



LENOX HILL NEIGHBORHOOD HOUSE

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**LENOX HILL NEIGHBORHOOD HOUSE, INC.
AND AFFILIATES**

**Consolidated Financial Statements and Supplementary
Information
(Together with Independent Auditors' Report)**

Years Ended June 30, 2024 and 2025

LENOX HILL NEIGHBORHOOD HOUSE, INC. AND AFFILIATES

**CONSOLIDATED FINANCIAL STATEMENTS
(Together with Independent Auditors' Report)
and Supplementary Information**

YEARS ENDED JUNE 30, 2024 AND 2025

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Lenox Hill Neighborhood House, Inc. and Affiliates
New York, NY

Opinion

We have audited the consolidated financial statements of Lenox Hill Neighborhood House, Inc., 159-61 East 102nd Street Housing Development Fund Corporation (the "HDFC"), including affiliates Casa Mutua, Inc. and Casa Mutua Limited Partnership (the "Partnership"), (collectively, the "Organization"), which comprise the consolidated statements of financial position as of June 30, 2024 and 2025, 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 financial position of the Organization as of June 30, 2024 and 2025, 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.

In performing an audit in accordance with GAAS, we:

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

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

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedules shown on pages 24-27 are presented for the purposes of additional analysis of the basic consolidated financial statements, rather than to present the financial position, changes in net assets and cash flows of the individual companies, and are not a required part of the basic 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 audits 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.

New York, NY
November 5, 2025

LENOX HILL NEIGHBORHOOD HOUSE, INC. AND AFFILIATES

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2024 AND 2025**

| | 2024 | 2025 |
|---|----------------------|----------------------|
| ASSETS | | |
| Cash and cash equivalents (Notes 2 and 15) | \$ 1,038,704 | \$ 743,015 |
| Government and other receivables, net (Notes 2, 4 and 14) | 4,104,039 | 5,638,437 |
| Pledges receivable (Notes 2 and 5) | 343,866 | 374,250 |
| Investments (Notes 2 and 6) | 39,385,436 | 40,223,343 |
| Prepayments and other assets | 217,263 | 440,857 |
| Restricted deposits and funded reserves (Notes 2 and 7) | 366,109 | 375,108 |
| Property and equipment, net (Notes 2 and 8) | 12,623,609 | 12,046,758 |
| Right-of-use assets, net (Note 2) | 181,324 | 123,941 |
| TOTAL ASSETS | \$ 58,260,350 | \$ 59,965,709 |
| LIABILITIES | | |
| Accounts payable and accrued expenses (Note 2) | \$ 958,485 | \$ 1,275,373 |
| Accrued salaries and others | 828,265 | 904,956 |
| Long-term debt (Note 9) | 1,671,575 | 1,671,575 |
| Tenant security deposits | 7,086 | 5,725 |
| Government and other advances (Note 2) | 53,596 | 15,307 |
| Loan payable (Notes 3 and 10) | - | 1,000,000 |
| Operating lease liability (Note 2) | 181,324 | 123,941 |
| TOTAL LIABILITIES | 3,700,331 | 4,996,877 |
| COMMITMENTS AND CONTINGENCIES (Note 14) | | |
| NET ASSETS (Notes 2 and 6) | | |
| Without Donor Restrictions | | |
| Undesignated | 2,553,723 | 3,040,695 |
| Designated by the Board for endowment | 27,850,261 | 27,859,873 |
| Net investment in property and equipment | 11,318,143 | 10,750,291 |
| Without Donor Restrictions - Total | 41,722,127 | 41,650,859 |
| With Donor Restrictions | | |
| Perpetual in nature | 11,535,175 | 12,363,470 |
| Purpose restrictions | 984,201 | 842,003 |
| Time-restricted only for future periods | 318,516 | 112,500 |
| With Donor Restrictions - Total | 12,837,892 | 13,317,973 |
| TOTAL NET ASSETS | 54,560,019 | 54,968,832 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 58,260,350 | \$ 59,965,709 |

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

LENOX HILL NEIGHBORHOOD HOUSE, INC. AND AFFILIATES

CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2024 AND 2025

| | 2024 | | | 2025 | | |
|---|----------------------------|-------------------------|----------------------|----------------------------|-------------------------|----------------------|
| | Without Donor Restrictions | With Donor Restrictions | Total | Without Donor Restrictions | With Donor Restrictions | Total |
| Operating Revenue | | | | | | |
| Government agencies (Note 2) | \$ 19,530,721 | \$ - | \$ 19,530,721 | \$ 18,286,958 | \$ - | \$ 18,286,958 |
| Special events (Note 12) | 758,215 | - | 758,215 | 1,204,273 | - | 1,204,273 |
| Direct special event expenses | (299,104) | - | (299,104) | (333,378) | - | (333,378) |
| Special events, net (Note 12) | 459,111 | - | 459,111 | 870,895 | - | 870,895 |
| Contributions of cash (Notes 2 and 12) | 783,049 | 1,747,205 | 2,530,254 | 1,034,060 | 1,171,982 | 2,206,042 |
| Rental income | 554,091 | - | 554,091 | 531,398 | - | 531,398 |
| Net assets released from restrictions (Note 2) | 1,844,583 | (1,844,583) | - | 1,530,196 | (1,530,196) | - |
| Subtotal | 3,640,834 | (97,378) | 3,543,456 | 3,966,549 | (358,214) | 3,608,335 |
| Dues and fees | 689,293 | - | 689,293 | 668,868 | - | 668,868 |
| Interest | 11,166 | - | 11,166 | 10,162 | - | 10,162 |
| Subtotal | 700,459 | - | 700,459 | 679,030 | - | 679,030 |
| Total Operating Revenue | 23,872,014 | (97,378) | 23,774,636 | 22,932,537 | (358,214) | 22,574,323 |
| Operating Expenses | | | | | | |
| Program services | 20,076,559 | - | 20,076,559 | 20,266,906 | - | 20,266,906 |
| Management and general | 3,852,498 | - | 3,852,498 | 4,199,576 | - | 4,199,576 |
| Fundraising | 422,729 | - | 422,729 | 476,585 | - | 476,585 |
| Total Operating Expenses | 24,351,786 | - | 24,351,786 | 24,943,067 | - | 24,943,067 |
| Operating Loss | (479,772) | (97,378) | (577,150) | (2,010,530) | (358,214) | (2,368,744) |
| Non-Operating Income (Loss) | | | | | | |
| Investment income, net (Note 6) | 3,289,159 | 1,299,918 | 4,589,077 | 1,910,706 | 768,295 | 2,679,001 |
| Bequests (Notes 2 and 12) | 2,500 | - | 2,500 | 110,170 | - | 110,170 |
| Capital contributions (Note 12) | - | 650,000 | 650,000 | - | 10,000 | 10,000 |
| Contributions to endowment (Notes 2, 6 and 12) | - | 35,000 | 35,000 | - | 60,000 | 60,000 |
| Loss on disposal of property and equipment (Note 8) | - | - | - | (81,614) | - | (81,614) |
| Total Non-Operating Income | 3,291,659 | 1,984,918 | 5,276,577 | 1,939,262 | 838,295 | 2,777,557 |
| Change in Net Assets | 2,811,887 | 1,887,540 | 4,699,427 | (71,268) | 480,081 | 408,813 |
| Net Assets - Beginning of Year | 38,910,240 | 10,950,352 | 49,860,592 | 41,722,127 | 12,837,892 | 54,560,019 |
| Net Assets - End of Year | \$ 41,722,127 | \$ 12,837,892 | \$ 54,560,019 | \$ 41,650,859 | \$ 13,317,973 | \$ 54,968,832 |

