Rising Ground, Inc. and Affiliates

Consolidated Financial Statements and Supplementary Information

Year Ended June 30, 2021

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Contents

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Independent Auditor's Report

The Board of Directors
Rising Ground, Inc. and Affiliates
Yonkers, New York

Opinion

We have audited the consolidated financial statements of Rising Ground, Inc. and Affiliates (Rising Ground), which comprise the consolidated statement of financial position as of June 30, 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Rising Ground as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Consolidated Financial Statements

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Rising Ground'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 Rising Ground'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.

Emphasis of Matter

As further discussed in Note 2, Rising Ground has a net asset deficit as a result of recording a fixed asset impairment for the year ended June 30, 2021 related to the timing of the sale of its main campus. Our opinion is not modified with respect to this matter.

Other Matters

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating schedules are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements, or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects, in relation to the consolidated financial statements as a whole.

BDO USA, LLP

December 1, 2021

Rising Ground, Inc. and Affiliates

Consolidated Statement of Financial Position

June 30, 2021		
Assets		
Current Assets		
Cash and cash equivalents	$	1,186,047
Investments, at fair value, current portion		14,160,219
Investments - certificates of deposit		669,256
Accounts receivable, net		21,392,605
Other receivables		222,084
Prepaid expenses		3,477,093
Assets held for sale		744,667
Accrued investment interest receivable		42,821
Total Current Assets		41,894,792
Assets Limited as to Use		
Assets limited as to use - investments		532,126
Self-insurance deposits		4,199,286
Funds from Paycheck Protection Program loan		10,000,000
Cash reserve for liabilities		2,375,040
Total Assets Limited as to Use		17,106,452
Other Assets		
Investments, at fair value, net of current portion		2,361,096
Security deposits		462,382
Beneficial interest in perpetual trusts		2,108,553
Operating lease right-of-use assets		9,494,479
Fixed assets, net		11,985,460
Total Other Assets		26,411,970
Total Assets	$	85,413,214
Liabilities and Net Assets (Deficit)		
Current Liabilities		
Accounts payable	$	5,637,310
Accrued payroll and employee benefits, current portion		7,188,729
Accrued expenses and other liabilities		19,780,505
Due to government agencies, current portion		705,252
Accrued interest payable		27,993
Line of credit and notes payable, current portion		7,005,966
Finance leases payable, current portion		213,375
Operating leases payable, current portion		2,464,919
Bonds payable, current portion		1,870,000
Total Current Liabilities		44,894,049
Accrued Payroll and Employee Benefits, net of current portion		189,991
Line of Credit and Notes Payable, net of current portion		4,913,024
Finance Leases Payable, net of current portion		327,991
Operating Leases Payable, net of current portion		7,880,361
Due to Government Agencies, net of current portion		5,576,585
Paycheck Protection Program Loan		10,000,000
Bonds Payable, net of current portion, unamortized discount and unamortized debt issuance costs		11,272,676
Total Liabilities		85,054,677
Commitments and Contingencies		
Net Assets (Deficit)		
Without donor restrictions		(4,373,501)
With donor restrictions		4,732,038
Total Net Assets (Deficit)		358,537
Total Liabilities and Net Assets (Deficit)	$	85,413,214

See accompanying notes to consolidated financial statements.

Rising Ground, Inc. and Affiliates

Consolidated Statement of Activities

Year ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenues			
Program revenue	$ 125,150,156	$ 286,750	$ 125,436,906
CARES Act funding	1,521,859	-	1,521,859
In-kind contributions	120,312	-	120,312
Other income	75,046	-	75,046
Total Operating Revenues	126,867,373	286,750	127,154,123
Operating Expenses			
Program services:			
Children and Family Services	54,005,681	-	54,005,681
Developmental Disabilities	20,586,686	-	20,586,686
Juvenile Justice	13,357,247	-	13,357,247
Special Education	11,809,667	-	11,809,667
Early Childhood	9,817,782	-	9,817,782
Anti-Intimate Partner Services	5,862,440	-	5,862,440
Total Program Services Expenses	115,439,503	-	115,439,503
Supporting services:			
Management and general	15,089,840	-	15,089,840
Development	780,365	-	780,365
Total Supporting Services Expenses	15,870,205	-	15,870,205
Total Operating Expenses	131,309,708	-	131,309,708
Change in Net Assets, before nonoperating revenues (expenses)	(4,442,335)	286,750	(4,155,585)
Nonoperating Revenues (Expenses)			
Investment income, net	3,551,895	-	3,551,895
Contributions	1,198,134	-	1,198,134
Special events	594,379	-	594,379
Direct costs of special events	(46,441)	-	(46,441)
Change in value of beneficial interest in perpetual trusts	-	471,253	471,253
Miscellaneous income	64,000	-	64,000
Impairment of fixed assets	(13,178,557)	-	(13,178,557)
Net assets released from restrictions	502,431	(502,431)	-
Total Nonoperating Expenses	(7,314,159)	(31,178)	(7,345,337)
Change in Net Assets (Deficit)	(11,756,494)	255,572	(11,500,922)
Net Assets, beginning of year	7,382,993	4,476,466	11,859,459
Net Assets (Deficit), end of year	$ (4,373,501)	$ 4,732,038	$ 358,537

See accompanying notes to consolidated financial statements.

Rising Ground, Inc. and Affiliates

Consolidated Statement of Functional Expenses

Year ended June 30, 2021

	Program Services							Supporting Services				
	Children and Family Services	Developmental Disabilities	Juvenile Justice	Special Education	Early Childhood	Anti-Intimate Partner Services	Total Program Services	Management and General	Development	Direct Costs of Special Events	Total Supporting Services	Total
Employee Compensation and Benefits												
Salaries and wages	$ 28,642,782	$ 11,921,358	$ 7,583,217	$ 7,069,800	$ 4,647,715	$ 3,542,673	$ 63,407,545	$ 5,493,259	$ 425,211	$ -	$ 5,918,470	$ 69,326,015
Fringe benefits	7,983,443	3,321,657	2,099,532	1,936,756	1,255,134	967,060	17,563,582	1,543,326	114,460	-	1,657,786	19,221,368
Total Employee Compensation and Benefits	36,626,225	15,243,015	9,682,749	9,006,556	5,902,849	4,509,733	80,971,127	7,036,585	539,671	-	7,576,256	88,547,383
Specific Assistance to Individuals												
Payments to foster parents	4,962,549	-	-	-	-	1,738	4,964,287	-	-	-	-	4,964,287
Food	369,597	277,775	235,258	43,946	20,771	-	947,347	-	-	-	-	947,347
Children's allowances and activities	1,247,136	60,354	156,345	167,627	47,091	245,677	1,924,230	-	-	-	-	1,924,230
Consumer incidentals	24,064	11,490	1,412	-	-	-	36,966	-	-	-	-	36,966
Clothing	127,353	28,477	31,912	-	-	-	187,742	-	-	-	-	187,742
Total Specific Assistance to Individuals	6,730,699	378,096	424,927	211,573	67,862	247,415	8,060,572	-	-	-	-	8,060,572
Occupancy												
Interest expense	130,599	283,037	-	200,030	74,049	-	687,715	292,328	-	-	292,328	980,043
Rent	2,399,046	607,982	399,911	-	825,469	197,229	4,429,637	430,863	22,510	-	453,373	4,883,010
Utilities	569,517	271,565	111,487	416,406	180,595	8,938	1,558,508	137,544	356	-	137,900	1,696,408
Maintenance and repairs	651,525	235,756	294,562	170,177	93,958	2,047	1,448,025	210,587	-	-	210,587	1,658,612
Security	134,552	98,536	103,869	4,590	28,524	-	370,071	97,576	-	-	97,576	467,647
Janitorial services	501,097	29,521	25,113	113,516	129,979	10,377	809,603	369,443	-	-	369,443	1,179,046
Total Occupancy	4,386,336	1,526,397	934,942	904,719	1,332,574	218,591	9,303,559	1,538,341	22,866	-	1,561,207	10,864,766
Professional Fees												
Clinical services	461,365	2,766	43,799	-	1,094,159	-	1,602,089	-	-	-	-	1,602,089
Legal and audit	89,494	44,396	-	7,580	-	-	141,470	289,382	-	-	289,382	430,852
Other independent contractors	660,169	131,064	403,825	61,390	734,124	136,543	2,127,115	1,114,922	51,453	-	1,166,375	3,293,490
Total Professional Fees	1,211,028	178,226	447,624	68,970	1,828,283	136,543	3,870,674	1,404,304	51,453	-	1,455,757	5,326,431
Other												
Supplies	657,432	328,756	269,033	300,333	174,649	27,088	1,757,291	323,472	33,236	-	356,708	2,113,999
Transportation and other travel-related expenses	295,377	67,486	18,954	4,384	1,418	2,341	389,960	56,824	-	-	56,824	446,784
Insurance	749,961	502,063	152,125	178,269	102,540	66,870	1,751,828	564,446	3,727	-	568,173	2,320,001
Telephone	724,555	288,967	303,497	100,635	135,090	82,007	1,634,751	504,457	6,426	-	510,883	2,145,634
Vehicle rentals, repairs and replacement	330,991	406,905	39,343	28,789	-	-	806,028	23,349	-	-	23,349	829,377
Equipment/furniture rentals, repairs and replacement	699,574	209,079	68,057	136,838	56,032	25,062	1,194,642	357,354	3,839	-	361,193	1,555,835
Staff development	171,114	45,199	50,731	222,924	39,774	31,335	561,077	82,479	-	-	82,479	643,556
Staff recruitment	24,249	152	3,628	5,726	6,327	370	40,452	185,492	1,668	-	187,160	227,612
Printing, postage, subscriptions, publications	24,812	123	937	32,553	8,618	240	67,283	143,255	105,106	-	248,361	315,644
Dues, licenses, permits	72,939	10,000	-	9,747	6,643	1,268	100,597	180,984	2,250	-	183,234	283,831
Line of credit interest expense	-	-	-	-	-	-	-	198,114	-	-	198,114	198,114
Bad debt expense	-	688,740	-	-	-	492,428	1,181,168	403,051	-	-	403,051	1,584,219
Miscellaneous	20,122	24,292	7,889	16,385	9,285	-	77,973	1,391,531	7,000	46,441	1,444,972	1,522,945
Total Other	3,771,126	2,571,762	914,194	1,036,583	540,376	729,009	9,563,050	4,414,808	163,252	46,441	4,624,501	14,187,551
Total Expenses, before depreciation and amortization	52,725,414	19,897,496	12,404,436	11,228,401	9,671,944	5,841,291	111,768,982	14,394,038	777,242	46,441	15,217,721	126,986,703
Depreciation and Amortization	1,280,267	689,190	952,811	581,266	145,838	21,149	3,670,521	695,802	3,123	-	698,925	4,369,446
Total Expenses	54,005,681	20,586,686	13,357,247	11,809,667	9,817,782	5,862,440	115,439,503	15,089,840	780,365	46,441	15,916,646	131,356,149
Less: Expenses Deducted Directly from Revenues												
Direct cost of special events	-	-	-	-	-	-	-	-	-	(46,441)	(46,441)	(46,441)
Total Expenses Reported by Function	$ 54,005,681	$ 20,586,686	$ 13,357,247	$ 11,809,667	$ 9,817,782	$ 5,862,440	$ 115,439,503	$ 15,089,840	$ 780,365	$ -	$ 15,870,205	$ 131,309,708

See accompanying notes to consolidated financial statements.

