 30, 2024 were classified in the table as follows:

	<u>Level 1</u>	<u>Total</u>
<b>ASSETS CARRIED AT FAIR VALUE</b>		
Cash and money market funds	\$ 181,674	\$ 181,674
Corporate securities	1,620,563	1,620,563
Equity	3,450,407	3,450,407
Government sponsored entities	13,421	13,421
Mortgage-backed securities	292,091	292,091
Mutual funds	684,829	684,829
REIT	281,224	281,224
US Treasury	<u>108,348</u>	<u>108,348</u>
<b>TOTAL ASSETS AT FAIR VALUE</b>	<u>\$ 6,632,557</u>	\$ 6,632,557
Alternative investments (NAV)		<u>492,688</u>
<b>Total investments</b>		<u>\$ 7,125,245</u>

**BRONXWORKS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 5 — INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)**

Financial assets carried at fair value at June 30, 2023, were classified in the table as follows:

	<u>Level 1</u>	<u>Total</u>
<b>ASSETS CARRIED AT FAIR VALUE</b>		
Cash and money market funds	\$ 236,870	\$ 236,870
Corporate securities	1,463,280	1,463,280
Equity	3,002,643	3,002,643
Government sponsored entities	12,758	12,758
Mortgage-backed securities	280,900	280,900
Mutual funds	1,083,615	1,083,615
REIT	300,041	300,041
US Treasury	<u>97,398</u>	<u>97,398</u>
<b>TOTAL ASSETS AT FAIR VALUE</b>	<b><u>\$ 6,477,505</u></b>	<b><u>\$ 6,477,505</u></b>

The following tables set forth additional disclosures for the Organizations alternative investments whose fair value is estimated using NAV per share (or its equivalent):

	<u>Fair Value</u>	<u>As of June 30, 2024</u>	<u>Redemption</u>
	<u>Fair Value</u>	<u>Unfunded</u>	<u>Frequency/Notice Period</u>
	<u>Fair Value</u>	<u>Commitment</u>	<u>Frequency/Notice Period</u>
Private equity funds	\$ 418,660	\$ -	Investment generally cannot be redeemed. Distributions are generally received through the liquidation of the underlying assets of the partnership.
REIT	<u>74,028</u>	<u>-</u>	Investment allows monthly redemption. One day notice required.
Total	<b><u>\$ 492,688</u></b>	<b><u>\$ -</u></b>	

Private equity fund – The fund invests in equity or debt oriented investments of privately owned companies in various sectors at various stages of development and includes both U.S. and Non-U.S. venture capital. Strategies include leveraged buyout, growth capital, venture capital, real estate and distressed or special situations.

REIT – This fund seeks to deliver predictable and durable income by building a portfolio comprised of new, directly originated mortgage loans secured by high-quality commercial real estate properties across the United States. The fund also has the ability to acquire other types of investments in order to take advantage of tactical opportunities during various market cycles.

There were no alternative investments whose fair value is estimated using NAV per share (or its equivalent) as of June 30, 2023.

Investment activity consisted of the following for the years ended June 30:

	<u>2024</u>	<u>2023</u>
Interest income	\$ 249,944	\$ 177,816
Realized/unrealized gain on investments	480,729	384,632
Investment fees	<u>(59,643)</u>	<u>(53,687)</u>
	<b><u>\$ 671,030</u></b>	<b><u>\$ 508,761</u></b>

**BRONXWORKS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 6 — PROPERTY, EQUIPMENT AND LEASEHOLD IMPROVEMENTS, NET**

Property, equipment and leasehold improvements, net, consisted of the following as of June 30:

	<u>2024</u>	<u>2023</u>	<u>Estimated Useful Lives</u>
Land	\$ 190,000	\$ 190,000	
Building and improvements	9,012,779	9,012,779	10-40 Years
Equipment and vehicles	<u>51,575</u>	<u>51,575</u>	3-5 Years
Total cost	9,254,354	9,254,354	
Less: accumulated depreciation and amortization	<u>(5,855,548)</u>	<u>(5,519,228)</u>	
Net book value	<u>\$ 3,398,806</u>	<u>\$ 3,735,126</u>	

For the years ended June 30, 2024 and 2023, depreciation and amortization expense amounted to \$336,320 and \$344,722, respectively.