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

LENOX HILL NEIGHBORHOOD HOUSE, INC. AND AFFILIATES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

| | Program Services | | | | | | | Supporting Services | | Total 2024 | |
|--|----------------------------|---------------------------|---------------------|----------------------------------|----------------------------|--------------------|---------------------------|----------------------|---------------------------|-------------------|----------------------|
| | Homeless and Housing | Early Childhood Center | Older Adults | Visual and Performing Arts | Fitness and Aquatics | Adult Education | Health and Wellness | Total | Management and General | | Fundraising |
| Personnel (Note 11) | \$ 3,186,731 | \$ 3,305,036 | \$ 4,131,632 | \$ 944,064 | \$ 870,232 | \$ 587,968 | \$ 380,918 | \$ 13,406,581 | \$ 2,586,192 | \$ 362,598 | \$ 16,355,371 |
| Fees for services | 200,169 | 32,882 | 397,478 | 2,334 | 4,008 | 1,213 | 6,078 | 644,162 | 423,023 | 67,555 | 1,134,740 |
| Insurance | 103,321 | 63,382 | 67,741 | 8,779 | 7,707 | 4,544 | 4,249 | 259,723 | 47,190 | 4,910 | 311,823 |
| Occupancy | 1,635,418 | 310,768 | 511,942 | 46,300 | 51,336 | 16,818 | 20,478 | 2,593,060 | 132,071 | 12,901 | 2,738,032 |
| Information and communication technology | 132,981 | 64,426 | 175,984 | 14,348 | 5,623 | 9,797 | 18,409 | 421,568 | 160,786 | 28,357 | 610,711 |
| Supplies | 62,613 | 64,128 | 38,529 | 4,628 | 582 | 3,159 | 11,864 | 185,503 | 20,467 | 2,723 | 208,693 |
| Food | 297,461 | 156,924 | 508,224 | 15 | 12 | 6 | 1,786 | 964,428 | 1,930 | 215,588 | 1,181,946 |
| Transportation | 23,307 | 37,762 | 99,203 | 62 | 48 | 24 | 1,553 | 161,959 | 69,829 | 18 | 231,806 |
| Professional development | 9,294 | 11,867 | 11,912 | 564 | - | 980 | 594 | 35,211 | 116,119 | 156 | 151,486 |
| Provision for doubtful accounts | 26,178 | - | - | - | - | - | - | 26,178 | - | - | 26,178 |
| Depreciation | 530,408 | 332,025 | 256,585 | 51,492 | 39,913 | 19,211 | 18,948 | 1,248,582 | 131,056 | 14,737 | 1,394,375 |
| Interest expense | 16,716 | - | - | - | - | - | - | 16,716 | - | - | 16,716 |
| Miscellaneous | 13,971 | 13,437 | 82,647 | 775 | 312 | 172 | 1,574 | 112,888 | 163,835 | 12,290 | 289,013 |
| | 6,238,568 | 4,392,637 | 6,281,877 | 1,073,361 | 979,773 | 643,892 | 466,451 | 20,076,559 | 3,852,498 | 721,833 | 24,650,890 |
| Direct special event expenses (Note 12) | - | - | - | - | - | - | - | - | - | (299,104) | (299,104) |
| TOTAL EXPENSES | \$ 6,238,568 | \$ 4,392,637 | \$ 6,281,877 | \$ 1,073,361 | \$ 979,773 | \$ 643,892 | \$ 466,451 | \$ 20,076,559 | \$ 3,852,498 | \$ 422,729 | \$ 24,351,786 |

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

LENOX HILL NEIGHBORHOOD HOUSE, INC. AND AFFILIATES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025

| | Program Services | | | | | | | Supporting Services | | Total 2025 | |
|--|----------------------------|----------------------------|----------------------------|----------------------------------|----------------------------|--------------------------|---------------------------|-----------------------------|----------------------------|--------------------------|-----------------------------|
| | Homeless and Housing | Early Childhood Center | Older Adults | Visual and Performing Arts | Fitness and Aquatics | Adult Education | Health and Wellness | Total | Management and General | | Fundraising |
| Personnel (Note 11) | \$ 3,710,001 | \$ 3,432,811 | \$ 3,202,148 | \$ 1,017,931 | \$ 688,349 | \$ 561,297 | \$ 396,599 | \$ 13,009,136 | \$ 2,990,324 | \$ 408,067 | \$ 16,407,527 |
| Fees for services | 157,714 | 61,208 | 167,065 | 2,742 | 3,574 | 1,658 | 6,522 | 400,483 | 417,592 | 67,363 | 885,438 |
| Insurance | 113,070 | 66,040 | 57,510 | 9,395 | 6,777 | 5,006 | 4,658 | 262,456 | 51,631 | 5,216 | 319,303 |
| Occupancy | 2,346,411 | 318,886 | 374,663 | 42,998 | 38,368 | 16,951 | 15,574 | 3,153,851 | 112,519 | 11,513 | 3,277,883 |
| Information and communication technology | 134,575 | 61,809 | 179,870 | 16,376 | 6,519 | 13,413 | 10,585 | 423,147 | 179,527 | 31,646 | 634,320 |
| Supplies | 56,214 | 111,990 | 38,695 | 2,432 | 1,999 | 2,242 | 5,721 | 219,293 | 24,679 | 8,544 | 252,516 |
| Food | 334,841 | 191,717 | 564,986 | 644 | - | - | 1,551 | 1,093,739 | - | 240,502 | 1,334,241 |
| Transportation | 63,096 | 15,727 | 100,789 | 265 | 162 | 107 | 2,997 | 183,143 | 24,673 | 394 | 208,210 |
| Professional development | 8,358 | 15,436 | 23,942 | 3,205 | - | - | 2,790 | 53,731 | 49,768 | 9,824 | 113,323 |
| Provision for doubtful accounts | 4,609 | - | - | - | - | - | - | 4,609 | - | - | 4,609 |
| Depreciation | 580,097 | 351,676 | 270,399 | 55,634 | 40,824 | 22,217 | 19,995 | 1,340,842 | 135,894 | 15,089 | 1,491,825 |
| Interest expense | 16,716 | - | - | - | - | - | - | 16,716 | 18,896 | - | 35,612 |
| Miscellaneous | 15,234 | 11,695 | 74,833 | 1,204 | 2 | 422 | 2,370 | 105,760 | 194,073 | 11,805 | 311,638 |
| | <u>7,540,936</u> | <u>4,638,995</u> | <u>5,054,900</u> | <u>1,152,826</u> | <u>786,574</u> | <u>623,313</u> | <u>469,362</u> | <u>20,266,906</u> | <u>4,199,576</u> | <u>809,963</u> | <u>25,276,445</u> |
| Direct special event expenses (Note 12) | - | - | - | - | - | - | - | - | - | (333,378) | (333,378) |
| TOTAL EXPENSES | <u>\$ 7,540,936</u> | <u>\$ 4,638,995</u> | <u>\$ 5,054,900</u> | <u>\$ 1,152,826</u> | <u>\$ 786,574</u> | <u>\$ 623,313</u> | <u>\$ 469,362</u> | <u>\$ 20,266,906</u> | <u>\$ 4,199,576</u> | <u>\$ 476,585</u> | <u>\$ 24,943,067</u> |

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

LENOX HILL NEIGHBORHOOD HOUSE, INC. AND AFFILIATES

**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2025**

| | 2024 | 2025 |
|--|--------------|--------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in net assets | \$ 4,699,427 | \$ 408,813 |
| Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities | | |
| Depreciation | 1,394,375 | 1,491,825 |
| Loss on disposal of property and equipment | - | 81,614 |
| Provision for doubtful accounts | 26,178 | 4,609 |
| Realized gain on the sale of investments | (153,074) | (1,431,119) |
| Unrealized gain on investments | (4,015,101) | (767,064) |
| Contributions for capital expenditures | (650,000) | (10,000) |
| Contributions for Thomas J. Edelman Restricted Endowment Fund | (35,000) | (60,000) |
| Transfer from Elizabeth G. Betts Restricted Endowment Fund to operations | 41,267 | - |
| Transfer to Board-designated endowment from operations | (43,767) | (110,170) |
| Sub-total | 1,264,305 | (391,492) |
| Changes in operating assets and liabilities | | |
| Decrease (increase) in assets | | |
| Government and other receivables | (1,382,076) | (1,539,007) |
| Pledges receivable | (140,366) | (30,384) |
| Prepayments and other assets | 46,649 | (223,594) |
| Increase (decrease) in liabilities | | |
| Accounts payable and accrued expenses | 339,794 | 316,888 |
| Accrued salaries and others | 30,088 | 76,691 |
| Tenant security deposits | 1 | (1,361) |
| Government and other advances | (129,865) | (38,289) |
| Net Cash Provided by (Used in) Operating Activities | 28,530 | (1,830,548) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property and equipment | (1,522,582) | (996,588) |
| Purchase of investments | (12,529,215) | (13,239,852) |
| Proceeds from withdrawals and sale of investments | 12,070,813 | 14,600,128 |
| Net Cash (Used in) Provided by Investing Activities | (1,980,984) | 363,688 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from loan payable | - | 1,000,000 |
| Capital contributions | 650,000 | 10,000 |
| Contributions for Thomas J. Edelman Restricted Endowment Fund | 35,000 | 60,000 |
| Transfer from Elizabeth G. Betts Restricted Endowment Fund to operations | (41,267) | - |
| Transfer to Board-designated endowment from operations | 43,767 | 110,170 |
| Net Cash Provided by Financing Activities | 687,500 | 1,180,170 |
| NET DECREASE IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH | (1,264,954) | (286,690) |
| Cash and cash equivalents and restricted cash - beginning of year | 2,669,767 | 1,404,813 |
| CASH AND CASH EQUIVALENTS AND RESTRICTED CASH - END OF YEAR | \$ 1,404,813 | \$ 1,118,123 |
| Supplemental Disclosures of Cash Flow Information | | |
| Cash paid during the year for interest | \$ 16,716 | \$ 35,612 |
| Property and equipment additions through accounts payable | \$ 206,750 | \$ - |

The amounts reported as cash and cash equivalents, and restricted cash above consist of the following amounts reported in the consolidated statements of financial position:

| | | |
|---|--------------|--------------|
| Cash and cash equivalents | \$ 1,038,704 | \$ 743,015 |
| Restricted deposits and funded reserves | 366,109 | 375,108 |
| Cash and cash equivalents and restricted cash | \$ 1,404,813 | \$ 1,118,123 |

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

LENOX HILL NEIGHBORHOOD HOUSE, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2024 and 2025

NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES

Lenox Hill Neighborhood House, Inc. (the "Neighborhood House" or "Organization") is a 131-year-old settlement house that provides an extensive array of human services—social, educational, health, housing, mental health, nutritional and fitness—which significantly improve the lives of thousands of people each year in New York City. The Neighborhood House is the oldest and largest social service and educational organization on the Upper East Side. Founded in 1894 to provide a free kindergarten for immigrant children, the Organization has greatly expanded its range of services. The Organization's service area extends from Fifth Avenue to the East River and from 14th Street to 143rd Street. Its principal programs serve children and families, unhoused and formerly unhoused adults, older adults, disabled persons, immigrants, adult learners and other nonprofit organizations. The Neighborhood House is a tax-exempt corporation under Section 501(c)(3) of the Internal Revenue Code.