Rising Ground, Inc. and Affiliates

Consolidated Statement of Cash Flows

Year ended June 30, 2021		
Cash Flows from Operating Activities		
Change in net assets (deficit)	$	(11,500,922)
Adjustments to reconcile change in net assets (deficit) to net cash provided by operating activities:		
Depreciation and amortization		4,369,446
Interest expense related to amortization of deferred issuance costs		71,684
Interest expense related to amortization of bond discount		3,500
Realized gains on investments		(525,694)
Unrealized gains on investments		(2,718,406)
Change in value of beneficial interest in perpetual trusts		(471,253)
Provisions for bad debts		1,584,219
Operating lease expense		3,133,039
Payments on operating leases payable		(2,282,238)
Impairment of fixed assets		13,178,557
Changes in:		
Accounts receivable, net		(3,198,832)
Other receivables		10,101
Prepaid expenses		(783,532)
Accrued investment interest receivable		(1,066)
Security deposits		(38,050)
Accounts payable		2,612,983
Accrued payroll and employee benefits		(803,566)
Accrued expenses and other liabilities		3,093,844
Due to government agencies		(1,025,450)
Accrued interest payable		(3,051)
Net Cash Provided by Operating Activities		4,705,313
Cash Flows from Investing Activities		
Purchases of investments		(2,690,560)
Proceeds from sales of investments		3,274,202
Change in assets limited as to use - investments		42,077
Purchases of fixed assets		(1,591,725)
Net Cash Used in Investing Activities		(966,006)
Cash Flows from Financing Activities		
Principal payments on line of credit and notes payable		(968,852)
Proceeds from Paycheck Protection Program loan		10,000,000
Principal payments on bonds payable		(1,760,000)
Principal payments on finance leases payable		(441,751)
Net Cash Provided by Financing Activities		6,829,397
Net Increase in Cash, Cash Equivalents, Restricted Cash and Restricted Cash Equivalents		10,568,704
Cash, Cash Equivalents, Restricted Cash and Restricted Cash Equivalents, beginning of year		7,191,669
Cash, Cash Equivalents, Restricted Cash and Restricted Cash Equivalents, end of year	$	17,760,373
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest	$	1,139,099
Right-of-use assets acquired through operating leases		12,627,518
Right-of-use assets acquired through finance leases		24,141

See accompanying notes to consolidated financial statements.

1. Nature of Organization

Rising Ground, Inc. (RG, Inc.) provides comprehensive social services including family stabilization, foster care, child care and Head Start, residential and respite services for children and adults with developmental disabilities, special education, residential treatment and group homes for youth with emotional and mental health challenges and a spectrum of residential and treatment services for adjudicated youth and youth awaiting court action. Most families served live throughout New York City and Westchester County. The primary sources of revenue are the New York City Administration for Children's Services (NYCACS) and various New York State (NYS) government agencies.

The Emergency Shelter, Inc. (the Shelter) alleviates human suffering and distress through programs that feed, house, shelter, and train homeless and unemployed men, women and youth. The primary source of funding is income associated with the organization's beneficial interests in perpetual trusts held by third parties. RG, Inc. is related to The Emergency Shelter, Inc. through common board control. RG, Inc. received $75,000 from The Emergency Shelter, Inc. for certain services that RG, Inc. has provided which is eliminated in the consolidation. The Emergency Shelter, Inc. is consolidated in these consolidated financial statements.

On June 23, 2020, the Rising Ground Employee Benefits Program Trust (the Trust) was established to pay the costs of two welfare benefits plans, Leake and Watts Services Group Insurance Plan and Leake and Watts Services Health Plan. The Trust is maintained within Rising Ground but monitored in a separate cost center for tracking purposes.

On August 3, 2018, RG, Inc. closed on a Membership Agreement with Edwin Gould Services for Children and Families (EGSCF). By the Membership Agreement, RG, Inc. became the sole member of EGSCF. RG, Inc. became the parent agency and EGSCF is the subsidiary agency. According to the terms of the Membership Agreement, EGSCF will continue to provide services in connection with its purpose. RG, Inc. assumed no liabilities of EGSCF.

EGSCF has full voting interest in Kingsland Services Fund, Inc. (Kingsland), a not-for-profit corporation. On December 14, 2020 the Board of Directors of Kingsland voted to dissolve the corporation. As part of the dissolution, it is forgiving the loan from EGSCF and transferring all of its assets to EGSCF.

Our program services consist of the following:

Residential Treatment Center

The Residential Treatment Center, located on a 30-acre campus in Yonkers, provides 24-hour residential care to youth ages 12-21 requiring more significant therapeutic and educational support. An enriched, structured program of activities coupled with clinical services assists youth with mental health concerns and challenging behaviors to develop the ability to participate fully in the surrounding community and to return to a less restrictive environment. Some of the youth served at the Residential Treatment Center are in foster care.

Family Foster Care

The Family Foster Care program serves children who have experienced abuse and neglect. The goal in all cases is to establish a permanent appropriate living arrangement for the child, preferably back with his/her birth family. If that is not possible, the goal is to establish a home with an adoptive family or to prepare the youth to live independently.

Multidimensional Treatment Foster Care

Our evidence-based Multidimensional Treatment Foster Care serves teens in foster care with emotional and behavioral challenges with more intensive support.

Mother/Child Home

Our Mother/Child Home in the Bronx serves teen mothers in foster care along with their children. The focus, as with all foster youth, is on education, skills development (with particular emphasis on parenting skills training), employment, safety and wellbeing.

Preventive Services Programs

Preventive Services Programs strengthen and preserve families, keep children safe by preventing child abuse and neglect, and prevent the necessity of placing children in foster care utilizing two evidence-based models that have proven track records of success, Family Connections and Functional Family Therapy – Child Welfare adaptation.

Passage of Hope

Our Passage of Hope program serves undocumented migrant children (mostly from Honduras, El Salvador and Guatemala) who have come into the United States without an adult guardian. These children are temporarily taken into the custody of the Department of Health and Human Services, Office of Refugee Resettlement and placed with us so they may receive a myriad of services (medical, clinical, education, legal, etc.) while they are reunified with their families in the U.S.

Transitional Independent Living

The Transitional Independent Living program houses and assists runaway and homeless youth ages 16-21 while they transition into independent living.

Health Service

Youngsters in our children and family services programs also receive services and referrals from our Health Service programs to ensure that their health and mental health needs are met.

Special Education

Special education services are provided to school-age children through both The Biondi School and at our Residential Treatment Center. Many students have a history of mental health challenges, learning disabilities, substance abuse, general delinquency, depression, psychotic thinking, suicidal ideation, impulsivity, anxiety and poor social skills. The Biondi School is a nonpublic school providing 12-month specialized educational services. Emphasis is on academic achievement, skills development, and increasing each student's ability to remain on task, interact appropriately with peers, and improve behavior so that they can return to their local public school.

Developmental Disabilities Services

Developmental Disabilities Services include community-based programs such as community residences and supported apartments, prevocational services, supportive employment, day habilitation services, and Medicaid Service Coordination for both children and adults. Our supportive clinical practices address the associated emotional, behavioral and psychological issues/disorders in order to assist our consumers to live more fulfilling lives.

Community School Services

Community School Services, in collaboration with the NYC Department of Education, work with two middle schools in the Bronx. Educators, RG, Inc. staff and families share leadership and organize resources so that academics, social services and other supports are integrated into the fabric of each school. These combined supports help the schools better address the needs of young people, resulting in improved student learning, stronger families and healthier communities. As of July I, 2021 RG, Inc. will only be providing services in one middle school in the Bronx.

Early Childhood Centers

Early Childhood Centers are for children ages 18 months to five years. Program components include an early childhood educational curriculum which prepares children for their school years promoting creativity, pre-academic skills, socialization, and independence, bilingual (Spanish) services, parent involvement, and linkage to community and social services.

Early Head Start and Seabury Day Care Center

Located in the Bronx, our federally funded Early Head Start program serves pregnant women, infants and toddlers living at or below the poverty level. Our Seabury Day Care Center provides early education services to children from low income, working families; this program closed as of July 1, 2021.

Brownell Preschool and Ames Early Childhood Center

The Brownell Preschool and Ames Early Childhood Center serve both typically developing children with Universal Pre-Kindergarten (UPK) services as well as those in need of preschool special education services in integrated as well as segregated classes, depending on the need of the child.

Children's Learning Center

The Children's Learning Center provides preschool special education to children with intensive needs in small classes.

Family Resource Center

The Family Resource Center provides a wide range of free services to children and families in the Soundview section of the Bronx. Services include: Computer lab, recreational activities for families, infant and toddler play groups, parent support groups, money management workshops, assistance connecting to Adult Education programs and additional social services.

Parent-Child Home Program

Our Parent-Child Home Program provides support to low-income families in the Bronx with children ages 18 months to 33 months. This evidence-informed, early childhood home-visiting program focuses on developing pre-literacy skills to promote school readiness, promoting positive parenting skills, building positive child-parent interactions, and enhancing children's social and emotional development.

Juvenile Justice Services

Juvenile Justice Services include secure to non-secure placement programs for court involved youth, all of which are based on the belief that young people with histories of delinquency need support, education and other tools to return safely and successfully to their communities and break the cycle of delinquency.

Limited Secure Placement

Our Limited Secure Placement program (LSP) is a residential program serving adjudicated youth ages 14 to 18 (and on occasion, an older or younger youth may be served). Both general and specialized populations are served. We ensure that youth are able to develop their academic, pre-vocational and communications skills through various aspects of the program and work with family members to maintain and strengthen the youth's connection with his or her family and community. Aftercare services are also provided to youth around New York City who are transitioning out of LSP programs.

Non-Secure Placement

Our Non-Secure Placement program is also part of the residential care continuum for adjudicated Juvenile Delinquents in New York City ages 12 to 14. Our program is community-oriented and family-focused, using the nationally recognized treatment method, the Missouri Model, that involves grouping youth into small cohorts of ten to 12 with whom they live, attend school, participate in recreational activities and receive counseling.

Family Respite

The Family Respite program serves youth ages seven to 17 who are at risk of contact with the juvenile justice system by providing respite services for up to 21 days. The program staff also refers families to appropriate community-based services for sustained assistance.

Juvenile Justice Initiative and Aftercare

The Juvenile Justice Initiative and Aftercare program expands our implementation of the Functional Family Therapy evidence-based model in the juvenile justice field. It provides home-based Alternative-to-Placement and Aftercare Services for up to 52 youth involved in ACS's Juvenile Justice Initiative throughout the Bronx and Manhattan annually.

Care Coordination

Care Coordination enables RG, Inc. to serve as a downstream Care Management Agency (CMA) providing comprehensive care management services to children and adults who meet necessary criteria.

Anti-Gender-Based Violence Program

Rising Ground's Anti-Gender-Based Violence Program is a national leader in the healing and prevention of intimate partner violence. We work with survivors and their families to overcome histories of abuse to find positive paths forward. Additional programs include:

- Rising Ground's Relationship Abuse Prevention Program (RAPP) is the nation's largest teen dating violence prevention program.
- Early RAPP offers special programming in middle schools that are designed to empower youth to lead lives free from relationship abuse.
- JustUs is a gender-responsive diversion program for girls and LGBTQ+ young people who are either involved, or at high risk of involvement, in the juvenile legal system.

2. Financial Condition

As shown in the accompanying consolidated financial statements, Rising Ground has a net asset deficit without donor restrictions of $4,373,501 as a result of recording a fixed asset impairment of $13,178,557 during the year ended June 30, 2021 related to the sale of its campus in Yonkers, New York (Yonkers Campus).

On May 23, 2021, Rising Ground entered into a purchase sale agreement (PS Agreement) for its Yonkers Campus to provide future financial stability as a result of the inflow of funds associated with the sale. Under the terms of the PS Agreement the sale is scheduled to close six months after the PS Agreement is signed however the purchaser has a right to request a six-month extension. The purchaser intends to request that six-month extension. The final proceeds and any final gain or loss will be determined upon the actual close. In connection with the sale of the Yonkers Campus, Rising Ground was required to test long-lived assets involved in the sale for impairment as of June 30, 2021. The long-lived assets evaluated for impairment included the buildings and building improvements of the Yonkers Campus which are included in the sale. As a result of this impairment test, Rising Ground recorded an impairment loss of $13,178,557 to fixed assets to bring the carrying value of the Yonkers Campus to the appraised value for the buildings and building improvements. The impairment is recorded in the consolidated statement of activities for the year ended June 30, 2021 within nonoperating revenues (expenses). The Yonkers Campus has been classified as assets held for sale in the consolidated statement of financial position as of June 30, 2021.

3. Principles of Consolidation

The accompanying consolidated financial statements include the accounts of RG, Inc., the Shelter, the Trust and EGSCF (collectively, Rising Ground). All material intercompany transactions and balances have been eliminated in the consolidated financial statements.

4. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements of Rising Ground have been prepared on the accrual basis of accounting. In the consolidated statement of financial position, assets and liabilities are presented in order of liquidity or conversion to cash and their maturity resulting in the use of cash, respectively.

Financial Statement Presentation

The classification of a not-for-profit organization’s net assets and its support, revenue and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of two classes of net assets—with and without donor restrictions—be displayed in a statement of financial position and that the amounts of change in each of those classes of net assets be displayed in a statement of activities.

These classes are defined as follows:

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

With Donor Restrictions – This class consists of net assets whose use is limited by donor-imposed, time and/or purpose restrictions. Rising Ground reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated asset. When a donor restriction expires – that is, when a stipulated time restriction ends, or purpose restriction is accomplished – the nets assets are reclassified as net assets without donor restriction and reported in the consolidated statement of activities as net assets released from restrictions. Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature), while permitting Rising Ground to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations. At June 30, 2021, Rising Ground had net assets with donor restrictions held in perpetuity of $4,469,649. See Note 16 for further discussion of net assets with donor restrictions held in perpetuity.

Cash, Cash Equivalents, Restricted Cash and Restricted Cash Equivalents

For purposes of the consolidated statement of cash flows, Rising Ground considers all liquid investments with original maturities of three months or less, at the date of purchase, to be cash equivalents.

Cash, cash equivalents, restricted cash and restricted cash equivalents consist of the following:

June 30, 2021		
Cash and cash equivalents	$	1,186,047
Self-insurance deposits		4,199,286
Funds from Paycheck Protection Program loan		10,000,000
Cash reserve for liabilities		2,375,040
Total	$	17,760,373

Fair Value Measurements

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

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

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

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

Investments – Certificates of Deposit

Certificates of deposit with maturities greater than three months, at the date of purchase, are valued at contract value and are considered investments for cash flow purposes.

Accounts Receivable, Net

Accounts receivable are stated at the amount billed under government grants and do not bear interest. In evaluating the collectability of accounts receivable, Rising Ground analyzes its past history and identifies trends for each of its major payor sources to estimate the appropriate transaction price, allowance for credit losses and provision for bad debts. Management regularly reviews data about these major payor sources in evaluating the sufficiency of the allowance for credit losses. Actual results could differ from those estimates.

Assets Limited as to Use

Investments whose assets are set aside under the terms of various bond agreements as well as the Replacement Reserve Fund. The Replacement Reserve Fund is used specifically for repair and maintenance of New York State Office for People with Developmental Disabilities (OPWDD) – funded Individualized Residential Alternative (IRA) residences. Rising Ground has also deposited funds designated for its self-insured healthcare costs which are classified as assets limited as to use. All assets limited as to use are held in U.S. Treasury obligations and money market funds. Rising Ground has also included the funds received from the Small Business Administration (SBA) Paycheck Protection Program (PPP) loan in assets limited as to use as management has not yet completed the process of evaluating their usage of the funds received and its compliance with the terms of the loan. See Note 13 for further discussion of the SBA PPP loan.

Beneficial Interests in Perpetual Trusts

The Shelter has beneficial interests in various perpetual trusts. The Shelter's interest in these trusts is reported as a contribution in the year received at their fair value. Changes in the fair value of the underlying assets are recorded as revenue adjusting net assets with donor restrictions.

Fixed Assets, Net

Fixed assets, net, are stated at cost, or fair market value if donated, less accumulated depreciation and amortization. Rising Ground capitalizes fixed assets that have a useful life of greater than one year and cost of $5,000 or more. Depreciation is computed on the straight-line basis over the estimated useful life of the assets. Assets acquired through finance leases and leasehold improvements are amortized over either the remaining term of the underlying lease or the useful lives of the improvements, whichever is shorter, using the straight-line method.

The current estimated useful lives are as follows:

	Years
Building and building improvements	10-40
Furniture, fixtures and equipment	3-10
Leasehold improvements	3-20

Long-Lived Asset Impairment

Rising Ground evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be fully recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. An asset impairment of $13,178,557 was recognized during the year ended June 30, 2021 and is included as impairment of fixed assets in the consolidated statement of activities. See Note 2 for additional information on the impairment.

Contract Liability

A contract liability represents revenue that has been deferred for the funds advanced by various government agencies for Rising Ground's contracts related to services that have not yet been provided to customers. Contract liabilities consist of payments made by funding sources for Rising Grounds' contracts for services not yet performed and are expected to be performed within the next fiscal year. Contract liabilities are included in accrued expenses and other liabilities in the consolidated statement of financial position at June 30, 2021.

Due to Government Agencies

The consideration Rising Ground has received from governmental agencies for which it does not expect to be entitled to is recorded as a refund liability. Refund liabilities are included in the amounts due to government agencies in the consolidated statement of financial position at June 30, 2021.

Debt Issuance Costs

Debt issuance costs are reflected as a direct reduction of the carrying amount of the related debt and are amortized over the term of the related debt using the straight-line method, which approximates the effective interest method. Amortization of debt issuance costs is included in interest expense in the consolidated statement of functional expenses.

Government Grants

Support funded by grants is recognized as Rising Ground performs the contracted services or incurs outlays eligible for reimbursement under the grant agreements. Grant activities and outlays are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

Contributions

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

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at present value of estimated future cash flows. Conditional promises to give are not included as support until such time as the conditions are substantially met.

Contributed Costs and Revenues

Rising Ground operates programs where facility costs and consumable supplies are paid directly by New York City. Rising Ground reports these amounts as operating revenues and expenses and recognized $120,312 of contributed costs.

Investment Income

Investment income is recognized when earned and consists of interest, dividends, and realized and unrealized gains and losses, less direct external investment expenses. Dividends are recorded at the ex-dividend date. Purchases and sales are recorded on a trade-date basis.

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the consolidated statement of activities. The consolidated statement of functional expenses presents the natural classification detail of expenses by function. Certain costs have been allocated among the program, management and general, and development categories based on ratio value and other methods as determined by management.

Measure of Operations

Rising Ground's change in net assets from operations includes revenues and expenses directly related to the provision of program services. Net investment income, contributions, both with and without donor restrictions, special events and related direct costs, change in value of beneficial interests in perpetual trusts, miscellaneous income and net assets released from restrictions are considered nonoperating.

Interpretation of Relevant Endowment Law

Rising Ground follows the provisions of U.S. GAAP related to enhanced disclosures for all endowment funds. Rising Ground has also adopted the provisions of the New York Prudent Management of Institutional Funds Act (NYPMIFA), which was enacted by the State of New York on September 17, 2010. Specifically, Rising Ground classifies the portion of endowment funds that is not classified as with donor restrictions (time-restricted) until appropriated for expenditure by Rising Ground. If the endowment fund is also subject to a purpose restriction, the reclassification of the appropriated amount to without donor restrictions does not occur until the purpose restriction has been met.

Risks and Uncertainties – Investments

Rising Ground's investments consist of a variety of investment securities. Such securities are subject to various risks that determine the value of the funds, such as interest rate, credit, and overall market volatility risk. Due to the level of risk associated with certain securities and the level of uncertainty related to changes in the value of these securities, it is reasonably possible that changes in market conditions in the near term could materially affect the value of Rising Ground's investments reported in the accompanying consolidated financial statements.

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 certain assets, liabilities, revenues and expenses, as well as the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Concentration of Credit Risk

Financial instruments that potentially subject Rising Ground to concentrations of credit risk consist primarily of cash and cash equivalents. At times, Rising Ground has deposits at financial institutions that exceed the Federal Deposit Insurance Corporation insurance limits. These financial institutions have strong credit ratings and management believes that credit risk related to these accounts is minimal.

Rising Ground received approximately 57% of their operating revenues from the City of New York for the year ended June 30, 2021.

69% of Rising Ground's accounts receivable at June 30, 2021 are from the City of New York.

Income Taxes

RG, Inc., the Shelter, EGSCF and Kingsland are all charitable organizations that are exempt from federal, state and local income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code) and, therefore, have made no provision for income taxes in the accompanying consolidated financial statements. In addition, RG, Inc., the Shelter, EGSCF and Kingsland all have been determined by the Internal Revenue Service (IRS) not to be a "private foundation" within the meaning of Section 509(a) of the Code. There was no unrelated business income for 2021.

Rising Ground has not taken an unsubstantiated tax position that would require provision of a liability under U.S. GAAP. Under U.S. GAAP, an organization must recognize the tax liabilities associated with tax positions taken for tax return purposes when it is more likely than not that the position will not be sustained upon examination. Rising Ground does not believe there are any material uncertain tax positions and, accordingly, has not recognized any liability for unrecognized tax benefits as of June 30, 2021. Rising Ground has filed IRS Form 990 tax returns, as required, and all other applicable returns in jurisdictions where it is required. For the year ended June 30, 2021, there were no interest or penalties recorded or included in the accompanying financial statements. Rising Ground is subject to routine audits by taxing authorities. As of June 30, 2021, Rising Ground was not subject to any examination by a taxing authority.

Recently Adopted Accounting Pronouncements

In February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, *Accounting for Leases*, as amended, which applies a right-of-use (ROU) model that requires a lessee to record, for all leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset and a liability to make lease payments. For leases with a term of 12 months or less, a practical expedient is available whereby a lessee may elect, by class of underlying asset, not to recognize an ROU asset or lease liability. At inception, lessees must classify all leases as either finance or operating based on five criteria. Consolidated statement of financial position recognition of finance and operating leases is similar, but the pattern of expense recognition in the consolidated statement of activities, as well as the effect on the consolidated statement of cash flows, differs depending on the lease classification. In addition, lessees and lessors are required to provide certain qualitative and quantitative disclosures to enable users of financial statements to assess the amount, timing and uncertainty of cash flows arising from leases. Management adopted this ASU for the year ended June 30, 2021. See Note 11 for additional information.

5. Revenue from Contracts with Customers

Service Revenue

Rising Ground receives funding from Medicaid, New York City and New York State through fees and government grants. Revenue is reported at the amount that reflects the consideration to which Rising Ground expects to be entitled in exchange for providing the contracted services. These amounts are due from third-party payors (including government programs) and others and includes variable consideration for retroactive revenue adjustments due to settlement of audits, reviews and investigations. Generally, Rising Ground bills the third-party payors several days after the services are performed. Revenue is recognized as performance obligations are satisfied.

Reimbursement methodologies for major programs at Rising Ground are as follows:

Education and Early Childhood

Rising Ground's school programs are regulated and funded by the New York State Education Department. A tuition rate per student is established based upon enrollment, actual cost data, geographic location and other cost "screens" prescribed by the State. Fluctuations in enrollment and costs can have a significant impact on Rising Ground's receipt of a rate sufficient to cover program costs. Per diem tuition rate per student is subject to final reconciliation based on audited financial statements. Revenue and support payments have been reconciled with the NYS Rate Setting Unit through the fiscal year ended June 30, 2017.

Foster Care, Residential Treatment and Medical and Mental Health Services

The principal source of revenue consists of support payments received from the City of New York (the City) and Westchester County for congregate and foster boarding home care, and health care provided to children referred to Rising Ground. Such payments based initially upon per diem rates established annually by the New York State Office of Children and Family Services (NYS-OCFS), NYCACS, and the State Department of Health, are finalized after the reported costs and days of care are audited. Revenue for support payments from NYCACS is subject to audit.

Developmental Disabilities Services

Developmental Disabilities Services including community-based programs such as group homes and supported apartments, prevocational, respite/recreation services, supportive employment, day services for adults and children, and Medicaid Service Coordination are funded through contracts with OPWDD and by Medicaid, based on rates established by OPWDD.

Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to revenue in the period of the change. Subsequent changes that are determined to be the result of an adverse change in the funding source's ability to pay are recorded as bad debt expense.

For the year ended June 30, 2021, Rising Ground recognized revenue of $125,632,264 from goods and services that transfer to the customer over time. There were no revenues recognized from goods and services that transfer to the customer at a point in time.

Performance Obligations and Transaction Price Allocated to Remaining Performance Obligations

Because all of its performance obligations relate to contracts with a duration of less than one year, Rising Ground has elected to apply the optional exemption provided in FASB ASC 606-10-50-14(a) and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. The performance obligations for these contracts are generally completed when the service is completed and upon submission of required documentation.