**NOTE 7 — BANK LINES OF CREDIT**

- A. The Organization has a revolving line of credit with Bank of America which is payable on demand with no expiration date. The line of credit is collateralized by investments with Merrill Lynch with a maximum borrowing of \$4,025,000. The line has a floating interest rate based on 1.25% above the Secured Overnight Financing Rate ("SOFR"). The interest rates were 6.63% and 6.41% as of June 30, 2024 and 2023, respectively. The outstanding balance plus accrued interest on the line of credit amounted to \$2,200,000 and \$2,030,958 as of June 30, 2024 and 2023, respectively. The balance as of December 20, 2024 is \$2,383,489.
- B. The Organization has a second line of credit with JPMorgan Chase Bank with a maximum borrowing limit of \$11,000,000 and an interest rate adjusted for SOFR plus 3%, and expiration date of May 28, 2025. The line of credit was collateralized by all of the assets of the Organization. The interest rates as of June 30, 2024 and 2023, were 8.67% and 8.25%, respectively. The outstanding balance on the line of credit amounted to \$6,400,000 and \$7,000,000 as of June 30, 2024 and 2023, respectively. The balance as of December 20, 2024 is \$8,492,344.
- C. The Organization deposited \$5,000,000 into a money market account with Popular Bank. Popular Bank in return gave the Organization a line of credit for the \$5,000,000 with an expiration date of June 12, 2025. The interest rate is based on the Popular Bank Prime Rate, which was 8.5% as of June 30, 2024. The Organization has not drawn down on the line of credit and as such, the ending balance as of June 30, 2024 is \$0. The balance as of December 20, 2024 is \$0.

**NOTE 8 — NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consisted of the following as of June 30:

	<u>2024</u>	<u>2023</u>
BronxWorks	\$ 762,597	\$ 414,091
Children and youth	1,181,359	1,172,298
Family shelter for the homeless	31,486	75,000
Health programs	1,112,038	1,037,227
Homeless shelters	71,685	71,566
Homeless/Prevention/Relocation	5,483,664	236,919
Services for the elderly	365,812	318,849
Workforce development	<u>670,736</u>	<u>594,771</u>
	<u>\$ 9,679,377</u>	<u>\$ 3,920,721</u>

**BRONXWORKS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 8 — NET ASSETS WITH DONOR RESTRICTIONS (Continued)**

Net assets released by incurring expenses or the passage of time consisted of the following as of June 30:

	<u>2024</u>	<u>2023</u>
BronxWorks	\$ 161,496	\$ 227,881
Children and youth	1,090,855	1,006,942
Family shelter for the homeless	43,514	-
Health programs	470,661	342,035
Homeless shelters	14,881	101,429
Homeless/Prevention/Relocation	345,254	6,644
Services for the elderly	89,812	174,923
Workforce development	<u>998,498</u>	<u>844,259</u>
	<u>\$ 3,214,971</u>	<u>\$ 2,704,113</u>

**NOTE 9 — PENSION PLAN**

The Organization sponsors defined contribution and 403(b) pension plans covering all employees except for those who are non-resident aliens with no U.S. source of income, those who are classified and treated as independent contractors and leased employees. Employees become participants of the Plan after attaining age 21 and completing one year of service. Pension expense was \$2,387,109 and \$2,068,812 for the years ended June 30, 2024 and 2023, respectively. The defined contribution pension plan was frozen on January 1, 2022 and terminated on August 15, 2023.

**NOTE 10 — COMMITMENTS AND CONTINGENCIES**

- A. The Organization is responsible to report to and is regulated by various governmental third parties. These agencies have the right to audit the Organization's fiscal and programmatic compliance. Laws and regulations governing the Organization's programs are complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates might change in the near term. Additionally, noncompliance with such laws and regulations could result in fines, penalties and exclusions from these programs.
- B. The Organization is a defendant in several lawsuits that have arisen in the ordinary course of business. It is management's belief that any settlements that arise from these suits will be within the limits of the Organization's insurance policies. Therefore, no provision has been made in the accompanying consolidated financial statements.
- C. The Organization believes it has no uncertain tax positions as of June 30, 2024 and 2023 in accordance with FASB ASC Topic 740, "Income Taxes," which provides standards for establishing and classifying any tax provisions for uncertain tax positions.