The Neighborhood House oversees a special purpose not-for-profit corporation, 159-61 East 102nd Street Housing Development Fund Corporation (the "HDFC"). The HDFC owns the stock of Casa Mutua, Inc., a New York corporation ("Casa Mutua, Inc.") that serves as General Partner of Casa Mutua Limited Partnership (the "Partnership"). The HDFC is also the sole Limited Partner of the Partnership, making the HDFC the sole owner of the Partnership. The Partnership owns and operates a building at 159-61 East 102nd Street in Manhattan and provides permanent supportive housing for 54 formerly unhoused persons who live with mental illness. Because the Neighborhood House controls the HDFC and therefore the Partnership, the financial statements of these affiliates of the Neighborhood House, the HDFC and the Partnership, must be consolidated with those of the Neighborhood House. See also Notes 7, 8 and 13.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Principles of Consolidation

The Neighborhood House and its Affiliates' consolidated financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), and include entities controlled by the Neighborhood House. All intercompany transactions have been eliminated in consolidation.

Revenue Recognition

The Neighborhood House receives its funding from city, state and federal government agencies ("Government Funds") and from private donors including individuals, estates, corporations, foundations and other not-for-profit entities ("Contributions").

The Organization records receivables and revenue when earned based on established rates or contracts for services provided. Generally, the Organization bills government agencies, third-party payors and individuals after the services are performed or when the Organization has completed its portion of the contract. Reimbursements from government agencies for prior years are occasionally adjusted in subsequent years due to audit adjustments or the receipt of additional monies in excess of contract amounts. Government funds are nonexchange transactions accounted for under the Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2018-08, "Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made" (Topic 958) (see below). Government funds amounted to \$19,530,721 and \$18,286,958 for the years ended June 30, 2024 and 2025, respectively, and are included in the consolidated statements of activities. To the extent amounts received exceed amounts spent, the Organization records government and other advances as a liability.

LENOX HILL NEIGHBORHOOD HOUSE, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 and 2025

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Organization records revenue from dues and fees based on the five-step model described under FASB ASU 2014-09, "Revenue from Contracts with Customers" (Topic 606). Dues and fees are billed either in advance or at the time of purchase. Dues and fees collected prior to the time period for which they are due are recorded as advances. Dues and fees collected in a period subsequent to when they were due are recognized as revenue in that specific year.

Unconditional contributions are recorded as revenue when they are reported to the Organization and their amounts become reasonably certain. Contributions are recorded with donor restrictions if donors stipulate their use for a specific purpose and/or for a specified time period, or if they stipulate that the contribution is perpetual in nature. Non-operating revenue consists of contributions to endowment, capital contributions, bequests, investment income and certain other income that is derived from activities that are not related to the Organization's core programs and operations. The Partnership's apartment rental income is recognized as it accrues. Advanced receipt of rental income is deferred until earned. Income for services rendered between programs is recorded as revenue in the program that provides the service, and such amounts have been eliminated in the consolidated financial statements.

The Organization has some conditional grants and contracts from government agencies and organizations which require completion in periods subsequent to the end of a fiscal year. The portion of such grants and contracts which relate to the subsequent periods have not been recognized as revenue in the consolidated financial statements; these amounts will be recognized at a future time when conditions are met. As of June 30, 2024 and 2025, respectively, the Organization had \$52,812 and \$12,071, respectively, in such funds.

Contributed professional services are reflected as revenue and as an equal expense in the period received. The value of any contributed non-professional time is not reflected in the consolidated financial statements as it does not meet the criteria for recognition.

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor restrictions. The governing Board of Directors of the Organization (the "Board") has designated, from net assets without donor restrictions, net assets for a Board-designated Endowment as reserves for future expenditures.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires (i.e., when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both); the related net assets are reported in the consolidated statements of activities as net assets released from restrictions. Donor imposed restrictions as of June 30, 2024 and 2025 pertains to following: early and adult education services, older adult services, health and wellness programs, homeless and housing programs, civic advocacy and general operating activities. Net assets of \$1,844,583 and \$1,530,196, respectively, were released from donor restrictions during the years ended June 30, 2024 and 2025. Contributions to the endowment received with donor stipulations that they are perpetual in nature are recorded in either the Thomas J. Edelman Restricted

LENOX HILL NEIGHBORHOOD HOUSE, INC. AND AFFILIATES

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 and 2025**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Endowment Fund f/b/o Lenox Hill Neighborhood House (the “Thomas J. Edelman Restricted Endowment Fund”) or the Elizabeth G. Betts Restricted Endowment Fund f/b/o Lenox Hill Neighborhood House (the “Elizabeth G. Betts Restricted Endowment Fund”) (see Note 6). All investment earnings on the Thomas J. Edelman Restricted Endowment Fund and the Elizabeth G. Betts Restricted Endowment Fund are recorded as perpetual in nature until the Board authorizes an expenditure in accordance with the restrictions of the respective funds and applicable law.

Accounts and Pledges Receivable: Allowances

Allowances for doubtful accounts are provided on accounts and pledges receivable when management deems appropriate. These allowances are based on management’s assessment of the collectability of these accounts. At June 30, 2024 and 2025, allowances totaling \$7,228 and \$19,909, respectively, were recorded against accounts receivable. No allowances against pledges were believed necessary. The Organization does not currently discount to present value contributions that will be received in more than one year because that discount is deemed immaterial given the non-discounted value of such contributions.

Cash, Equivalents and Restricted Cash

Cash and equivalents include highly liquid instruments having maturities of three months or less from the date acquired, except restricted cash held in restricted deposits and funded reserves. Cash and equivalents in the Board-designated Endowment and in the Thomas J. Edelman Restricted Endowment Fund and the Elizabeth G. Betts Restricted Endowment Fund (see Note 6) are treated as investments.

Consolidated Statements of Cash Flows

For purposes of the consolidated statements of cash flows, the Organization considers income designated by the Board for the Board-designated Endowment as a cash flow provided by financing activities. This includes any general allocation of funds from the operating accounts to the Board-designated Endowment.

Fair Value Measurements

Investments are reported at fair value. Fair value is 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 6.

Property and Equipment

Property and equipment is reported at cost less accumulated depreciation. Property and equipment with a cost of \$10,000 or more, and a useful life of more than one year, is capitalized and depreciated over its estimated useful life utilizing the straight-line method if it relates to equipment or betterments in property owned by the Organization. Betterments with a cost of \$10,000 or more, and a useful life of more than one year, are capitalized and depreciated over the lesser of their estimated useful life or the lease term if they are located in property leased by the Organization for a term of more than one year. Betterments in property used by the Organization either without a lease or pursuant to a lease with a term of one year or less will be expensed. When assets are retired or disposed of,

LENOX HILL NEIGHBORHOOD HOUSE, INC. AND AFFILIATES

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 and 2025**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

their costs and accumulated depreciation are removed from the accounts and any gain or loss is reflected in operations. Repairs and maintenance are charged to operations as incurred.

Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses are expected to be settled within one year after the end of the reporting period or within the Organization's normal operating cycle, whichever is longer. At June 30, 2024 and 2025, accounts payable and accrued expenses totaling \$958,485 and \$1,275,373 includes the pass-through amounts due to partner organizations totaling \$33,449 and \$618,717, respectively.

Leases

The Organization adopted ASU No. 2016-02, *Leases (Topic 842)*, which requires lessees to recognize certain lease arrangements on the statements of financial position and disclose key information about these leases. The Organization determines if any arrangement is or contains a lease at inception. If such lease arrangements exist, the Organization includes these leases as right-of-use assets and lease liabilities that reflect the present value of the future minimum lease payments over the lease term. The Organization has elected not to recognize lease assets and lease liabilities for its short-term leases (i.e., leases with a term of 12 months or less) that do not include an option to purchase the underlying asset that the Organization is reasonably certain to exercise; instead, these lease payments are reported as lease expense on a straight-line basis over the lease term. The Organization uses a discount rate to determine the present value of the lease payments calculated on the basis of information available at the commencement date. The discount rate is the rate implicit in the lease, whenever that rate is readily determinable. If the rate implicit in the lease is not readily determinable, the Organization uses a risk-free discount rate for the lease as an accounting policy election for all leases, determined using a period comparable with that of the lease term.