Significant Judgments

The initial estimate of the transaction prices is determined by reducing the established rates for services provided by any implicit price concessions based on historical collection experience with each government agency. Rising Ground has determined that the nature, amount, timing and uncertainty of revenue and cash flows are affected by the payors and services provided. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to revenue in the period of the change.

Settlements with third-party payors for retroactive adjustments due to audits, reviews or investigations are considered variable consideration and are included in the determination of the estimated transaction price. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor and Rising Ground's historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known based on newly available information or as years are settled or are no longer subject to such audits, reviews and investigations.

From time to time, Rising Ground will receive overpayments from third-party payers resulting in amounts owed back. These amounts are excluded from revenues and are recorded as liabilities until they are refunded. As of June 30, 2021, Rising Ground has a liability of refunds to funding sources recorded of $6,281,837. These amounts are recorded as amounts due to government agencies on the consolidated statement of financial position. Rising Ground has entered into payment agreements for certain repayments, and therefore amounts are classified between current and long-term based upon those payment schedules.

Revenue Composition and Reimbursement Method

The composition of revenue by payor pertaining for items subject to revenue recognition standard is as follows:

Year ended June 30, 2021		
New York City Government Agencies	$	36,760,805
Contracts/Grants – New York City Government Agencies		35,360,212
Medicaid		26,636,671
Contracts/Grants – Federal		20,018,819
Contracts/Grants – New York State Government Agencies		4,758,231
Managed Care		920,576
Contracts/Grants - Other		618,668
Other		437,970
In-Kind Contributions		120,312
Total Revenue Subject to ASC 606		125,632,264
Total Revenue Not Subject to ASC 606		7,355,079
Total	$	132,987,343

All revenues listed above were recognized as the service transferred over time. Other revenues not subject to the revenue recognition standard and thus not included above related to revenues which were determined to not be exchange transactions.

Financing Component

Rising Ground has elected the practical expedient allowed under FASB ASC 606-10-32-18 and does not adjust the promised amount of consideration from customers and third-party payors for the effects of a significant financing component due to Rising Ground's expectation that the period between the time the service is provided to a customer and the time that the customer or third-party payor pays for that service will be one year or less.

Contract Costs

Rising Ground has applied the practical expedient provided by FASB ASC 340-40-25-4 and all incremental customer contract acquisition costs are expensed as they are incurred, as the amortization period of the asset that Rising Ground otherwise would have recognized is one year or less in duration.

6. Investments, at Fair Value

Rising Ground's investments recorded at fair value have been categorized based upon a fair value hierarchy, in accordance with U.S. GAAP. See Note 4 for a discussion of Rising Ground's policies regarding this hierarchy.

The financial assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Rising Ground's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the placement within the fair value hierarchy levels. A description of the valuation techniques applied to the Rising Ground's investments measured at fair value are as follows:

U.S. Treasury Obligations, Equities and Mutual Funds - These investments are carried at their aggregate market value as determined by quoted market prices. These investments are classified as Level 1.

Corporate Bonds, Municipal Bonds and Mortgage-Backed Securities – These investments are priced by the investment managers using nationally recognized pricing services. These investments are classified as Level 2.

Beneficial Interests in Perpetual Trusts – Rising Ground is the beneficiary under a perpetual trust administered by an outside party. Under the terms of the trust, Rising Ground has the irrevocable right to receive income earned on the trust assets in perpetuity, but never receives the assets held in trust. These investments are classified as Level 3.

Investments, at fair value, of Rising Ground are as follows:

June 30, 2021

	Level 1					
	Investments	Assets Limited as to Use	Total Level 1	Level 2	Level 3	Total
Investments, at fair value:						
U.S. Treasury obligations	$ 1,688,382	$ 532,126	$ 2,220,508	$ -	$ -	$ 2,220,508
Equities	10,137,607	-	10,137,607	-	-	10,137,607
Mutual funds	742,330	-	742,330	-	-	742,330
Corporate bonds	-	-	-	4,305,835	-	4,305,835
Municipal bonds	-	-	-	315,673	-	315,673
Mortgage-backed securities	-	-	-	744	-	744
Total Investments	$12,568,319	$ 532,126	$13,100,445	$ 4,622,252	$ -	$17,722,697
Beneficial interests in perpetual trusts	$ -	$ -	$ -	$ -	$ 2,108,553	$ 2,108,553

There have been no changes in the methodologies used at June 30, 2021. There were no transfers between levels during the year ended June 30, 2021.

The table below sets forth a summary of changes in fair value of the Level 3 assets:

Year ended June 30, 2021		
Balance, beginning of year	$	1,637,300
Total gain (realized/unrealized) included in changes in net assets		471,253
Balance, end of year	$	2,108,553
Amount of total gain for the period included in changes in net assets attributable to the change in unrealized gains relating to assets still held at the reporting date	$	471,253

7. Accounts Receivable, Net

Accounts receivable, net, consists of the following:

June 30, 2021		
New York City – government agencies	$	14,827,461
New York State – government agencies		4,321,962
Federal contracts		1,853,743
Managed care		139,851
Other		249,588
Total Accounts Receivable	$	21,392,605

8. Beneficial Interest in Trust

Rising Ground is the beneficiary under a perpetual trust administered by an outside party. Under the terms of the trust, Rising Ground has the irrevocable right to receive income earned on the trust assets in perpetuity, but never receives the assets held in trust. The estimated value of the expected future cash flows is $2,108,553, which represents the fair value of Rising Ground's future investment return income on trust assets at June 30, 2021. The gain from this trust for June 30, 2021 was $471,253.

9. Fixed Assets, Net

Fixed assets, net, consist of the following:

June 30, 2021		
Building and building improvements	$	20,680,052
Leasehold improvements		9,251,839
Furniture, fixtures and equipment		12,522,184
Construction in progress		223,724
Total Fixed Assets		42,677,799
Less: accumulated depreciation and amortization		(30,692,339)
Fixed Assets, Net	$	11,985,460

Depreciation and amortization expense for the year ended June 30, 2021 totaled $4,369,446. Equipment costing $1,749,488 and associated accumulated amortization of $1,194,455 are subject to finance lease agreements as described in Note 11.

For the year ended June 30, 2021 certain fixed assets were impaired, adjusted and classified as assets held for sale. See Note 2 for additional information.

10. Line of Credit and Notes Payable

(A) On January 5, 2009, Rising Ground entered into a mortgage with Castle Combe Associates LLC for $3,795,737 to purchase a building at 450 Castle Hill Avenue, Bronx, NY. The mortgage is secured by the aforementioned property. Payments of $28,300 are due monthly through February 1, 2029. The interest rate is 6.50%.	$	2,028,952
(B) On May 14, 2015, Rising Ground obtained a $5,625,807 term loan from TD Bank, N.A. (TD Bank). The loan matures on June 1, 2025 and is payable in monthly installments of $57,146 including interest at 4.01%, beginning July 1, 2015. The loan is collateralized by assets held by BNY Mellon in the custodial investment accounts of Rising Ground.		2,527,690
(C) EGSCF entered into a mortgage loan agreement with Citi Bank N.A. in the amount of $1,033,806 maturing November 1, 2026. Principal payments of $5,743 are due monthly plus interest calculated at 5.20% per annum. The loan is secured by mortgages on the land, building and fixtures of a property in Bronx, NY. This mortgage was transferred to the name of Rising Ground on September 1, 2021.		373,318
(D) In July 2013, EGSCF entered into a 15-year mortgage for the purchase of a Queens, NY property for a new IRA program with Citi Bank N.A. The loan was in the amount of $754,441 and matures July 2028. Principal payments of $4,191 are due monthly, plus interest calculated at 4.10% per annum. The loan is secured by a mortgage on the land, building and fixtures of the Queens property. This mortgage was transferred to the name of Rising Ground on September 1, 2021.		356,265
(E) In November 2014, EGSCF entered into a 15-year mortgage for the purchase of a Manhattan, NY property for a new IRA program with Citi Bank N.A. The loan was in the amount of $1,181,621 and matures July 2029. Principal payments of $6,565 are due monthly, plus interest calculated at 5.00% per annum. The loan is secured by a mortgage on the land, building and fixtures of the Manhattan property. This mortgage was transferred to the name of Rising Ground on September 1, 2021.		663,021
(F) Effective October 15, 2019, Rising Ground renewed their revolving line of credit in the amount of $6,000,000. The line of credit matures on February 28, 2022 and bears interest rate of prime. The line of credit is secured by accounts receivable and is guaranteed by EGSCF.		6,000,000
	$	11,949,246

Principal payments for the line of credit and all notes payable over the next five years are as follows:

Year ending June 30,		
2022	$	7,005,966
2023		1,044,903
2024		1,085,719
2025		1,129,047
2026		475,364
Thereafter		1,208,247
		11,949,246
Less: unamortized debt issuance costs		(30,256)
Net	$	11,918,990

There are certain financial covenants associated with RG, Inc.'s and EGSCF's lines of credit and loans payable for the year ended June 30, 2021. RG, Inc. and EGSCF have obtained waivers from their lenders for the June 30, 2021 covenant requirements as they were not in compliance due to the one-time impairment loss discussed in Note 2.

Interest expense related to the line of credit and notes payable was $524,970 for the year ended June 30, 2021. Interest is included as a component of interest expense and line of credit interest expense on the accompanying consolidated statement of functional expenses.

11. Leases

As detailed in Note 4, Rising Ground adopted the provisions of ASU 2016-02 effective July 1, 2020. Rising Ground leases certain property and equipment under finance and operating leases. Leases are classified as either finance or operating leases based on the underlying terms of the agreement and the criteria included in ASU 2016-02.

For leases with initial terms of greater than one year (or initially, greater than one year remaining under the lease at the date of the adoption of ASU 2016-02), Rising Ground records the related right-of-use assets and liabilities at the present value of the remaining lease payments to be paid over the life of the related lease. Lease payments related to periods subject to renewal options are excluded from the amounts used to determine the present value of the remaining lease payments unless Rising Ground is reasonably certain to exercise the option to extend the lease. The present value of the lease payments is calculated by utilizing the discount rate stated in the lease, when readily determinable. For leases for which a discount rate is not readily available, Rising Ground has elected to use the incremental borrowing rate based on the information available at the lease inception date. Rising Ground has made an accounting policy election not to separate lease components from non-lease components in contracts when determining its lease payments for all of its asset classes, as permitted by ASU 2016-02. As such, Rising Ground accounts for the applicable non-lease components together with the related lease components when determining the right-of-use assets and liabilities. Rising Ground has made an accounting policy election not to record leases with an initial term of less than one year as right-of-use assets and liabilities in the consolidated statement of financial position.

The following tables summarize information related to the lease assets and liabilities as of and for the year ended June 30, 2021:

Year ended June 30, 2021		
Lease costs:		
Finance lease cost:		
Amortization of right-of-use assets	$	425,295
Interest on lease liabilities		41,234
Operating lease cost		2,521,837
Total lease cost	$	2,988,366

June 30, 2021		
Right-of-use assets and liabilities:		
Finance lease right-of-use assets, net	$	555,033
Finance lease liabilities		541,366
Operating lease right-of-use assets		9,494,479
Operating lease liabilities		10,345,280

Year ended June 30, 2021		
Other information:		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from finance leases	$	441,751
Operating cash flows from operating leases		2,701,080

Weighted-average remaining lease term – finance leases	2.91 years
Weighted-average remaining lease term – operating leases	3.65 years
Weighted-average discount rate – finance leases	5.27%
Weighted-average discount rate – operating leases	3.70%

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

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Finance Leases

TD Equipment Finance, Inc.

Rising Ground entered into a $1,250,000 equipment financing agreement with TD Equipment Finance, Inc. to lease equipment. The agreement expired in March 2021 and was not renewed.