**NOTE 11 — REVENUE FROM CONTRACTS WITH CUSTOMERS**

**Service Contracts** – The Organization receives revenue from contracts with various government agencies, including the New York State Department of Health ("DOH") to provide support and services to individuals and family members of individuals with behavioral health, home health and family support. Revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing the contracted services.

**Performance Obligation** – Performance obligations are determined based on the nature of the services provided by the Organization in accordance with the contract. Revenue for performance obligations satisfied over time is recognized as the services are provided. This method depicts the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. The Organization measures the performance obligation from the beginning of the next month or day to the point when it is no longer required to provide services under the contract or has met the requirements to bill for the services provided, which is generally at the end of each month or period of time allowed based on the government Organization's stipulations.

**BRONXWORKS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 11 — REVENUE FROM CONTRACTS WITH CUSTOMERS (Continued)**

All performance obligations relate to contracts with a duration of less than one year; therefore, there are no performance obligations or contract balances that are unsatisfied as of June 30, 2024 and 2023. The performance obligations for these contracts are completed when the service is completed and upon submission of required documentation. The Organization determines the transaction price based on established rates and contracts for services provided.

Revenue from contracts with customers and program service fees consist of revenues for the Home Health and other similar programs and amounted to \$4,995,185 and \$3,217,796 for the years ended June 30, 2024 and 2023, respectively.

	June 30, 2024	June 30, 2023	July 1, 2022
Program and medicaid receivables	\$ 3,507,667	\$ 2,748,071	\$ 2,387,076

**NOTE 12 — RIGHT-OF-USE ASSETS AND LIABILITIES**

The Organization leases office space under operating lease arrangements at various terms through December 2036 for which expense is recognized on a straight-line basis over the lease term. The Organization assesses whether an arrangement qualifies as a lease at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. As a result, adopting FASB ASC 842 had no impact to the prior year consolidated statement of financial position. No comparative information is provided for the amounts reported on the consolidated statement of financial position as of June 30, 2022 since the Organization used the modified retrospective method of transition that does not require restating the prior period.

As of June 30, 2024 and 2023, the right-of-use (“ROU”) assets had a balance of \$31,905,165 and \$22,896,905 and lease liabilities had a balance of \$32,708,005 and \$23,039,352 related to operating leases, respectively.

As of June 30, 2024, the ROU assets and liabilities were calculated utilizing risk-free rates (ranging from 2.88% to 4.56%), according to the Organization’s elected policy. The weighted average of the remaining lease term is 41 months. The weighted average discount rate amounted to 3.60% for operating leases. As of June 30, 2023, the ROU assets and liabilities were calculated utilizing risk-free rates (ranging from 2.88% to 2.92%), according to the Organization’s elected policy. The weighted average of the remaining lease term is 60 months. The weighted average discount rate amounted to 2.89% for operating leases.

The following summarizes the line items in the consolidated statement of functional expenses which include the components of lease expense for the year ended June 30, 2024:

Operating lease expense included in occupancy costs \$ 12,023,674

The following summarizes cash flow information related to leases for the year ended June 30, 2024:

Cash paid for amounts included in the measurement of lease liabilities:  
Operating cash flows from operating leases: \$ 11,363,280

Lease assets obtained in exchange for lease obligations:  
Operating leases \$ 19,815,223

The following summarizes the line items in the consolidated statement of functional expenses which include the components of lease expense for the year ended June 30, 2023:

Operating lease expense included in occupancy costs \$ 4,371,187

**BRONXWORKS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 12 — RIGHT-OF-USE ASSETS AND LIABILITIES (Continued)**

The following summarizes cash flow information related to leases for the year ended June 30, 2023:

Cash paid for amounts included in the measurement of lease liabilities:

Operating cash flows from operating leases: \$ 665,162

Lease assets obtained in exchange for lease obligations:

Operating leases \$ 26,608,467

Future minimum payments for non-cancelable operating leases for the next five years ending after June 30, 2024 and thereafter are as follows:

2025		\$	12,198,256
2026			12,234,359
2027			6,038,261
2028			2,010,325
2029			1,050,821
Thereafter			<u>1,119,116</u>
Total lease payments			34,651,138
Less: Present value discount			<u>(1,943,133)</u>
Present value of lease liabilities			<u>\$ 32,708,005</u>

**NOTE 13 — CONCENTRATIONS**

- A. Cash and cash equivalents that potentially subject the Organization to a concentration of credit risk include cash accounts with a bank that exceed the Federal Deposit Insurance Corporation ("FDIC") limits. Accounts are insured up to \$250,000 per depositor, per insured financial institution. As of June 30, 2024 and 2023, there was approximately \$2,780,000 and \$2,295,000, respectively, of cash and cash equivalents held by two banks and one investment institution. This excess includes outstanding checks.
- B. For the years ended June 30, 2024 and 2023, approximately 59% and 56% of government revenue was from a single governmental funder. In addition, approximately 59% and 50% of accounts receivable was due from a single governmental entity.

**NOTE 14 — BRONX POINT PROJECT**

Bronx Point HDFC is the indemnified grant recipient of an Urban Development Action Area Project Grant (the "UDAAP Grant") that has been awarded by the City of New York, through its Department of Housing Preservation and Development ("HPD"), to fund the cost of designing and constructing certain improvements for a public esplanade adjacent to the Bronx Point Project (the "Esplanade Work"). In that role, Bronx Point HDFC performs all obligations as the recipient under the UDAAP Grant in connection with the receipt and payment of UDAAP Grant funds solely at the direction of HPD and Bronx Point Owner LLC.

Bronx Point HDFC is not the owner of the project assets that are constructed or acquired with the proceeds of the UDAAP Grant. Assets related to the Esplanade Work are the property of the City. Therefore, Bronx Point HDFC reports no infrastructure assets or construction work in progress; instead, construction costs are reported as an expense. During the years ended June 30, 2024 and 2023, Bronx Point HDFC received proceeds from the UDAAP Grant in the amounts of \$3,226,736 and \$9,904,968, respectively, which is included as government grants revenue and construction and improvements expense in the accompanying consolidated financial statements.

**NOTE 15 — SUBSEQUENT EVENTS**

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the consolidated statement of financial position through December 20, 2024, the date the consolidated financial statements were available to be issued.

**BRONXWORKS, INC. AND SUBSIDIARIES**  
**CONSOLIDATING SCHEDULE OF FINANCIAL POSITION**  
**AS OF JUNE 30, 2024**  
(With Comparative Totals for June 30, 2023)