Allocation of Expenses

The costs of providing the various programs and other supporting activities of the Organization have been summarized on a functional basis in the consolidated statements of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple programs and/or functions have been allocated among the various programs and/or functions benefited using a reasonable allocation methodology, determined by management, that is consistently applied as follows: salaries and wages, associated fringe benefits and payroll taxes are allocated based on estimates of time and effort; occupancy costs are allocated based on the estimated amount of space used by each program and function; information and communication technology expenses are allocated, when appropriate, on the basis of employee headcount for each program and supporting activity; insurance costs are allocated based on either the estimated amount of space used by each program and function or by total salary cost; and depreciation and loss on write off of property and equipment are allocated based on the estimated amount of space used by each program and function. The basis on which costs are allocated are evaluated annually or more frequently when programs or supporting functions are added or eliminated or when employee headcount changes significantly.

LENOX HILL NEIGHBORHOOD HOUSE, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 and 2025

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Organization has evaluated and is unaware of any uncertain tax positions as of June 30, 2024 and 2025 in accordance with Accounting Standards Codification (“ASC”) Topic 740 (“Income Taxes”), which provides standards for establishing and classifying any tax provisions for uncertain tax positions.

Use of Estimates

The preparation of the 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 disclosure of contingent assets and liabilities 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.

NOTE 3 - LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization regularly monitors the liquidity required to meet its planned operating needs and other commitments, including non-operating expenditures, while also striving to maximize the investment of its available funds and to provide for unanticipated liquidity needs. The Organization has various sources of liquidity at its disposal, including cash and cash equivalents, accounts receivable, pledges receivable, marketable fixed income and equity securities in its Board-designated Endowment, marketable fixed income and equity securities available for use, in accordance with law and donor restrictions, from the Thomas J. Edelman Restricted Endowment Fund and the Elizabeth G. Betts Restricted Endowment Fund, and a line of credit. See Notes 4, 5, 6 and 10. For purposes of analyzing liquidity and the availability of resources to meet general operating expenditures and other commitments, including non-operating expenditures, over a twelve-month period, the Organization considers all expenditures, both general operating and non-operating, related to its program activities and supporting services.

As of June 30, 2024 and 2025, financial assets available without donor or other restrictions limiting their use, within one year of the consolidated statement of financial position date, comprise the following:

| | At June 30, | |
|---|----------------------|----------------------|
| | 2024 | 2025 |
| Cash and equivalents | \$ 1,038,704 | \$ 743,015 |
| Accounts receivable, net | 4,104,039 | 5,638,437 |
| Pledges receivable due in less than one year | 293,866 | 364,250 |
| Investments in the Board-designated Endowment | 27,850,261 | 27,859,873 |
| Total | <u>\$ 33,286,870</u> | <u>\$ 34,605,575</u> |

LENOX HILL NEIGHBORHOOD HOUSE, INC. AND AFFILIATES

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 and 2025**

NOTE 3 - LIQUIDITY AND AVAILABILITY OF RESOURCES (Continued)

The Organization's endowment funds consist of the Board-designated Endowment, the Thomas J. Edelman Restricted Endowment Fund and the Elizabeth G. Betts Restricted Endowment Fund (see Note 6). The Board-designated Endowment of \$27,850,261 (as of June 30, 2024) and \$27,859,873 (as of June 30, 2025) is subject to a withdrawal rate as determined annually by the Board of the Organization as part of the Board's annual budget approval and appropriation process for the succeeding year. The Board has the ability to use any portion, or all, of the Board-designated Endowment to address any liquidity needs of the Organization. Withdrawals can also be authorized by the Board of the Organization from the Thomas J. Edelman Restricted Endowment Fund (\$10,392,375 as of June 30, 2024; \$11,181,337 as of June 30, 2025) and The Elizabeth G. Betts Restricted Endowment Fund (\$1,142,800 as of June 30, 2024; \$1,182,133 as of June 30, 2025) in accordance with law and donor restrictions. As further described in Note 10, the Organization has a line of credit for \$3,000,000 that can be used to support its operations as needed.

NOTE 4 - GOVERNMENT AND OTHER RECEIVABLES

Government and other receivables consisted of the following as of June 30:

| | At June 30, | |
|---------------------------------------|--------------|--------------|
| | 2024 | 2025 |
| Due from government agencies | \$ 4,045,537 | \$ 5,601,809 |
| Due from tenants | 40,669 | 38,392 |
| Other | 25,061 | 18,145 |
| Sub-total | 4,111,267 | 5,658,346 |
| Less: Allowance for doubtful accounts | (7,228) | (19,909) |
| Total | \$ 4,104,039 | \$ 5,638,437 |

As of November 5, 2025, all but \$1,611,207 of fiscal 2025 accounts receivable had been collected.

NOTE 5 - PLEDGES RECEIVABLE

Pledges outstanding were as follows as of June 30:

| | At June 30, | |
|---------------------------|-------------|------------|
| | 2024 | 2025 |
| Due in less than one year | \$ 293,866 | \$ 364,250 |
| Due in more than one year | 50,000 | 10,000 |
| Total | \$ 343,866 | \$ 374,250 |

As of November 5, 2025, all but \$320,000 of fiscal 2025 pledges receivable had been collected.

LENOX HILL NEIGHBORHOOD HOUSE, INC. AND AFFILIATES

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 and 2025**

NOTE 6 - ENDOWMENT

The Neighborhood House has established a significant pool of financial assets to serve as an endowment (the “Endowment”). The Endowment is comprised of several parts: 1) funds designated by the Board which are unencumbered by donor restrictions (“Board-designated Endowment”); and 2) funds received with donor stipulations that they are perpetual in nature (the “Thomas J. Edelman Restricted Endowment Fund” and the “Elizabeth G. Betts Restricted Endowment Fund”). In combination, these funds are referred to as the Endowment. The two restricted endowments can be used in accordance with law and any relevant donor restrictions to support the Organization’s operations. The Board-designated endowment can be used, as determined by the Board of the Organization, to support the operations of the Organization.

At June 30, 2024, the Board-designated Endowment totaled \$27,850,261, the Thomas J. Edelman Restricted Endowment Fund totaled \$10,392,375, and the Elizabeth G. Betts Restricted Endowment Fund totaled \$1,142,800, or \$39,385,436 in total. At June 30, 2025, the Board-designated Endowment totaled \$27,859,873, the Thomas J. Edelman Restricted Endowment Fund totaled \$11,181,337, and the Elizabeth G. Betts Restricted Endowment Fund totaled \$1,182,133, or \$40,223,343 in total.

The Neighborhood House’s current investment policy for the Endowment is to invest in a mix of equity and fixed income securities based on a target allocation set periodically by the Board’s Finance Committee. The objective is to preserve the “real” or inflation adjusted principal of the Endowment, to obtain relatively stable returns, to achieve long-term growth and to comply with the New York Prudent Management of Institutional Funds Act (“NYPMIFA”). The Neighborhood House focuses on total return (capital gains or losses plus interest and dividends).

Changes in Endowment in Fiscal 2024

| | <u>Board- designated Endowment</u> | <u>Restricted Endowments</u> | <u>Total</u> |
|---------------------------------|--|----------------------------------|----------------------|
| Beginning of year | \$ 24,558,602 | \$ 10,200,257 | \$ 34,758,859 |
| Contributions | 2,500 | 35,000 | 37,500 |
| Transfer from operating account | 41,267 | - | 41,267 |
| Appropriation for expenditure | - | (41,267) | (41,267) |
| Investment activity | | | |
| Interest and dividends | 452,679 | 189,537 | 642,216 |
| Realized gain | 107,897 | 45,177 | 153,074 |
| Unrealized gain | 2,842,617 | 1,172,484 | 4,015,101 |
| Management fees | (155,301) | (66,013) | (221,314) |
| Sub-total investment activity | <u>3,247,892</u> | <u>1,341,185</u> | <u>4,589,077</u> |
| Total Changes | <u>3,291,659</u> | <u>1,334,918</u> | <u>4,626,577</u> |
| End of year | <u>\$ 27,850,261</u> | <u>\$ 11,535,175</u> | <u>\$ 39,385,436</u> |

LENOX HILL NEIGHBORHOOD HOUSE, INC. AND AFFILIATES

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 and 2025**

NOTE 6 - ENDOWMENT (Continued)