Rising Ground has made the following draws from the line to finance equipment:

(A) $224,401 in April 2018. Payments of $4,241, including imputed interest at an estimated annual rate of 5.06% charged on the outstanding balance, are due monthly. The lease matures in March 2023.	$	85,060
(B) $754,421 in September 2018. Payments of $22,597, including imputed interest at an estimated annual rate of 4.96% charged on the outstanding balance, are due monthly. The lease matures in August 2021.		44,215
	$	129,275

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Hewlett-Packard Financial Services

Rising Ground entered into various equipment financing agreements with Hewlett-Packard Financial Services Company to lease computer equipment, as follows:

(A) $58,689 in May 2018. Payments of $1,156, including imputed interest at an estimated annual rate of 6.76% charged on the outstanding balance, are due monthly. The lease matures in June 2023.	$	25,872
(B) $3,422 in July 2018. Payments of $76, including imputed interest at an estimated annual rate of 11.83% charged on the outstanding balance, are due monthly. The lease matures in July 2023.		1,673
(C) $22,173 in January 2019. Payments of $432, including imputed interest at an estimated annual rate of 6.52% charged on the outstanding balance, are due monthly. The lease matures in June 2024.		14,129
(D) $24,790 in May 2019. Payments of $482, including imputed interest at an estimated annual rate of 6.50% charged on the outstanding balance, are due monthly. The lease matures in June 2024.		15,793
(E) $49,575 in June 2019. Payments of $955, including imputed interest at an estimated annual rate of 6.07% charged on the outstanding balance, are due monthly. The lease matures in June 2024.		31,464
(F) $74,369 in June 2019. Payments of $1,429, including imputed interest at an estimated annual rate of 5.94% charged on the outstanding balance, are due monthly. The lease matures in July 2024.		48,341
(G) $25,518 in August 2019. Payments of $473, including imputed interest at an estimated annual rate of 4.26% charged on the outstanding balance, are due monthly. The lease matures in July 2024.		16,372
(H) $192,672 in September 2019. Payments of $3,686, including imputed interest at an estimated annual rate of 5.56% charged on the outstanding balance, are due monthly. The lease matures in August 2024.		137,794
(I) $49,608 in November 2019. Payments of $943, including imputed interest at an estimated annual rate of 5.28% charged on the outstanding balance, are due monthly. The lease matures in October 2024.		34,501
(J) $11,680 in October 2019. Payments of $221, including imputed interest at an estimated annual rate of 5.15% charged on the outstanding balance, are due monthly. The lease matures in September 2024.		7,929
(K) $24,982 in April 2020. Payments of $477, including imputed interest at an estimated annual rate of 5.45% charged on the outstanding balance, are due monthly. The lease matures in March 2025.		19,359
(L) $23,881 in May 2020. Payments of $453, including imputed interest at an estimated annual rate of 5.24% charged on the outstanding balance, are due monthly. The lease matures in April 2025.		18,854
(M) $23,737 in May 2020. Payments of $451, including imputed interest at an estimated annual rate of 5.30% charged on the outstanding balance, are due monthly. The lease matures in April 2025.		18,764
(N) $24,141 in November 2020. Payments of $457, including imputed interest at an estimated annual rate of 5.08% charged on the outstanding balance, are due monthly. The lease matures in October 2025.		21,246
	$	412,091

The following is a schedule of future minimum lease payments, including interest under the term of the leases, together with the present value of the net minimum lease payments.

Years ending June 30,		
2022	$	236,362
2023		177,745
2024		125,574
2025		42,166
2026		1,826
		583,673
Less: interest		(42,307)
Total		541,366
Less: current portion		(213,375)
Long-Term Obligation Under Finance Leases	$	327,991

Operating Leases

The following table reconciles the undiscounted operating lease payments to the lease liabilities recorded on the accompanying consolidated statement of financial position at June 30, 2021.

Years ending June 30,		
2022	$	2,811,979
2023		2,522,493
2024		2,232,537
2025		917,567
2026		697,778
Thereafter		2,343,239
		11,525,593
Less: interest		(1,180,313)
Total		10,345,280
Less: current portion		(2,464,919)
Long-Term Obligation Under Finance Leases	$	7,880,361

12. Bonds Payable

Series 2013B-1 and Series 2013B-2

On May 9, 2013, the Dormitory Authority of the State of New York (DASNY) issued Series 2013B-1 and Series 2013B-2 Bonds aggregating $4,035,000 for the purpose of the financing and refinancing of costs incurred in connection with (a)1035 E. 233rd Street, Bronx (233rd Street) for $965,000; (b) 634 East 241st Street, Bronx (241st Street) for $590,000; (c) 954 East 211th Street, Bronx (211th Street) for $550,000; (d) 1623 Glover Street, Bronx (Glover Street) for $715,000; (e) 4316 Van Cortland Parkway East, Bronx (Hurst House) for $640,000; and (f) 450 Castle Hill Avenue, Bronx (Castle Hill) for $575,000.

One twelfth of the annual principal payment and one sixth of the semiannual interest payment are paid to the bond trustee monthly. The debt service schedule (term of loan) for each Facility coincides with its reimbursement commitment from OPWDD. The principal balance outstanding on the bonds at June 30, 2021, was $1,990,000.

The bonds are secured by a second mortgage lien on each Facility and a subordinate lien on the Public Funds attributable to the Facilities secured by a Stand-by Intercept Agreement with OPWDD. At June 30, 2021, the amount held in the debt service reserve fund was $189,013; in the debt service fund was $343,113. These amounts are reflected as investments limited as to use on the accompanying consolidated statement of financial position. The rate of interest on the bonds ranges from 2.00% to 3.25%.

Bond proceeds from the Series 2013B-1 and 2013B-2 were also used to pay the cost of issuance of the bonds totaling $256,243 and the bond discount of $47,860. At June 30, 2021, the unamortized debt issuance cost was $110,563. At June 30, 2021, the unamortized bond discount was $20,481.

Series 2014 Bonds

On June 27, 2014, $21,173,000 aggregate principal amount of Special Obligation Revenue Bonds were issued pursuant to a certain Bond Purchase and Loan Agreement by and among the Yonkers Economic Development Corporation (the Issuer), Rising Ground, and BankUnited, Inc., as purchaser of the Bonds (the Bank). The component features of the total bond financing are set forth in the table below:

Series	Original Principal Amount	Balance, June 30, 2021	Maturity	Interest Rate (%)	Price (%)
Series 2014A	$ 16,670,000	$ 9,970,000	June 1, 2029	3.330	100
Series 2014B	1,240,000	165,000	June 1, 2022	3.550	100
Series 2014C	3,125,000	1,510,000	June 1, 2026	4.380	100
	$ 21,035,000	$ 11,645,000			

The Series 2014 Bonds were issued for the purpose of providing funds for certain projects for Rising Ground consisting of (i) the refinancing and paying down of old debt and (ii) issuance cost of the Series 2014 Bonds totaling $871,100. These costs will be amortized over the life of the bonds. At June 30, 2021, the unamortized debt issuance cost was $361,281.

The Series 2014 Bonds loan agreement requires principal payments through June 1, 2029, and the maintenance of certain reserve funds. Principal payments are due annually. Interest payments are due semiannually. The principal balance outstanding on the Series 2014 Bonds was $11,645,000 at June 30, 2021.

The Series 2014 Bonds are special obligations of the Issuer and are payable solely from the revenues, receipts and other payments derived from the loan by the Bank from Rising Ground. As security for the Bonds and Rising Ground's obligations under the Loan Agreement, Rising Ground has granted to the Issuer a first priority mortgage lien and security interest in the Facility pursuant to a certain Mortgage, Assignment of Rents, Security Agreement and Fixture Filing.

Annual debt service amounts payable during the next five years and thereafter are as follows:

Year ending June 30,		
2022	$	1,870,000
2023		1,760,000
2024		1,810,000
2025		1,850,000
2026		1,800,000
Thereafter		4,545,000
		13,635,000
Less: net unamortized discount		(20,481)
Less: unamortized debt issuance costs		(471,843)
Total	$	13,142,676

Interest expense related to bonds payable was $569,432 in 2021 and includes amortization of debt issuance cost of $71,684. Interest has been included as a component of interest expenses on the accompanying consolidated statement of functional expenses.

The bonds payable are subject to the same financial covenants discussed in Note 10. Rising Ground has obtained waivers from their lenders for the June 30, 2021 covenant requirements as they were not in compliance due to the one-time impairment loss discussed in Note 2.

13. SBA PPP Loan

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) was enacted. As further discussed in Note 19, the CARES Act, among other things, appropriated funds for the SBA PPP loans, which are forgivable in certain situations to promote continued employment. On April 27, 2021, Rising Ground received proceeds from a PPP loan in the amount of $10,000,000. The loan under the SBA PPP may be forgiven according to Rising Ground's compliance with the terms of the loan. The application for these PPP funds required Rising Ground to, in good faith, certify that the current economic uncertainty made the loan request necessary to support the ongoing operations of Rising Ground. This certification further requires Rising Ground to take into account the current business activity and the ability to access other sources of liquidity sufficient to support ongoing operations in a manner that is not significantly detrimental to Rising Ground. The receipt of these funds, and the forgiveness of the loan related to these funds, is dependent on Rising Ground having initially qualified for the loan and qualifying for the forgiveness of such loan based on future adherence to the forgiveness criteria. As of June 30, 2021, the PPP loan had a balance of $10,000,000.

14. Commitments and Contingencies

Operating Leases

Rising Ground is a party to certain operating leases which were not evaluated under ASU 2016-02, "*Accounting for Leases (Topic 842)*" as Rising Ground made a determination that not including these leases in the adoption of ASU 2016-02 would not have a material impact on the consolidated financial statements of Rising Ground. These noncancelable leases principally relate to leases with a term of less than one year for residential housing, and multiyear leases for office equipment and automobiles, with expiration dates through 2025. The aggregate minimum payments for these leases are as follows:

Year ending June 30,		
2022	$	842,000
2023		349,000
2024		167,000
2025		73,000
Total	$	1,431,000

Total rent expense relating to these leases, amounted to $3,971,949 for the year ended June 30, 2021 and is included as a component of rent, vehicle rentals, repairs and replacement and equipment/furniture rentals, repairs and replacement on the accompanying consolidated statement of functional expenses.

Workers' Compensation Liability

During the period from January 2000 to December 2005, workers' compensation coverage was provided by the Provider Agency Trust for Human Services (the Provider Agency Trust). In May 2015, Rising Ground agreed to a settlement of $562,976, plus interest at 3.5%, resulting in 120 monthly payments of $5,567 beginning July 2015. The balance as of June 30, 2021 was $249,021, which is included in accrued payroll and employee benefits on the accompanying consolidated statement of financial position.

Principal payments over the next five years and thereafter are as follows:

Year ending June 30,		
2022	$	59,030
2023		61,128
2024		63,303
2025		65,560
Total	$	249,021

Interest expense related to the workers' compensation liability was $9,802 in 2021, and is included as a component of interest expense on the accompanying consolidated statement of functional expenses.

Litigation

Rising Ground is involved with third parties in legal matters in which damages and other remedies are sought. Such suits and claims are either specifically covered by insurance or are not material. While the outcome of these suits cannot be determined at this time, management believes that any loss which may arise from these actions will not have a material adverse effect on the financial position or results of operations of Rising Ground.

Funding Source Audits

Rising Ground is responsible for reporting to several third parties. These agencies, as well as all of Rising Ground's funding sources, have the right to audit its books and records. The eventual liability to governmental agencies, if any, upon final settlement of the open years has not been finalized. However, Rising Ground has recorded estimated provisions of approximately $10,490,667 for the eventual settlement of the open cost reporting periods and are included in accrued expenses and other liabilities on the accompanying consolidated statement of financial position.

Rising Ground has undergone audits and reviews from governmental agencies for which a combined liability of $6,281,837 has been included in the consolidated financial statements. Rising Ground has agreed to settlement plans with some of the agencies for $1,996,886 with terms ranging from three to ten years. Approximately $1,136,000 has been set aside in restricted cash as of June 30, 2021, as a component of cash reserve for liabilities in the accompanying consolidated statement of financial position, for liabilities where, as of the date of the consolidated financial statements, no settlement plan has been agreed to.