	2024				2023					
	BronxWorks, Inc.	Citizens' Advice Bureau Property Holding Company, Inc.	Bronx Point HDFC	Intercompany Eliminations	Total 2024	BronxWorks, Inc.	Citizens Advice Bureau Property Holding Company, Inc.	Bronx Point HDFC	Intercompany Eliminations	Total 2023
<b>ASSETS</b>										
Cash and cash equivalents	\$ 8,697,594	\$ -	\$ 502,559	\$ -	\$ 9,200,153	\$ 2,365,805	\$ -	\$ 4,152	\$ -	\$ 2,369,957
Investments	7,125,245	-	-	-	7,125,245	6,477,505	-	-	-	6,477,505
Government grants receivable	73,656,249	-	725,665	-	74,381,914	57,868,954	-	7,070,854	-	64,939,808
Pledges receivable, net	2,135,221	-	-	-	2,135,221	2,045,008	-	-	-	2,045,008
Program and medicaid receivables	3,507,667	-	-	-	3,507,667	2,748,071	-	-	-	2,748,071
Prepaid expenses and other assets	998,354	-	-	(316,782)	681,572	897,767	-	-	(316,782)	580,985
Operating lease right-of-use assets	31,905,165	-	-	-	31,905,165	22,896,905	-	-	-	22,896,905
Property, equipment and leasehold improvements, net	1,683,160	1,715,646	-	-	3,398,806	1,904,570	1,830,556	-	-	3,735,126
<b>TOTAL ASSETS</b>	<b>\$ 129,708,655</b>	<b>\$ 1,715,646</b>	<b>\$ 1,228,224</b>	<b>\$ (316,782)</b>	<b>\$ 132,335,743</b>	<b>\$ 97,204,585</b>	<b>\$ 1,830,556</b>	<b>\$ 7,075,006</b>	<b>\$ (316,782)</b>	<b>\$ 105,793,365</b>
<b>LIABILITIES</b>										
Accounts and accrued expenses payable	\$ 11,932,608	\$ -	\$ 1,228,224	\$ -	\$ 13,160,832	\$ 11,612,899	\$ -	\$ 7,075,006	\$ -	\$ 18,687,905
Accrued salaries and related liabilities	4,284,550	-	-	-	4,284,550	3,717,919	-	-	-	3,717,919
Due to related party	-	316,782	-	(316,782)	-	-	316,782	-	(316,782)	-
Deferred revenue / due to funding sources	43,408,537	-	-	-	43,408,537	27,188,846	-	-	-	27,188,846
Lines of credit	8,600,000	-	-	-	8,600,000	9,030,958	-	-	-	9,030,958
Operating lease liabilities	32,708,005	-	-	-	32,708,005	23,039,352	-	-	-	23,039,352
<b>TOTAL LIABILITIES</b>	<b>100,933,700</b>	<b>316,782</b>	<b>1,228,224</b>	<b>(316,782)</b>	<b>102,161,924</b>	<b>74,589,974</b>	<b>316,782</b>	<b>7,075,006</b>	<b>(316,782)</b>	<b>81,664,980</b>
<b>NET ASSETS</b>										
Without donor restrictions	19,095,578	1,398,864	-	-	20,494,442	18,693,890	1,513,774	-	-	20,207,664
With donor restrictions	9,679,377	-	-	-	9,679,377	3,920,721	-	-	-	3,920,721
<b>TOTAL NET ASSETS</b>	<b>28,774,955</b>	<b>1,398,864</b>	<b>-</b>	<b>-</b>	<b>30,173,819</b>	<b>22,614,611</b>	<b>1,513,774</b>	<b>-</b>	<b>-</b>	<b>24,128,385</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 129,708,655</b>	<b>\$ 1,715,646</b>	<b>\$ 1,228,224</b>	<b>\$ (316,782)</b>	<b>\$ 132,335,743</b>	<b>\$ 97,204,585</b>	<b>\$ 1,830,556</b>	<b>\$ 7,075,006</b>	<b>\$ (316,782)</b>	<b>\$ 105,793,365</b>

See independent auditors' report.

**BRONXWORKS, INC. AND SUBSIDIARIES**  
**CONSOLIDATING SCHEDULE OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2024**  
**(With Comparative Totals for June 30, 2023)**