Changes in Endowment in Fiscal 2025

| | Board- designated Endowment | Restricted Endowments | Total |
|-------------------------------|-----------------------------------|--------------------------|---------------|
| Beginning of year | \$ 27,850,261 | \$ 11,535,175 | \$ 39,385,436 |
| Contributions | 110,170 | 60,000 | 170,170 |
| Appropriation for expenditure | (1,970,131) | (41,133) | (2,011,264) |
| Investment activity | | | |
| Interest and dividends | 504,522 | 216,915 | 721,437 |
| Realized gain | 1,057,826 | 373,293 | 1,431,119 |
| Unrealized gain | 475,428 | 291,636 | 767,064 |
| Management fees | (168,203) | (72,416) | (240,619) |
| Sub-total investment activity | 1,869,573 | 809,428 | 2,679,001 |
| Total Changes | 9,612 | 828,295 | 837,907 |
| End of year | 27,859,873 | \$ 12,363,470 | \$ 40,223,343 |

Endowment assets consist of investments which are carried at fair value. The value of investments, all of which were marketable, was \$40,650,302 as of November 5, 2025. The Neighborhood House's investments are managed on a discretionary basis by Wilkinson Global Asset Management LLC ("Wilkinson Global"), an independent investment firm. The Endowment is segregated into separate accounts: the Board-designated Endowment, the Thomas J. Edelman Restricted Endowment Fund and the Elizabeth G. Betts Restricted Endowment Fund. Investments consisted of the following at June 30:

| | Board-designated Endowment | | Restricted Endowments | | Total | |
|----------------------|----------------------------|---------------|-----------------------|---------------|---------------|---------------|
| | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 |
| Cash and equivalents | \$ 2,154,751 | \$ 618,793 | \$ 909,126 | \$ 308,801 | \$ 3,063,877 | \$ 927,594 |
| Equities | 19,639,230 | 20,740,192 | 8,084,756 | 8,805,017 | 27,723,986 | 29,545,209 |
| Fixed income | 6,056,280 | 6,500,888 | 2,541,293 | 3,249,652 | 8,597,573 | 9,750,540 |
| Total | \$ 27,850,261 | \$ 27,859,873 | \$ 11,535,175 | \$ 12,363,470 | \$ 39,385,436 | \$ 40,223,343 |

LENOX HILL NEIGHBORHOOD HOUSE, INC. AND AFFILIATES

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 and 2025**

NOTE 6 - ENDOWMENT (Continued)

Investments are subject to market fluctuations that could substantially change their values. Net assets with donor restrictions that are perpetual in nature at June 30, 2024 and 2025 were \$11,535,175 and \$12,363,470, respectively, and were included in investments.

| | Board-designated Endowment | | Restricted Endowment | | Total | |
|--------------------------------|-------------------------------|---------------------|----------------------|-------------------|---------------------|---------------------|
| | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 |
| Interest and dividends | \$ 452,679 | \$ 504,522 | \$ 189,537 | \$ 216,915 | \$ 642,216 | \$ 721,437 |
| Realized gain on investments | 107,897 | 1,057,826 | 45,177 | 373,293 | 153,074 | 1,431,119 |
| Unrealized gain on investments | 2,842,617 | 475,428 | 1,172,484 | 291,636 | 4,015,101 | 767,064 |
| | 3,403,193 | 2,037,776 | 1,407,198 | 881,844 | 4,810,391 | 2,919,620 |
| Less: Management fees | (155,301) | (168,203) | (66,013) | (72,416) | (221,314) | (240,619) |
| Total | <u>\$ 3,247,892</u> | <u>\$ 1,869,573</u> | <u>\$ 1,341,185</u> | <u>\$ 809,428</u> | <u>\$ 4,589,077</u> | <u>\$ 2,679,001</u> |

Fair value is 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 determining fair value, the Organization uses various methods including market, income and cost approaches. Based on these approaches, the Organization often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the input to the valuation technique. Based on the observability of the inputs used in the valuation techniques, the Organization is required to provide the following information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

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 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 hierarchy gives the lowest priority to Level 3 inputs.

LENOX HILL NEIGHBORHOOD HOUSE, INC. AND AFFILIATES

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 and 2025**

NOTE 6 - ENDOWMENT (Continued)

Following is a description of the valuation methodologies used for assets measured at fair value:

Equities

Equities are valued at the closing price reported on the active market on which the individual securities are traded.

Bonds and Government Obligations

Corporate bonds, foreign bonds and government obligations are valued at the closing price reported in the active market in which the individual securities are traded.

Financial assets carried at fair value at June 30, 2024 and 2025 are classified as Level 1 and were as follows:

| | Board-designated Endowment | | Restricted Endowment | | Total | |
|------------------------------|----------------------------|---------------|----------------------|---------------|---------------|---------------|
| | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 |
| Assets Carried at Fair Value | | | | | | |
| Investments | | | | | | |
| Equities (Common Stock) | \$ 19,639,230 | \$ 20,740,192 | \$ 8,084,756 | \$ 8,805,017 | \$ 27,723,986 | \$ 29,545,209 |
| U.S. Government Obligations | 396,861 | 814,936 | 166,425 | 845,902 | 563,286 | 1,660,838 |
| Corporate Bonds | 5,659,419 | 5,685,952 | 2,374,868 | 2,403,750 | 8,034,287 | 8,089,702 |
| Total | \$ 25,695,510 | \$ 27,241,080 | \$ 10,626,049 | \$ 12,054,669 | \$ 36,321,559 | \$ 39,295,749 |

Financial assets, carried at fair value, in the Endowment at June 30, 2024 and 2025 do not include cash (\$3,051,315 and \$919,683, respectively) and interest receivable (\$12,562 and \$7,911, respectively).

LENOX HILL NEIGHBORHOOD HOUSE, INC. AND AFFILIATES

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 and 2025**

NOTE 7 - RESTRICTED DEPOSITS AND FUNDED RESERVES

As a condition for the long-term debt obtained by the Partnership from the New York City Department of Housing Preservation and Development (“HPD”) to finance the acquisition and operation of the building at 159-61 East 102nd Street in Manhattan (the “Project”), the Partnership agreed to fund the Project operating and replacement reserves to ensure the Project’s successful operations as low-income housing. On May 31, 2011, as agreed to by the Partnership and HPD, certain amounts of the restricted deposits for Project operating and replacement reserves were transferred from bank accounts of the Partnership to certain lockbox accounts in the name of New York City Housing Development Corporation (“HDC”). The balances of these accounts as of June 30, 2024 are \$234,213 (Project Operating Reserve) and \$131,896 (Project Replacement Reserve). The balances of these accounts as of June 30, 2025 are \$237,354 (Project Operating Reserve) and \$137,754 (Project Replacement Reserve). As of June 30, 2024 and 2025, the Partnership is required to make specified annual contributions to the Project Replacement Reserve but not to the Project Operating Reserve. These balances are net of withdrawals from the Project Operating Reserve and the Project Replacement Reserve, authorized by HPD and transferred from HDC.

On September 1, 2023, HPD and the Partnership entered into an agreement for the period from October 1, 2023 through September 30, 2025 (“September 1, 2023 Agreement”) that the total sum of interest and servicing fees of \$15,671 and \$20,895 for the years ended June 30, 2024 and 2025, respectively, would be deducted from the Reserves Account. No contributions into the Reserves Account will be required during the term of the September 1, 2023 Agreement.

NOTE 8 - PROPERTY AND EQUIPMENT, NET

Property and equipment consisted of the following at June 30:

| | <u>2024</u> | <u>2025</u> | <u>Estimated Useful Lives</u> |
|--------------------------------|----------------------|----------------------|-----------------------------------|
| Land | \$ 1,664,999 | \$ 1,664,999 | N/A |
| Buildings | 1,899,481 | 1,899,481 | 25-50 years |
| Improvements | 19,307,143 | 20,025,594 | 3-20 years |
| Furniture and equipment | 3,528,036 | 3,557,556 | 5 - 10 years |
| Construction in progress | 168,405 | - | |
| Sub-total | <u>26,568,064</u> | <u>27,147,630</u> | |
| Less: Accumulated depreciation | <u>(13,944,455)</u> | <u>(15,100,872)</u> | |
| Total | <u>\$ 12,623,609</u> | <u>\$ 12,046,758</u> | |

The Organization’s headquarters at 331 East 70th Street in Manhattan was built in 1928 and is fully depreciated. In October 2021, the market value of the land on which the building sits had an estimated market value of \$49.8 million (assumed vacant and available for development) based on an independent appraisal completed by KTR Real Estate Advisors (“KTR”). The building at 159-61 East 102nd Street in Manhattan that provides permanent supportive housing for 54 formerly unhoused persons who live with mental illness (see Note 1) and the land on which it sits had an estimated fair market value of \$2 million as of November 2021 based on an independent appraisal completed by KTR.

LENOX HILL NEIGHBORHOOD HOUSE, INC. AND AFFILIATES

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 and 2025**

NOTE 8 - PROPERTY AND EQUIPMENT, NET (Continued)

The Organization wrote off property and equipment totaling \$417,021 and accumulated depreciation of \$335,407 as of June 30, 2025, which resulted in a loss on disposal in the amount of \$81,614.