Minimum payments for the next five years and thereafter are as follows:

Year ending June 30,		
2022	$	705,252
2023		104,952
2024		104,952
2025		104,952
2026		104,952
Thereafter		871,826
Total	$	1,996,886

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15. Net Assets

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

June 30, 2021		
Net Assets with Purpose Restrictions		
Parent child home program	$	41,284
STEPS program		221,105
Total Net Assets with Purpose Restrictions		262,389
Net Assets Restricted in Perpetuity		
Endowment investments held in perpetuity, the income of which is to support:		
Maintenance and education of half orphan and dependent girls		703,305
Education and support of the children who are no longer at Rising Ground		100,472
Any activity of Rising Ground		1,557,319
Total of All Endowment Investments, held in perpetuity		2,361,096
Beneficial interest in two perpetual trusts		2,108,553
Total Net Assets, restricted in perpetuity		4,469,649
Total	$	4,732,038

Net assets were released from donor restrictions for the following purposes:

June 30, 2021		
Parent child home program	$	163,565
STEPS program		338,866
	$	502,431

16. Endowment

General

Rising Ground’s endowment consists of four individual donor-restricted endowment funds as follows:

- The Orphan’s Fund contains the funds formerly held by the Orphans Home and Asylum. The income may be used from time to time as the Board of Directors may designate. Its “historic value” is $1,557,319.
- The Sevilla Fund contains the funds formerly held by the Sevilla Home for Children. Its “historic value” is $527,479. The income from this fund is for maintenance and education, including religious instruction of orphans, half-orphans and dependent girls.
- The Hopewell Fund stems from the Hopewell Society of Brooklyn and its “historic value” is $175,826. In brief, the income from this fund is for maintenance and education, including religious instruction of orphans, half-orphans and dependent girls.

- The Andrew Peck Memorial Fund (Peck Fund) is an endowment created in 1927 with $100,472. The income is to be spent furthering the education and support of the children who are no longer residing at Rising Ground.

As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

In accordance with the requirements under U.S. GAAP, the following applies to the donor-restricted endowment funds:

Interpretation of Relevant Law - The spending of endowment funds by a not-for-profit corporation in the State of New York was governed by the Uniform Management of Institutional Funds Act (UMIFA), as enacted in 1978, until September 17, 2010, when the State of New York enacted the NYPMIFA. Rising Ground has interpreted NYPMIFA as requiring the preservation of the original value of a gift for gifts received prior to September 17, 2010, absent donor stipulations to the contrary, and for post September 17, 2010 gifts, as allowing Rising Ground to appropriate for expenditure or accumulate earnings as Rising Ground determines is prudent for the uses, benefits, purposes and duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument. As a result of this interpretation, Rising Ground has classified as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment and (b) the original value of subsequent gifts to the permanent endowment. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by Rising Ground.

Investment and Spending Policies – Rising Ground has adopted investment and spending policies for endowment assets that attempt to provide a stream of returns that would be utilized to fund various branches while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor restricted funds that Rising Ground must hold in perpetuity.

In accordance with NYPMIFA, Rising Ground considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the funds.
- The purposes of Rising Ground and the donor-restricted endowment funds.
- General economic conditions.
- The possible effect of inflation and deflation.
- The expected total return from income and the appreciation/depreciation of investments.
- Where appropriate and circumstances would otherwise warrant, alternatives to expenditure of the endowment funds, giving due consideration to the effect that such alternatives may have on Rising Ground.
- The investment policy of Rising Ground.
- Other resources of Rising Ground.

Changes in Endowment Net Assets

Year ended June 30, 2021

		With Donor Restrictions – Purpose Restricted		With Donor Restrictions Restricted in Perpetuity		Total
Endowment Net Assets, beginning of year	$	-	$	2,361,096	$	2,361,096
Interest and dividends		18,456		-		18,456
Appropriation of endowment assets for expenditure		(18,456)		-		(18,456)
Endowment Net Assets, end of year	$	-	$	2,361,096	$	2,361,096

There were no endowments under water as of June 30, 2021.

17. Liquidity and Availability

Rising Ground's resources and financial assets available within one year of the consolidated statement of financial position date for general expenditures are as follows:

June 30, 2021

Cash and cash equivalents	$	1,186,047
Investments		14,160,219
Investments – certificates of deposit		669,256
Accounts receivable		21,392,605
Other receivables		222,084
Accrued investment interest receivable		42,821
Total Financial Assets Available to Management for General Expenditure Within One Year		37,673,032
Amounts unavailable to management for general expenditures within one year, due to:		
Net assets with donor restrictions		(4,732,038)
Total Financial Assets Available to Management for General Expenditures Within One Year Without Restrictions	$	32,940,994

As part of the Rising Ground's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. Rising Ground's endowment funds consist of donor-restricted endowments. Income from donor-restricted endowments is restricted for specific purposes and, therefore, is not available for general expenditure. Rising Ground regularly monitors their cash balance to ensure sufficient liquidity exists to meet its operating needs, as well as other commitments and obligations over the next 12 months.

Rising Ground receives contributions restricted by donors and considers contributions restricted for programs which are ongoing, major and central to its annual operations to be available to meet cash needs for general expenditures.

Rising Ground manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

18. Retirement Plan

Rising Ground has a defined contribution 401(k) profit-sharing plan (Plan) covering substantially all employees. Rising Ground matches 100% of the first 4% of the employee's base salary that an employee contributes. Pension expense relating to this matching contribution was $1,876,671 for the year ended June 30, 2021 and is included in fringe benefits on the consolidated statement of functional expenses.

EGSCF has a 403(b)-thrift plan and a 401(a) profit-sharing plan covering substantially all of its employees meeting certain eligibility requirements. Contributions to the plans are discretionary. There was no expense for the year ended June 30, 2021. This plan was frozen as of December 31, 2018.

19. Risks and Uncertainties

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the COVID-19 outbreak) and the risks to the international community as the virus spread globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full impact that the pandemic will have on the Rising Ground's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. If the pandemic continues, it may have an adverse effect on Rising Ground's results of future operations, financial condition and liquidity in 2022.

As discussed in Note 13, on March 27, 2020, the CARES Act become law. The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations, increased limitations on qualified charitable contributions and technical corrections to tax depreciation methods for qualified improvement property.

The CARES Act appropriated $178 billion for the U.S. Department of Health and Human Services (HHS) Provider Relief Fund (PRF) to be distributed to hospitals and healthcare providers for lost revenues and incremental increases in expenses as a result of the COVID-19 outbreak. As of the date of this report, Rising Ground has applied for and received $1,521,859 from HHS for the PRF. This amount has been reported in CARES Act funding on the accompanying consolidated statement of activities. These monies have been recognized following the grant accounting model, recognizing income over the applicable reporting period as management becomes reasonably assured of meeting the required criteria.

The CARES Act also appropriated funds for the SBA PPP loans that are forgivable in certain situations to promote continued employment, as well as Economic Injury Disaster Loans to provide liquidity to small businesses harmed by COVID-19. See Note 13 for additional information about Rising Ground's PPP loan.

Management continues to examine the impact that the CARES Act may have on its business. Management is currently unable to determine the full impact on its financial condition, results of operations, or liquidity.

On December 27, 2020, the Consolidated Appropriations Act, 2021 (the Act), which includes $900 billion in stimulus relief as a result of the COVID-19 outbreak, was enacted. Management continues to examine the impact that the Act may have on its business. Management is currently unable to determine the full impact on its financial condition, results of operations, or liquidity.

On March 10, 2021, the American Rescue Plan Act (ARPA), was enacted. Management continues to examine the impact that ARPA may have on its business. Management is currently unable to determine the full impact on its financial condition, results of operations, or liquidity.

20. Subsequent Events

Rising Ground has evaluated subsequent events through December 1, 2021, which is the date the consolidated financial statements were available to be issued. There were no subsequent events requiring adjustments to the consolidated financial statements or disclosures as stated herein, except:

Rising Ground is no longer providing services to one of the two middle schools in the Bronx and the closure of the Seabury Day Care Center program. Both are discussed in Note 1.

Supplementary Information

Rising Ground, Inc. and Affiliates

Consolidating Schedule of Financial Position

June 30, 2021

	Rising Ground and Affiliate	Edwin Gould and Affiliate	Eliminations	Total
Assets				
Current Assets				
Cash and cash equivalents	$ 914,676	$ 271,371	$ -	$ 1,186,047
Investments, at fair value, current portion	14,160,219	-	-	14,160,219
Investments – certificates of deposit	669,256	-	-	669,256
Accounts receivable, net	19,963,470	1,429,135	-	21,392,605
Other receivables	163,719	58,365	-	222,084
Prepaid expenses	3,176,530	300,563	-	3,477,093
Accrued investment interest receivable	42,821	-	-	42,821
Assets held for sale	744,667	-	-	744,667
Due from Rising Ground	-	2,371,499	(2,371,499)	-
Total Current Assets	39,835,358	4,430,933	(2,371,499)	41,894,792
Assets Limited as to Use				
Assets limited as to use – investments	532,126	-	-	532,126
Self-insurance deposits	4,199,286	-	-	4,199,286
Funds from Paycheck Protection Program loan	10,000,000	-	-	10,000,000
Cash reserve for liabilities	2,375,040	-	-	2,375,040
Total Assets Limited as to Use	17,106,452	-	-	17,106,452
Other Assets				
Investments, at fair value, net of current portion	2,361,096	-	-	2,361,096
Security deposits	175,241	287,141	-	462,382
Investment in equity investee	2,266,082	-	(2,266,082)	-
Beneficial interest in perpetual trusts	2,108,553	-	-	2,108,553
Operating lease right-of-use assets	4,113,004	5,381,475	-	9,494,479
Fixed assets, net	9,505,982	2,479,478	-	11,985,460
Total Other Assets	20,529,958	8,148,094	(2,266,082)	26,411,970
Total Assets	$ 77,471,768	$ 12,579,027	$ (4,637,581)	$ 85,413,214
Liabilities and Net Assets (Deficit)				
Current Liabilities				
Accounts payable	$ 5,430,046	$ 207,264	$ -	$ 5,637,310
Accrued payroll and employee benefits, current portion	7,188,729	-	-	7,188,729
Accrued expenses and other liabilities	18,997,512	782,993	-	19,780,505
Due to government agencies, current portion	582,137	123,115	-	705,252
Accrued interest payable	27,993	-	-	27,993
Line of credit and notes payable, current portion	6,807,975	197,991	-	7,005,966
Finance leases payable, current portion	213,375	-	-	213,375
Operating leases payable, current portion	1,007,908	1,457,011	-	2,464,919
Bonds payable, current portion	1,870,000	-	-	1,870,000
Due to Edwin Gould	2,371,499	-	(2,371,499)	-
Total Current Liabilities	44,497,174	2,768,374	(2,371,499)	44,894,049
Accrued Payroll and Employee Benefits, net of current portion	189,991	-	-	189,991
Line of Credit and Notes Payable, net of current portion	3,718,411	1,194,613	-	4,913,024
Finance Leases Payable, net of current portion	327,991	-	-	327,991
Operating Leases Payable, net of current portion	3,094,343	4,786,018	-	7,880,361
Due to Government Agencies, net of current portion	3,277,132	2,299,453	-	5,576,585
Paycheck Protection Program Loan	10,000,000	-	-	10,000,000
Bonds Payable, net of current portion, unamortized discount and unamortized debt issuance costs	11,272,676	-	-	11,272,676
Total Liabilities	76,377,718	11,048,458	(2,371,499)	85,054,677
Commitments and Contingencies				
Net Assets (Deficit)				
Without donor restrictions	(3,637,988)	1,309,464	(2,044,977)	(4,373,501)
With donor restrictions	4,732,038	221,105	(221,105)	4,732,038
Total Net Assets (Deficit)	1,094,050	1,530,569	(2,266,082)	358,537
Total Liabilities and Net Assets (Deficit)	$ 77,471,768	$ 12,579,027	$ (4,637,581)	$ 85,413,214