	BronxWorks, Inc.	Citizens' Advice Bureau Property Holding Company, Inc.	Bronx Point HDFC	Sub-total	Consolidating Eliminations	Consolidated Total 2024	Consolidated Total 2023
<b>OPERATING SUPPORT AND REVENUE:</b>							
<b>Earned Revenue:</b>							
Government grants	\$ 111,668,165	\$ -	\$ 3,226,736	\$ 114,894,901	\$ -	\$ 114,894,901	\$ 113,749,443
Program service fees	4,270,013	-	-	4,270,013	-	4,270,013	2,401,401
Medicaid	725,172	-	-	725,172	-	725,172	816,395
Investment activity	671,030	-	-	671,030	-	671,030	508,761
Other revenues	382,797	-	-	382,797	-	382,797	563,222
<b>Total Earned Revenue</b>	<u>117,717,177</u>	<u>-</u>	<u>3,226,736</u>	<u>120,943,913</u>	<u>-</u>	<u>120,943,913</u>	<u>118,039,222</u>
<b>Public Support:</b>							
Foundation grants and other contributions	10,360,995	-	-	10,360,995	-	10,360,995	5,766,766
Contributed non-financial assets	358,826	-	-	358,826	-	358,826	420,927
<b>Total Public Support</b>	<u>10,719,821</u>	<u>-</u>	<u>-</u>	<u>10,719,821</u>	<u>-</u>	<u>10,719,821</u>	<u>6,187,693</u>
<b>TOTAL OPERATING SUPPORT AND REVENUE</b>	<u>128,436,998</u>	<u>-</u>	<u>3,226,736</u>	<u>131,663,734</u>	<u>-</u>	<u>131,663,734</u>	<u>124,226,915</u>
<b>OPERATING EXPENSES:</b>							
<b>Program Services:</b>							
BronxWorks programs	6,328,204	-	-	6,328,204	-	6,328,204	10,156,857
Services for the elderly	3,943,440	-	-	3,943,440	-	3,943,440	3,499,082
Homeless/prevention/relocation	40,030,517	-	-	40,030,517	-	40,030,517	35,226,410
Homeless shelters	24,615,618	-	-	24,615,618	-	24,615,618	23,066,941
Supportive housing	3,805,782	-	-	3,805,782	-	3,805,782	3,628,538
Health programs	3,460,864	-	-	3,460,864	-	3,460,864	2,745,800
Children and youth	14,447,933	-	-	14,447,933	-	14,447,933	12,444,685
Workforce development	3,305,942	-	-	3,305,942	-	3,305,942	3,102,557
Family shelter for the homeless	7,500,335	-	-	7,500,335	-	7,500,335	5,870,477
Bronx Point Project	-	-	3,226,736	3,226,736	-	3,226,736	9,904,968
<b>Total Program Services</b>	<u>107,438,635</u>	<u>-</u>	<u>3,226,736</u>	<u>110,665,371</u>	<u>-</u>	<u>110,665,371</u>	<u>109,646,315</u>
<b>Supporting Services:</b>							
Management and general	13,309,721	-	-	13,309,721	-	13,309,721	10,731,433
Fundraising	1,041,247	-	-	1,041,247	-	1,041,247	856,760
<b>Total Supporting Services</b>	<u>14,350,968</u>	<u>-</u>	<u>-</u>	<u>14,350,968</u>	<u>-</u>	<u>14,350,968</u>	<u>11,588,193</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>121,789,603</u>	<u>-</u>	<u>3,226,736</u>	<u>125,016,339</u>	<u>-</u>	<u>125,016,339</u>	<u>121,234,508</u>
<b>CHANGE IN OPERATING NET ASSETS</b>	<u>6,647,395</u>	<u>-</u>	<u>-</u>	<u>6,647,395</u>	<u>-</u>	<u>6,647,395</u>	<u>2,992,407</u>
<b>NONOPERATING ACTIVITIES:</b>							
Depreciation and amortization expense	221,410	114,910	-	336,320	-	336,320	344,722
Interest expense	265,641	-	-	265,641	-	265,641	94,365
<b>TOTAL NONOPERATING EXPENSES</b>	<u>487,051</u>	<u>114,910</u>	<u>-</u>	<u>601,961</u>	<u>-</u>	<u>601,961</u>	<u>439,087</u>
<b>CHANGE IN NONOPERATING ACTIVITIES</b>	<u>(487,051)</u>	<u>(114,910)</u>	<u>-</u>	<u>(601,961)</u>	<u>-</u>	<u>(601,961)</u>	<u>(439,087)</u>
<b>CHANGE IN TOTAL NET ASSETS</b>	<u>6,160,344</u>	<u>(114,910)</u>	<u>-</u>	<u>6,045,434</u>	<u>-</u>	<u>6,045,434</u>	<u>2,553,320</u>
<b>Total net assets - beginning of year</b>	<u>22,614,611</u>	<u>1,513,774</u>	<u>-</u>	<u>24,128,385</u>	<u>-</u>	<u>24,128,385</u>	<u>21,575,065</u>
<b>TOTAL NET ASSETS - END OF YEAR</b>	<u>\$ 28,774,955</u>	<u>\$ 1,398,864</u>	<u>\$ -</u>	<u>\$ 30,173,819</u>	<u>\$ -</u>	<u>\$ 30,173,819</u>	<u>\$ 24,128,385</u>