NOTE 9 - LONG-TERM DEBT

At June 30, 2025, the Partnership was liable for a HPD mortgage on the building at 159-61 East 102nd in the principal amount of \$1,671,575 due May 14, 2037. Through January 1, 2015, simple interest on the principal amount of this mortgage accrued at the rate of one percent (1%) per annum. Beginning January 1, 2015, interest is payable monthly to the mortgagee, HPD. A servicing fee of one quarter of one percent (0.25%) per annum is payable monthly.

NOTE 10 - LOAN PAYABLE

The Organization has a \$3,000,000 commercial line of credit with a major bank; the line is collateralized by the Organization's business assets. There was an outstanding balance of \$1,000,000 on the line of credit as of June 30, 2025; the full amount was paid off on July 3, 2025. Drawings are subject to interest at the Secured Overnight Financing Rate (SOFR) plus 3.00%. The line of credit expires in February 2026 with an option to renew.

NOTE 11 - PENSION PLANS

Union Plans

The Neighborhood House is a party to a collective bargaining agreement ("CBA") with 1199SEIU National Healthcare Workers East ("1199"), which represents certain employees of the Neighborhood House. The Neighborhood House was also, through April 29, 2024, a party to a CBA with Local 95 ("Local 95") of AFSCME ("AFSCME") Community & Social Agency Employees Union District Council 1707 ("DC 1707"), which previously represented certain other employees of the Neighborhood House. (Effective September 1, 2019, DC 1707 unified with AFSCME District Council 37 ("DC 37") with representational responsibilities fulfilled by DC 1707 and all matters related to the negotiation and administration of the CBA managed by DC 37.) On April 29, 2024, Region 2 of the federal National Labor Relations Board issued a Certification of Election Results confirming that the Neighborhood House employees represented by Local 95/DC 1707/DC 37 decertified their union.

The Neighborhood House has ongoing pension obligations on behalf of employees represented by 1199 and, through April 29, 2024, had pension obligations on behalf of employees represented by Local 95/DC 1707/DC 37. The pension obligations were specified in the respective CBAs between the Neighborhood House and the two unions. The current Memorandum of Agreement with 1199 expires on December 31, 2030. Subsequent to the decertification of the Local 95/DC 1707/DC 37 union on April 29, 2024, the Neighborhood House was no longer a participating employer with obligations to contribute to that pension plan.

LENOX HILL NEIGHBORHOOD HOUSE, INC. AND AFFILIATES

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 and 2025**

NOTE 11 - PENSION PLANS (Continued)

The Neighborhood House does not administer either of these pension plans, which are subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”) and the Pension Protection Act of 2006 (“PPA”), among other laws and regulations. For the years ended June 30, 2024 and 2025, the Neighborhood House contributed an average of 11.30% and 11.30% of salary, respectively, for 1199 employees; for the period ended April 30, 2024, the Neighborhood House contributed an average of 18%, for Local 95/DC 1707/DC 37 employees. Pension expenses for employees covered by these two CBAs for the years ended June 30, 2024 and 2025 totaling \$532,318 (\$339,701 1199; \$192,617 Local 95/ DC 1707/DC 37) and \$300,951 (\$300,951 1199; \$0 Local 95/ DC 1707/DC 37), respectively, are included in personnel expense in the consolidated statements of functional expenses.

The risks inherent in multiemployer pension plans such as the 1199 Pension Plan are different from sponsoring or participating in a single-employer plan in that assets contributed to a multiemployer plan by one employer may be used to provide benefits to employees of other participating employers. If a participating employer stops contributing to a plan, the unfunded obligations of the plan may be borne by the remaining participating employers. In addition, if a participating employer stops participating in a multiemployer plan, the former participating employer may be required to pay the plan an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The PPA contains certain provisions to address funding problems encountered by many multiemployer plans and established different categories, or “zones”, of plans: (1) “Green Zone” for healthy; (2) “Yellow Zone” for endangered; and (3) “Red Zone” for critical. These categories are based generally upon the funding ratios of plan assets to plan liabilities. In general, Green Zone plans have a funding ratio greater than 80%, Yellow Zone plans have a funding ratio between 65 and 80%, and Red Zone plans are less than 65% funded. The Zone Status for the 1199 Pension Plan is based on information obtained from the Form 5500 Annual Report filed by the Plan and certified by the Plan’s actuaries.

Based on 1199 Pension Plan’s annual report on Form 5500, the 1199 Pension Plan was 89.9% and 91.6% funded for its plan years beginning January 1, 2023 and January 1, 2024, respectively. According to the audited financial statements of the 1199 Pension Plan and the actuarial certification, the 1199 Pension Plan was therefore not in an endangered or critical status under the PPA for the Plan Year beginning January 1, 2024.

The Neighborhood House learned that the DC 37 Plan is not filed with the U.S. Department of Labor as a multiemployer plan, but rather as a single employer plan, sponsored by the Head Start Sponsoring Board Council (“HSSBC”) which is listed as the Primary Employer under the DC 37 Plan. The DC 37 Plan covers employees working for a number of organizations.

Although the DC 37 Plan has elected to be treated as a single employer plan, because multiple unrelated employers contribute to the DC 37 Plan, it may face many of the same risks as a multiemployer plan in this respect. Moreover, these risks may be exacerbated in the case of the DC 37 Plan because, as a single employer plan, there is no well-established legal regime for pursuing withdrawing employers.

LENOX HILL NEIGHBORHOOD HOUSE, INC. AND AFFILIATES

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 and 2025**

NOTE 11 - PENSION PLANS (Continued)

| Pension Plan | Employer Identification Number | Pension Plan Number | Beginning of Plan Year | PPA Zone Status As of Beginning of Plan Year 2023 | FIP/RP Status Pending/ Implemented | Surcharge Imposed | Expiration Date of Collective Bargaining Agreement |
|-----------------|--------------------------------|---------------------|------------------------|---|------------------------------------|-------------------|--|
| Local 1199 Plan | 13-3604862 | 001 | January 1, 2023 | Green | N/A | N/A | September 30, 2025 |

| Pension Plan | Employer Identification Number | Pension Plan Number | Beginning of Plan Year | PPA Zone Status As of Beginning of Plan Year 2024 | FIP/RP Status Pending/ Implemented | Surcharge Imposed | Expiration Date of Collective Bargaining Agreement |
|-----------------|--------------------------------|---------------------|------------------------|---|------------------------------------|-------------------|--|
| Local 1199 Plan | 13-3604862 | 001 | January 1, 2024 | Green | N/A | N/A | September 30, 2025 |

Defined Contribution Plans

The Neighborhood House has a defined contribution 403(b) thrift plan (“403(b) Plan”) and a 457(b) Deferred Compensation Plan (“457(b) Plan”) covering certain eligible employees. Contributions to the 403(b) plan for the years ended June 30, 2024 and 2025 amounted to \$284,441 and \$349,295, respectively. The Neighborhood House made additional contributions for certain key employees to the 403(b) Plan and the 457(b) Plan. For fiscal 2024 and 2025, these additional contributions, excluding applicable fringe benefit costs, totaled \$100,000 and \$100,000 for the years ended June 30, 2024 and 2025, respectively, and were paid in subsequent fiscal years.

NOTE 12 - CONTRIBUTIONS OF CASH AND SPECIAL EVENTS

Contributions consisted of the following as of June 30:

| | At June 30, | |
|----------------------------|---------------------|---------------------|
| | 2024 | 2025 |
| <u>Operating</u> | | |
| Contributions of cash | \$ 2,530,254 | \$ 2,206,042 |
| <u>Non-operating</u> | | |
| Contributions to Endowment | 37,500 | 170,170 |
| Capital contributions | 650,000 | 10,000 |
| Sub-total | <u>687,500</u> | <u>180,170</u> |
| Total | <u>\$ 3,217,754</u> | <u>\$ 2,386,212</u> |

Special event income consisted of the following as of June 30:

| | At June 30, | |
|-------------------------------|-------------------|-------------------|
| | 2024 | 2025 |
| Special events | \$ 758,215 | \$ 1,204,273 |
| Direct special event expenses | (299,104) | (333,378) |
| Total | <u>\$ 459,111</u> | <u>\$ 870,895</u> |

LENOX HILL NEIGHBORHOOD HOUSE, INC. AND AFFILIATES

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 and 2025**

NOTE 13 - RELATED PARTY TRANSACTIONS

As described in Note 1, the Neighborhood House controls the Partnership, which in turn owns and operates a building at 159-61 East 102nd Street in Manhattan which serves as a permanent supportive housing residence for 54 formerly unhoused persons living with mental illness. The Organization manages the building under a management agreement which expires on December 31, 2025, which automatically renews for one-year terms unless earlier terminated under certain conditions. For the years ended June 30, 2024 and 2025, the Partnership paid \$17,200 and \$17,888, respectively, to the Neighborhood House for partnership management and \$50,268 and \$51,545, respectively, for property management. At June 30, 2024, the Partnership owed the Neighborhood House \$4,272,668, of which \$4,120,509 was for capital improvements made at the building which were paid for by the Neighborhood House. At June 30, 2025, the Partnership owed the Neighborhood House \$4,329,653, all of which was for capital improvements made at the building which were paid for by the Neighborhood House. These intercompany transactions have been eliminated in the consolidated financial statements.