Rising Ground, Inc. and Affiliates

Consolidating Schedule of Financial Position

June 30, 2021

	Rising Ground, Inc.	The Emergency Shelter, Inc.	Employee Benefits Program Revocable Trust	Eliminations	Total
Assets					
Current Assets					
Cash and cash equivalents	$ 745,152	$ 169,524	$ -	$ -	$ 914,676
Investments, at fair value, current portion	14,160,219	-	-	-	14,160,219
Investments - certificates of deposit	-	669,256	-	-	669,256
Accounts receivable, net	19,963,470	121,216	2,400,000	(2,521,216)	19,963,470
Other receivables	163,719	-	-	-	163,719
Prepaid expenses	3,176,530	-	-	-	3,176,530
Accrued investment interest receivable	42,821	-	-	-	42,821
Assets held for sale	744,667	-	-	-	744,667
Total Current Assets	38,996,578	959,996	2,400,000	(2,521,216)	39,835,358
Assets Limited as to Use					
Assets limited as to use - investments	532,126	-	-	-	532,126
Self-insurance deposits	-	-	4,199,286	-	4,199,286
Funds from Paycheck Protection Program loan	10,000,000	-	-	-	10,000,000
Cash reserve for liabilities	2,375,040	-	-	-	2,375,040
Total Assets Limited as to Use	12,907,166	-	4,199,286	-	17,106,452
Other Assets					
Investments, at fair value, net of current portion	2,361,096	-	-	-	2,361,096
Security deposits	175,241	-	-	-	175,241
Investment in equity investee	2,266,082	-	-	-	2,266,082
Beneficial interest in perpetual trusts	-	2,108,553	-	-	2,108,553
Operating lease right-of-use assets	4,113,004	-	-	-	4,113,004
Fixed assets, net	9,505,982	-	-	-	9,505,982
Total Other Assets	18,421,405	2,108,553	-	-	20,529,958
Total Assets	$70,325,149	$ 3,068,549	$ 6,599,286	$ (2,521,216)	$77,471,768
Liabilities and Net Assets (Deficit)					
Current Liabilities					
Accounts payable	$ 5,430,046	$ -	$ -	$ -	$ 5,430,046
Accrued payroll and employee benefits, current portion	7,188,729	-	-	-	7,188,729
Accrued expenses and other liabilities	13,682,692	28,750	5,407,286	(121,216)	18,997,512
Due to government agencies, current portion	582,137	-	-	-	582,137
Accrued interest payable	27,993	-	-	-	27,993
Line of credit and notes payable, current portion	6,807,975	-	-	-	6,807,975
Finance leases payable, current portion	213,375	-	-	-	213,375
Operating leases payable, current portion	1,007,908				1,007,908
Bonds payable, current portion	1,870,000	-	-	-	1,870,000
Due to employee benefit trust	2,400,000	-	-	(2,400,000)	-
Due to Edwin Gould	2,371,499	-	-	-	2,371,499
Total Current Liabilities	41,582,354	28,750	5,407,286	(2,521,216)	44,497,174
Accrued Payroll and Employee Benefits, net of current portion	189,991	-	-	-	189,991
Line of Credit and Notes Payable, net of current portion	3,718,411	-	-	-	3,718,411
Finance Leases Payable, net of current portion	327,991	-	-	-	327,991
Operating Leases Payable, net of current portion	3,094,343	-	-	-	3,094,343
Due to Government Agencies, net of current portion	3,277,132	-	-	-	3,277,132
Paycheck Protection Program Loan	10,000,000	-	-	-	10,000,000
Bonds Payable, net of current portion, unamortized discount and unamortized debt issuance costs	11,272,676	-	-	-	11,272,676
Total Liabilities	73,462,898	28,750	5,407,286	(2,521,216)	76,377,718
Commitments and Contingencies					
Net Assets (Deficit)					
Without donor restrictions	(5,761,234)	931,246	1,192,000	-	(3,637,988)
With donor restrictions	2,623,485	2,108,553	-	-	4,732,038
Total Net Assets (Deficit)	(3,137,749)	3,039,799	1,192,000	-	1,094,050
Total Liabilities and Net Assets (Deficit)	$70,325,149	$ 3,068,549	$ 6,599,286	$ (2,521,216)	$77,471,768

Edwin Gould Services for Children and Families and Affiliate

Consolidating Schedule of Financial Position

June 30, 2021

	Edwin Gould	Kingsland Services Fund, Inc.	Eliminations	Total
Assets				
Current Assets				
Cash and cash equivalents	$ 271,371	$ -	$ -	$ 271,371
Accounts receivable, net	1,429,135	-	-	1,429,135
Other receivables	58,365	-	-	58,365
Prepaid expenses	300,563	-	-	300,563
Due from Rising Ground	2,371,499	-	-	2,371,499
Total Current Assets	4,430,933	-	-	4,430,933
Other Assets				
Security deposits	287,141	-	-	287,141
Operating lease right-of-use assets	5,381,475	-	-	5,381,475
Fixed assets, net	2,479,478	-	-	2,479,478
Total Other Assets	8,148,094	-	-	8,148,094
Total Assets	$ 12,579,027	$ -	$ -	$ 12,579,027
Liabilities and Net Assets				
Current Liabilities				
Accounts payable	$ 207,264	$ -	$ -	$ 207,264
Accrued expenses and other liabilities	782,993	-	-	782,993
Due to government agencies, current portion	123,115	-	-	123,115
Line of credit and notes payable, current portion	197,991	-	-	197,991
Operating leases payable, current portion	1,457,011	-	-	1,457,011
Total Current Liabilities	2,768,374	-	-	2,768,374
Line of credit and notes payable, net of current portion	1,194,613	-	-	1,194,613
Operating leases payable, net of current portion	4,786,018	-	-	4,786,018
Due to government agencies, net of current portion	2,299,453	-	-	2,299,453
Total Liabilities	11,048,458	-	-	11,048,458
Commitments and Contingencies				
Net Assets				
Without donor restrictions	1,309,464	-	-	1,309,464
With donor restrictions	221,105	-	-	221,105
Total Net Assets	1,530,569	-	-	1,530,569
Total Liabilities and Net Assets	$ 12,579,027	$ -	$ -	$ 12,579,027

Rising Ground, Inc. and Affiliates

Consolidating Schedule of Activities

Year ended June 30, 2021

	Rising Ground and Affiliate		Edwin Gould and Affiliate		Eliminations		Total		
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenues									
Program revenue	$ 116,368,439	$ -	$ 8,781,717	$ 286,750	$ -	$ -	$ 125,150,156	$ 286,750	$ 125,436,906
CARES Act funding	1,521,859	-	-	-	-	-	1,521,859	-	1,521,859
In-kind contributions	120,312	-	-	-	-	-	120,312	-	120,312
Other income	75,046	-	-	-	-	-	75,046	-	75,046
Total Operating Revenues	118,085,656	-	8,781,717	286,750	-	-	126,867,373	286,750	127,154,123
Operating Expenses									
Total Program Services Expenses	106,955,494	-	8,484,009	-	-	-	115,439,503	-	115,439,503
Supporting services:									
Management and general	13,844,433	-	215,361	-	1,030,046	-	15,089,840	-	15,089,840
Development	780,365	-	-	-	-	-	780,365	-	780,365
Total Supporting Services Expenses	14,624,798	-	215,361	-	1,030,046	-	15,870,205	-	15,870,205
Total Operating Expenses	121,580,292	-	8,699,370	-	1,030,046	-	131,309,708	-	131,309,708
Change in Net Assets, before nonoperating revenues (expenses)	(3,494,636)	-	82,347	286,750	(1,030,046)	-	(4,442,335)	286,750	(4,155,585)
Nonoperating Revenues (Expenses)									
Investment income, net	3,551,889	-	6	-	-	-	3,551,895	-	3,551,895
Contributions	1,198,134	-	-	-	-	-	1,198,134	-	1,198,134
Special events	594,379	-	-	-	-	-	594,379	-	594,379
Direct costs of special events	(46,441)	-	-	-	-	-	(46,441)	-	(46,441)
Change in value of beneficial interest in perpetual trusts	-	471,253	-	-	-	-	-	471,253	471,253
Contribution from Edwin Gould Services for Children and Families	1,081,579	(52,116)	-	-	(1,081,579)	52,116	-	-	-
Miscellaneous income	64,000	-	-	-	-	-	64,000	-	64,000
Impairment of fixed assets	(13,178,557)	-	-	-	-	-	(13,178,557)	-	(13,178,557)
Net assets released from restrictions	163,565	(163,565)	338,866	(338,866)	-	-	502,431	(502,431)	-
Total Nonoperating Revenues (Expenses)	(6,571,452)	255,572	338,872	(338,866)	(1,081,579)	52,116	(7,314,159)	(31,178)	(7,345,337)
Change in Net Assets (Deficit)	(10,066,088)	255,572	421,219	(52,116)	(2,111,625)	52,116	(11,756,494)	255,572	(11,500,922)
Net Assets (Deficit), beginning of year	6,428,100	4,476,466	888,245	273,221	66,648	(273,221)	7,382,993	4,476,466	11,859,459
Net Assets (Deficit), end of year	$ (3,637,988)	$ 4,732,038	$ 1,309,464	$ 221,105	$ (2,044,977)	$ (221,105)	$ (4,373,501)	$ 4,732,038	$ 358,537

Rising Ground, Inc. and Affiliates

Consolidating Schedule of Activities

Year ended June 30, 2021

	Rising Ground, Inc.		The Emergency Shelter, Inc.		Employee Benefits Program Revocable Trust		Total		
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	Eliminations	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenues									
Program revenue	$ 116,368,439	$ -	$ -	$ -	$ 9,848,000	$ (9,848,000)	$ 116,368,439	$ -	$ 116,368,439
CARES Act funding	1,521,859	-	-	-	-	-	1,521,859	-	1,521,859
In-kind contributions	120,312	-	-	-	-	-	120,312	-	120,312
Other income	75,046	-	-	-	-	-	75,046	-	75,046
Total Operating Revenues	118,085,656	-	-	-	9,848,000	(9,848,000)	118,085,656	-	118,085,656
Operating Expenses									
Total Program Services Expenses	106,955,494	-	75,000	-	-	(75,000)	106,955,494	-	106,955,494
Supporting services:									
Management and general	13,843,806	-	3,327	-	9,848,000	(9,850,700)	13,844,433	-	13,844,433
Development	780,365	-	-	-	-	-	780,365	-	780,365
Total Supporting Services Expenses	14,624,171	-	3,327	-	9,848,000	(9,850,700)	14,624,798	-	14,624,798
Total Operating Expenses	121,579,665	-	78,327	-	9,848,000	(9,925,700)	121,580,292	-	121,580,292
Change in Net Assets, before nonoperating revenues (expenses)	(3,494,009)	-	(78,327)	-	-	77,700	(3,494,636)	-	(3,494,636)
Nonoperating Revenues (Expenses)									
Investment income, net	3,462,109	-	92,480	-	-	(2,700)	3,551,889	-	3,551,889
Contributions	1,273,134	-	-	-	-	(75,000)	1,198,134	-	1,198,134
Special events	594,379	-	-	-	-	-	594,379	-	594,379
Direct costs of special events	(46,441)	-	-	-	-	-	(46,441)	-	(46,441)
Change in value of beneficial interest in perpetual trusts	-	-	-	471,253	-	-	-	471,253	471,253
Contribution from Edwin Gould Services for Children and Families	1,081,579	(52,116)	-	-	-	-	1,081,579	(52,116)	1,029,463
Miscellaneous income	-	-	-	-	64,000	-	64,000	-	64,000
Impairment of fixed assets	(13,178,557)	-	-	-	-	-	(13,178,557)	-	(13,178,557)
Net assets released from restrictions	163,565	(163,565)	-	-	-	-	163,565	(163,565)	-
Total Nonoperating Revenues (Expenses)	(6,650,232)	(215,681)	92,480	471,253	64,000	(77,700)	(6,571,452)	255,572	(6,315,880)
Change in Net Assets (Deficit)	(10,144,241)	(215,681)	14,153	471,253	64,000	-	(10,066,088)	255,572	(9,810,516)
Net Assets (Deficit), beginning of year	4,383,007	2,839,166	917,093	1,637,300	1,128,000	-	6,428,100	4,476,466	10,904,566
Net Assets (Deficit), end of year	$ (5,761,234)	$ 2,623,485	$ 931,246	$ 2,108,553	$ 1,192,000	$ -	$ (3,637,988)	$ 4,732,038	$ 1,094,050