NOTE 14 - COMMITMENTS AND CONTINGENCIES

Various government agencies have the right to examine the books and records of the Neighborhood House in regard to transactions relating to contracts with those agencies. At June 30, 2024 and 2025, the consolidated financial statements included allowances in the amounts of \$7,228 and \$19,909, respectively, against all accounts receivable.

The Neighborhood House uses space and pays for maintenance services for the Lenox Hill Neighborhood House Older Adult Center at Saint Peter's Church pursuant to an Amended and Restated License Agreement dated as of September 1, 2015 ("License Agreement"), as amended pursuant to an Addendum to the License Agreement dated as of May 9, 2017 ("Addendum"), a Second Addendum to the License Agreement dated September 17, 2018 and effective as of July 1, 2018 ("Second Addendum"), and a Third Addendum dated December 2, 2019 and effective as of that date ("Third Addendum"). The License Agreement, as amended, terminates on June 30, 2030, unless sooner terminated, and automatically renews for one additional five-year term. Pursuant to the License Agreement, as amended, the Neighborhood House pays Saint Peter's Church a monthly License Fee and a monthly Maintenance Fee, both of which will increase throughout the duration of the agreement.

The License Agreement terminates immediately if any one of the following events takes place: (1) in the event that the space or an essential part of the space is totally destroyed by fire or other casualty; (2) the space is partially destroyed by fire or other casualty provided that notice is given within 20 days of the partial destruction and not less than 10 days prior to the termination date; (3) written notice is given by either the Neighborhood House or Saint Peter's Church to the other party at least 30 days prior to the current term or any renewal term that the notifying party does not wish to renew the agreement; or (4) funding from the City of New York to operate the Older Adult Center ceases.

LENOX HILL NEIGHBORHOOD HOUSE, INC. AND AFFILIATES

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 and 2025**

NOTE 15 - CONCENTRATIONS

The only financial instruments that potentially subject the Neighborhood House or the Partnership to a concentration of credit risk are amounts on deposit at Chase that are in excess of Federal Deposit Insurance Corporation insurance limits. The excess amounts did not exceed \$3,403,126 and \$2,775,394 on the last day of any month during 2024 and 2025, respectively, for the Neighborhood House, and \$0 during 2024 and 2025 for the Partnership. Given the size and credit rating of its bank, management believes that the credit risk related to these accounts is minimal.

The Neighborhood House's Endowments are managed by Wilkinson Global. Investment securities and cash are held in a custody account at BNY Mellon Wealth Management. At June 30, 2024, the Neighborhood House had \$27,850,261 in the Board-designated Endowment, \$10,392,375 in the Thomas J. Edelman Restricted Endowment, and \$1,142,800 in the Elizabeth G. Betts Restricted Endowment, or a total Endowment of \$39,385,436. At June 30, 2025, the Neighborhood House had \$27,859,873 in the Board-designated Endowment, \$11,181,337 in the Thomas J. Edelman Restricted Endowment, and \$1,182,133 in the Elizabeth G. Betts Restricted Endowment, or a total Endowment of \$40,223,343.

NOTE 16 - SUBSEQUENT EVENTS

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the consolidated statement of financial position through November 5, 2025, the date the consolidated financial statements were available to be issued. The Organization has determined that there are no subsequent events which require disclosure in the consolidated financial statements.

LENOX HILL NEIGHBORHOOD HOUSE, INC. AND AFFILIATES

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
AS OF JUNE 30, 2024

| | Lenox Hill Neighborhood House, Inc. | 159-61 East 102nd Street Housing Development Fund Corporation and Affiliates* | Sub-total | Consolidating Eliminations | Consolidated Total |
|--|---|---|----------------------|-------------------------------|-----------------------|
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 898,287 | \$ 140,417 | \$ 1,038,704 | \$ - | \$ 1,038,704 |
| Government and other receivables, net | 8,187,672 | 189,035 | 8,376,707 | (4,272,668) | 4,104,039 |
| Pledges receivable | 343,866 | - | 343,866 | - | 343,866 |
| Investments | 39,385,436 | - | 39,385,436 | - | 39,385,436 |
| Prepayments and other assets | 173,283 | 43,980 | 217,263 | - | 217,263 |
| Restricted deposits and funded reserves | - | 366,109 | 366,109 | - | 366,109 |
| Property and equipment, net | 7,117,778 | 5,505,831 | 12,623,609 | - | 12,623,609 |
| Right-of-use-asset, net | 181,324 | - | 181,324 | - | 181,324 |
| TOTAL ASSETS | \$ 56,287,646 | \$ 6,245,372 | \$ 62,533,018 | \$ (4,272,668) | \$ 58,260,350 |
| LIABILITIES | | | | | |
| Accounts payable and accrued expenses | \$ 820,655 | \$ 4,410,498 | \$ 5,231,153 | \$ (4,272,668) | \$ 958,485 |
| Accrued salaries and others | 828,265 | - | 828,265 | - | 828,265 |
| Long-term debt | - | 1,671,575 | 1,671,575 | - | 1,671,575 |
| Tenant security deposits | - | 7,086 | 7,086 | - | 7,086 |
| Government and other advances | 52,812 | 784 | 53,596 | - | 53,596 |
| Operating lease liability | 181,324 | - | 181,324 | - | 181,324 |
| TOTAL LIABILITIES | 1,883,056 | 6,089,943 | 7,972,999 | (4,272,668) | 3,700,331 |
| NET ASSETS (DEFICIT) | | | | | |
| Without Donor Restrictions | | | | | |
| Undesignated | 6,598,659 | (4,044,936) | 2,553,723 | - | 2,553,723 |
| Designated by the Board for endowment | 27,850,261 | - | 27,850,261 | - | 27,850,261 |
| Net investment in property and equipment | 7,117,778 | 4,200,365 | 11,318,143 | - | 11,318,143 |
| Without Donor Restrictions - Total | 41,566,698 | 155,429 | 41,722,127 | - | 41,722,127 |
| With Donor Restrictions | | | | | |
| Perpetual in nature | 11,535,175 | - | 11,535,175 | - | 11,535,175 |
| Purpose restrictions | 984,201 | - | 984,201 | - | 984,201 |
| Time-restricted only for future periods | 318,516 | - | 318,516 | - | 318,516 |
| With Donor Restrictions - Total | 12,837,892 | - | 12,837,892 | - | 12,837,892 |
| TOTAL NET ASSETS | 54,404,590 | 155,429 | 54,560,019 | - | 54,560,019 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 56,287,646 | \$ 6,245,372 | \$ 62,533,018 | \$ (4,272,668) | \$ 58,260,350 |

*includes Casa Mutua, Inc. and Casa Mutua Limited Partnership.

See Independent Auditors' Report.

LENOX HILL NEIGHBORHOOD HOUSE, INC. AND AFFILIATES

**CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
AS OF JUNE 30, 2025**

| | Lenox Hill Neighborhood House, Inc. | 159-61 East 102nd Street Housing Development Fund Corporation and Affiliates* | Sub-total | Consolidating Eliminations | Consolidated Total |
|--|--|--|----------------------|---------------------------------------|-------------------------------|
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 697,026 | \$ 45,989 | \$ 743,015 | \$ - | \$ 743,015 |
| Government and other receivables, net | 9,835,291 | 132,799 | 9,968,090 | (4,329,653) | 5,638,437 |
| Pledges receivable | 374,250 | - | 374,250 | - | 374,250 |
| Investments | 40,223,343 | - | 40,223,343 | - | 40,223,343 |
| Prepayments and other assets | 418,279 | 22,578 | 440,857 | - | 440,857 |
| Restricted deposits and funded reserves | - | 375,108 | 375,108 | - | 375,108 |
| Property and equipment, net | 6,800,837 | 5,245,921 | 12,046,758 | - | 12,046,758 |
| Right-of-use-asset, net | 123,941 | - | 123,941 | - | 123,941 |
| TOTAL ASSETS | \$ 58,472,967 | \$ 5,822,395 | \$ 64,295,362 | \$ (4,329,653) | \$ 59,965,709 |
| LIABILITIES | | | | | |
| Accounts payable and accrued expenses | \$ 1,153,535 | \$ 4,451,491 | \$ 5,605,026 | \$ (4,329,653) | \$ 1,275,373 |
| Accrued salaries and others | 904,956 | - | 904,956 | - | 904,956 |
| Long-term debt | - | 1,671,575 | 1,671,575 | - | 1,671,575 |
| Tenant security deposits | - | 5,725 | 5,725 | - | 5,725 |
| Government and other advances | 12,071 | 3,236 | 15,307 | - | 15,307 |
| Loan payable | 1,000,000 | - | 1,000,000 | - | 1,000,000 |
| Operating lease liability | 123,941 | - | 123,941 | - | 123,941 |
| TOTAL LIABILITIES | 3,194,503 | 6,132,027 | 9,326,530 | (4,329,653) | 4,996,877 |
| NET ASSETS (DEFICIT) | | | | | |
| Without Donor Restrictions | | | | | |
| Undesignated | 7,299,781 | (4,259,086) | 3,040,695 | - | 3,040,695 |
| Designated by the Board for endowment | 27,859,873 | - | 27,859,873 | - | 27,859,873 |
| Net investment in property and equipment | 6,800,837 | 3,949,454 | 10,750,291 | - | 10,750,291 |
| Without Donor Restrictions - Total | 41,960,491 | (309,632) | 41,650,859 | - | 41,650,859 |
| With Donor Restrictions | | | | | |
| Perpetual in nature | 12,363,470 | - | 12,363,470 | - | 12,363,470 |
| Purpose restrictions | 842,003 | - | 842,003 | - | 842,003 |
| Time-restricted only for future periods | 112,500 | - | 112,500 | - | 112,500 |
| With Donor Restrictions - Total | 13,317,973 | - | 13,317,973 | - | 13,317,973 |
| TOTAL NET ASSETS | 55,278,464 | (309,632) | 54,968,832 | - | 54,968,832 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 58,472,967 | \$ 5,822,395 | \$ 64,295,362 | \$ (4,329,653) | \$ 59,965,709 |