Edwin Gould Services for Children and Families and Affiliate

Consolidating Schedule of Activities

Year ended June 30, 2021

	Edwin Gould		Kingsland Services Fund, Inc.			Total		
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Eliminations	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenues								
Program revenue	$ 8,781,717	$ 286,750	$ -	$ -	$ -	$ 8,781,717	$ 286,750	$ 9,068,467
Total Operating Revenues	8,781,717	286,750	-	-	-	8,781,717	286,750	9,068,467
Operating Expenses								
Total Program Services Expenses	8,484,009	-	-	-	-	8,484,009	-	8,484,009
Supporting services:								
Management and general	215,361	-	-	-	-	215,361	-	215,361
Total Operating Expenses	8,699,370	-	-	-	-	8,699,370	-	8,699,370
Change in Net Assets, before nonoperating revenues (expenses)	82,347	286,750	-	-	-	82,347	286,750	369,097
Nonoperating Revenues (Expenses)								
Investment income, net	-	-	6	-	-	6	-	6
Contributions of assets from Kingsland Services Fund, Inc.	45,676	-	-	-	(45,676)	-	-	-
Forgiveness of debt from Kingsland Services Fund, Inc.	614,690	-	-	-	(614,690)	-	-	-
Contribution to Edwin Gould Services for Children and Families	-	-	(660,366)	-	660,366	-	-	-
Net assets released from restrictions	338,866	(338,866)	-	-	-	338,866	(338,866)	-
Total Nonoperating Revenues (Expenses)	999,232	(338,866)	(660,360)	-	-	338,872	(338,866)	6
Change in Net Assets	1,081,579	(52,116)	(660,360)	-	-	421,219	(52,116)	369,103
Net Assets, beginning of year	227,885	273,221	660,360	-	-	888,245	273,221	1,161,466
Net Assets, end of year	$ 1,309,464	$ 221,105	$ -	$ -	$ -	$ 1,309,464	$ 221,105	$ 1,530,569

Rising Ground, Inc. and Affiliate

Consolidated Schedule of Functional Expenses for
Rising Ground, Inc., The Emergency Shelter, Inc. and the Employee Benefits Program Revocable Trust

Year ended June 30, 2021

	Program Services							Supporting Services				
	Children and Family Services	Developmental Disabilities	Juvenile Justice	Special Education	Early Childhood	Anti-Intimate Partner Services	Total Program Services	Management and General	Development	Direct Costs of Special Events	Total Supporting Services	Total
Employee Compensation and Benefits												
Salaries and wages	$ 27,107,911	$ 10,763,264	$ 7,583,217	$ 7,069,800	$ 4,647,715	$ 1,406,245	$ 58,578,152	$ 5,493,259	$ 425,211	$ -	$ 5,918,470	$ 64,496,622
Fringe benefits	7,550,455	3,004,539	2,099,532	1,936,756	1,255,134	384,348	16,230,764	1,543,326	114,460	-	1,657,786	17,888,550
Total Employee Compensation and Benefits	34,658,366	13,767,803	9,682,749	9,006,556	5,902,849	1,790,593	74,808,916	7,036,585	539,671	-	7,576,256	82,385,172
Specific Assistance to Individuals												
Payments to foster parents	4,962,549	-	-	-	-	-	4,962,549	-	-	-	-	4,962,549
Food	369,597	243,360	235,258	43,946	20,771	-	912,932	-	-	-	-	912,932
Children's allowances and activities	1,204,616	54,942	156,345	167,627	47,091	62,209	1,692,830	-	-	-	-	1,692,830
Consumer incidentals	24,064	7,773	1,412	-	-	-	33,249	-	-	-	-	33,249
Clothing	127,353	24,727	31,912	-	-	-	183,992	-	-	-	-	183,992
Total Specific Assistance to Individuals	6,688,179	330,802	424,927	211,573	67,862	62,209	7,785,552	-	-	-	-	7,785,552
Occupancy												
Interest expense	130,599	283,037	-	200,030	74,049	-	687,715	292,328	-	-	292,328	980,043
Rent	2,176,956	519,360	399,911	-	825,469	89,451	4,011,147	430,863	22,510	-	453,373	4,464,520
Utilities	557,932	271,565	111,487	416,406	180,595	2,585	1,540,570	137,544	356	-	137,900	1,678,470
Maintenance and repairs	650,732	230,731	294,562	170,177	93,958	1,733	1,441,893	210,587	-	-	210,587	1,652,480
Security	131,402	84,702	103,869	4,590	28,524	-	353,087	97,576	-	-	97,576	450,663
Janitorial services	483,812	27,382	25,113	113,516	129,979	2,940	782,742	369,443	-	-	369,443	1,152,185
Total Occupancy	4,131,433	1,416,777	934,942	904,719	1,332,574	96,709	8,817,154	1,538,341	22,866	-	1,561,207	10,378,361
Professional Fees												
Clinical services	461,365	2,766	43,799	-	1,094,159	-	1,602,089	-	-	-	-	1,602,089
Legal and audit	89,494	44,396	-	7,580	-	-	141,470	289,382	-	-	289,382	430,852
Other independent contractors	651,283	130,546	403,825	61,390	734,124	48,378	2,029,546	1,114,922	51,453	-	1,166,375	3,195,921
Total Professional Fees	1,202,142	177,708	447,624	68,970	1,828,283	48,378	3,773,105	1,404,304	51,453	-	1,455,757	5,228,862
Other												
Supplies	648,446	291,684	269,033	300,333	174,649	14,002	1,698,147	323,472	33,236	-	356,708	2,054,855
Transportation and other travel-related expenses	287,492	64,076	18,954	4,384	1,418	-	376,324	56,824	-	-	56,824	433,148
Insurance	695,669	465,860	152,125	178,269	102,540	4,719	1,599,182	564,446	3,727	-	568,173	2,167,355
Telephone	681,300	267,244	303,497	100,635	135,090	31,871	1,519,637	504,457	6,426	-	510,883	2,030,520
Vehicle rentals, repairs and replacement	330,991	392,653	39,343	28,789	-	-	791,776	23,349	-	-	23,349	815,125
Equipment/furniture rentals, repairs and replacement	651,757	197,413	68,057	136,838	56,032	8,100	1,118,197	357,354	3,839	-	361,193	1,479,390
Staff development	157,187	45,199	50,731	222,924	39,774	4,466	520,281	82,479	-	-	82,479	602,760
Staff recruitment	24,249	152	3,628	5,726	6,327	-	40,082	185,492	1,668	-	187,160	227,242
Printing, postage, subscriptions, publications	24,106	123	937	32,553	8,618	96	66,433	143,255	105,106	-	248,361	314,794
Dues, licenses, permits	72,939	6,000	-	9,747	6,643	100	95,429	180,984	2,250	-	183,234	278,663
Line of credit interest expense	-	-	-	-	-	-	-	198,114	-	-	198,114	198,114
Bad debt expense	-	125,652	-	-	-	101,769	227,421	187,690	-	-	187,690	415,111
Miscellaneous	20,122	23,715	7,889	16,385	9,285	-	77,396	361,485	7,000	46,441	414,926	492,322
Total Other	3,594,258	1,879,771	914,194	1,036,583	540,376	165,123	8,130,305	3,169,401	163,252	46,441	3,379,094	11,509,399
Total Expenses, before depreciation and amortization	50,274,378	17,572,861	12,404,436	11,228,401	9,671,944	2,163,012	103,315,032	13,148,631	777,242	46,441	13,972,314	117,287,346
Depreciation and Amortization	1,262,393	687,059	952,811	581,266	145,838	11,095	3,640,462	695,802	3,123	-	698,925	4,339,387
Total Expenses	51,536,771	18,259,920	13,357,247	11,809,667	9,817,782	2,174,107	106,955,494	13,844,433	780,365	46,441	14,671,239	121,626,733
Less: Expenses Deducted Directly from Revenues												
Direct cost of special events	-	-	-	-	-	-	-	-	-	(46,441)	(46,441)	(46,441)
Total Expenses Reported by Function	$ 51,536,771	$ 18,259,920	$ 13,357,247	$ 11,809,667	$ 9,817,782	$ 2,174,107	$ 106,955,494	$ 13,844,433	$ 780,365	$ -	$ 14,624,798	$ 121,580,292

Rising Ground, Inc. and Affiliate

Consolidated Schedule of Functional Expenses for Edwin Gould Services for Children and Families and Kingsland Services Fund, Inc.

Year ended June 30, 2021

	Program Services							Supporting Services				
	Children and Family Services	Developmental Disabilities	Special Education	Juvenile Justice	Early Childhood	Anti-Intimate Partner Services	Total Program Services	Management and General	Development	Direct Costs of Special Events	Total Supporting Services	Total
Employee Compensation and Benefits												
Salaries and wages	$ 1,534,871	$ 1,158,094	$ -	$ -	$ -	$ 2,136,428	$ 4,829,393	$ -	$ -	$ -	$ -	$ 4,829,393
Fringe benefits	432,988	317,118	-	-	-	582,712	1,332,818	-	-	-	-	1,332,818
Total Employee Compensation and Benefits	1,967,859	1,475,212	-	-	-	2,719,140	6,162,211	-	-	-	-	6,162,211
Specific Assistance to Individuals												
Payments to foster parents	-	-	-	-	-	1,738	1,738	-	-	-	-	1,738
Food	-	34,415	-	-	-	-	34,415	-	-	-	-	34,415
Children's allowances and activities	42,520	5,412	-	-	-	183,468	231,400	-	-	-	-	231,400
Consumer incidentals	-	3,717	-	-	-	-	3,717	-	-	-	-	3,717
Clothing	-	3,750	-	-	-	-	3,750	-	-	-	-	3,750
Total Specific Assistance to Individuals	42,520	47,294	-	-	-	185,206	275,020	-	-	-	-	275,020
Occupancy												
Rent	222,090	88,622	-	-	-	107,778	418,490	-	-	-	-	418,490
Utilities	11,585	-	-	-	-	6,353	17,938	-	-	-	-	17,938
Maintenance and repairs	793	5,025	-	-	-	314	6,132	-	-	-	-	6,132
Security	3,150	13,834	-	-	-	-	16,984	-	-	-	-	16,984
Janitorial services	17,285	2,139	-	-	-	7,437	26,861	-	-	-	-	26,861
Total Occupancy	254,903	109,620	-	-	-	121,882	486,405	-	-	-	-	486,405
Professional Fees												
Other independent contractors	8,886	518	-	-	-	88,165	97,569	-	-	-	-	97,569
Total Professional Fees	8,886	518	-	-	-	88,165	97,569	-	-	-	-	97,569
Other												
Supplies	8,986	37,072	-	-	-	13,086	59,144	-	-	-	-	59,144
Transportation and other travel-related expenses	7,885	3,410	-	-	-	2,341	13,636	-	-	-	-	13,636
Insurance	54,292	36,203	-	-	-	62,151	152,646	-	-	-	-	152,646
Telephone	43,255	21,723	-	-	-	50,136	115,114	-	-	-	-	115,114
Vehicle rentals, repairs and replacement	-	14,252	-	-	-	-	14,252	-	-	-	-	14,252
Equipment/furniture rentals, repairs and replacement	47,817	11,666	-	-	-	16,962	76,445	-	-	-	-	76,445
Staff development	13,927	-	-	-	-	26,869	40,796	-	-	-	-	40,796
Staff recruitment	-	-	-	-	-	370	370	-	-	-	-	370
Printing, postage, subscriptions, publications	706	-	-	-	-	144	850	-	-	-	-	850
Dues, licenses, permits	-	4,000	-	-	-	1,168	5,168	-	-	-	-	5,168
Bad debt expense	-	563,088	-	-	-	390,659	953,747	215,361	-	-	215,361	1,169,108
Miscellaneous	-	577	-	-	-	-	577	-	-	-	-	577
Total Other	176,868	691,991	-	-	-	563,886	1,432,745	215,361	-	-	215,361	1,648,106
Total Expenses, before depreciation and amortization	2,451,036	2,324,635	-	-	-	3,678,279	8,453,950	215,361	-	-	215,361	8,669,311
Depreciation and Amortization	17,874	2,131	-	-	-	10,054	30,059	-	-	-	-	30,059
Total Expenses Reported by Function	$ 2,468,910	$ 2,326,766	$ -	$ -	$ -	$ 3,688,333	$ 8,484,009	$ 215,361	$ -	$ -	$ 215,361	$ 8,699,370