*includes Casa Mutua, Inc. and Casa Mutua Limited Partnership.

See Independent Auditors' Report.

LENOX HILL NEIGHBORHOOD HOUSE, INC. AND AFFILIATES

CONSOLIDATING SCHEDULE OF ACTIVITIES
AS OF JUNE 30, 2024

| | Lenox Hill Neighborhood House, Inc. | 159-61 East 102nd Street Housing Development Fund Corporation and Affiliates* | Sub-total | Consolidating Eliminations | Consolidated Total |
|--|---|---|----------------------|-------------------------------|-----------------------|
| CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS: | | | | | |
| Operating Revenue | | | | | |
| Government agencies | \$ 19,338,025 | \$ 192,696 | \$ 19,530,721 | \$ - | \$ 19,530,721 |
| Special events | 758,215 | - | 758,215 | - | 758,215 |
| Direct special event expenses | (299,104) | - | (299,104) | - | (299,104) |
| Special events, net | 459,111 | - | 459,111 | - | 459,111 |
| Contributions of cash | 783,049 | - | 783,049 | - | 783,049 |
| Rental income | - | 554,091 | 554,091 | - | 554,091 |
| Net assets released from restrictions | 1,844,583 | - | 1,844,583 | - | 1,844,583 |
| Subtotal | 3,086,743 | 554,091 | 3,640,834 | - | 3,640,834 |
| Dues and fees | 745,122 | 11,639 | 756,761 | (67,468) | 689,293 |
| Interest | 641 | 10,525 | 11,166 | - | 11,166 |
| Subtotal | 745,763 | 22,164 | 767,927 | (67,468) | 700,459 |
| Total Operating Revenue | 23,170,531 | 768,951 | 23,939,482 | (67,468) | 23,872,014 |
| Operating Expenses | | | | | |
| Program services | 18,829,567 | 1,246,992 | 20,076,559 | - | 20,076,559 |
| Management and general | 3,852,498 | 67,468 | 3,919,966 | (67,468) | 3,852,498 |
| Fundraising | 422,729 | - | 422,729 | - | 422,729 |
| Total Operating Expenses | 23,104,794 | 1,314,460 | 24,419,254 | (67,468) | 24,351,786 |
| Operating Income (Loss) | 65,737 | (545,509) | (479,772) | - | (479,772) |
| Non-Operating Income (Loss) | | | | | |
| Investment income, net | 3,289,159 | - | 3,289,159 | - | 3,289,159 |
| Bequests | 2,500 | - | 2,500 | - | 2,500 |
| Total Non-Operating Income | 3,291,659 | - | 3,291,659 | - | 3,291,659 |
| Change in Net Assets Without Donor Restrictions | 3,357,396 | (545,509) | 2,811,887 | - | 2,811,887 |
| CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS: | | | | | |
| Contributions of cash and other financial assets | 1,747,205 | - | 1,747,205 | - | 1,747,205 |
| Capital contributions | 650,000 | - | 650,000 | - | 650,000 |
| Net assets released from restrictions | (1,844,583) | - | (1,844,583) | - | (1,844,583) |
| Contributions to endowment | 35,000 | - | 35,000 | - | 35,000 |
| Investment income, net | 1,299,918 | - | 1,299,918 | - | 1,299,918 |
| Change in Net Assets With Donor Restrictions | 1,887,540 | - | 1,887,540 | - | 1,887,540 |
| CHANGE IN NET ASSETS | 5,244,936 | (545,509) | 4,699,427 | - | 4,699,427 |
| Net Assets (Deficit)- Beginning of Year | 49,159,653 | 700,939 | 49,860,592 | - | 49,860,592 |
| Net Assets - End of Year | \$ 54,404,589 | \$ 155,430 | \$ 54,560,019 | \$ - | \$ 54,560,019 |

*Includes Casa Mutua, Inc. and Casa Mutua Limited Partnership.

See Independent Auditors' Report.

LENOX HILL NEIGHBORHOOD HOUSE, INC. AND AFFILIATES

CONSOLIDATING SCHEDULE OF ACTIVITIES
AS OF JUNE 30, 2025

| | Lenox Hill Neighborhood House, Inc. | 159-61 East 102nd Street Housing Development Fund Corporation and Affiliates* | Sub-total | Consolidating Eliminations | Consolidated Total |
|--|---|---|----------------------|-------------------------------|-----------------------|
| CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS: | | | | | |
| Operating Revenue | | | | | |
| Government agencies | \$ 18,033,369 | \$ 253,589 | \$ 18,286,958 | \$ - | \$ 18,286,958 |
| Special events | 1,204,273 | - | 1,204,273 | - | 1,204,273 |
| Direct special event expenses | (333,378) | - | (333,378) | - | (333,378) |
| Special events, net | 870,895 | - | 870,895 | - | 870,895 |
| Contributions of cash | 1,034,060 | - | 1,034,060 | - | 1,034,060 |
| Rental income | - | 531,398 | 531,398 | - | 531,398 |
| Net assets released from restrictions | 1,530,196 | - | 1,530,196 | - | 1,530,196 |
| Subtotal | 3,435,151 | 531,398 | 3,966,549 | - | 3,966,549 |
| Dues and fees | 609,715 | 128,586 | 738,301 | (69,433) | 668,868 |
| Interest | 43 | 10,119 | 10,162 | - | 10,162 |
| Subtotal | 609,758 | 138,705 | 748,463 | (69,433) | 679,030 |
| Total Operating Revenue | 22,078,278 | 923,692 | 23,001,970 | (69,433) | 22,932,537 |
| Operating Expenses | | | | | |
| Program services | 18,999,760 | 1,267,146 | 20,266,906 | - | 20,266,906 |
| Management and general | 4,199,576 | 69,433 | 4,269,009 | (69,433) | 4,199,576 |
| Fundraising | 476,585 | - | 476,585 | - | 476,585 |
| Total Operating Expenses | 23,675,921 | 1,336,579 | 25,012,500 | (69,433) | 24,943,067 |
| Operating Loss | (1,597,643) | (412,887) | (2,010,530) | - | (2,010,530) |
| Non-Operating Income | | | | | |
| Bequests | 110,170 | - | 110,170 | - | 110,170 |
| Investment income | 1,910,706 | - | 1,910,706 | - | 1,910,706 |
| Loss on disposal of property and equipment | (29,441) | (52,173) | (81,614) | - | (81,614) |
| Total Non-Operating Income | 1,991,435 | (52,173) | 1,939,262 | - | 1,939,262 |
| Change in Net Assets Without Donor Restrictions | 393,792 | (465,060) | (71,268) | - | (71,268) |
| CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS: | | | | | |
| Contributions of cash | 1,171,982 | - | 1,171,982 | - | 1,171,982 |
| Capital contributions | 10,000 | - | 10,000 | - | 10,000 |
| Net assets released from restrictions | (1,530,196) | - | (1,530,196) | - | (1,530,196) |
| Contribution to endowment | 60,000 | - | 60,000 | - | 60,000 |
| Investment income, net | 768,295 | - | 768,295 | - | 768,295 |
| Change in Net Assets With Donor Restrictions | 480,081 | - | 480,081 | - | 480,081 |
| CHANGE IN NET ASSETS | 873,873 | (465,060) | 408,813 | - | 408,813 |
| Net Assets - Beginning of Year | 54,404,589 | 155,430 | 54,560,019 | - | 54,560,019 |
| Net Assets - End of Year | \$ 55,278,462 | \$ (309,630) | \$ 54,968,832 | \$ - | \$ 54,968,832 |

*Includes Casa Mutua, Inc. and Casa Mutua Limited Partnership.

See Independent Auditors' Report.