Rising Ground, Inc. and Affiliates

Consolidated Financial Statements
and Supplementary Information
Year Ended June 30, 2024

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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, 2024, 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, 2024, 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 (GAAP).

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 GAAP, 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 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 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.

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, P.C.

November 27, 2024

Rising Ground, Inc. and Affiliates

Consolidated Statement of Financial Position

June 30, 2024		
Assets		
Current Assets		
Cash and cash equivalents	$	5,474,989
Investments, at fair value, current portion		49,603,699
Accounts receivable, net		40,221,495
Other receivables		150,495
Prepaid expenses		943,947
Total Current Assets		96,394,625
Assets Limited as to Use		
Assets limited as to use – investments		546,358
Self-insurance deposits		17,826,156
Cash reserve for liabilities		821,557
Total Assets Limited as to Use		19,194,071
Other Assets		
Investments, at fair value, net of current portion		2,361,096
Security deposits		1,411,420
Loan receivable		4,510,000
Operating lease right-of-use assets		35,750,731
Fixed assets, net		10,236,802
Total Other Assets		54,270,049
Total Assets	$	169,858,745

Rising Ground, Inc. and Affiliates

Consolidated Statement of Financial Position

June 30, 2024	
Liabilities and Net Assets	
Current Liabilities	
Accounts payable	$ 6,087,759
Accrued payroll and employee benefits, current portion	9,306,557
Accrued expenses and other liabilities	27,197,919
Due to government agencies, current portion	1,296,586
Accrued interest payable	16,900
Line of credit and notes payable, current portion	10,067,985
Finance leases payable, current portion	34,246
Operating leases payable, current portion	7,378,569
Bonds payable, current portion	330,000
Total Current Liabilities	61,716,521
Accrued Payroll and Employee Benefits, net of current portion	21,030
Due to Government Agencies, net of current portion	10,459,561
Line of Credit and Notes Payable, net of current portion	1,683,610
Finance Leases Payable, net of current portion	1,826
Operating Leases Payable, net of current portion	28,922,287
Bonds Payable, net of current portion, unamortized discount and unamortized debt issuance costs	646,129
Total Liabilities	103,450,964
Commitments and Contingencies	
Net Assets	
Without donor restrictions	64,046,685
With donor restrictions	2,361,096
Total Net Assets	66,407,781
Total Liabilities and Net Assets	$ 169,858,745

See accompanying notes to consolidated financial statements.

Rising Ground, Inc. and Affiliates

Consolidated Statement of Activities

Year ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenues			
Program revenue	$ 196,904,186	$ -	$ 196,904,186
Other income	1,663,482	-	1,663,482
Total Operating Revenues	198,567,668	-	198,567,668
Operating Expenses			
Program services:			
Children and Family Services	111,846,799	-	111,846,799
Juvenile Justice	27,624,609	-	27,624,609
Developmental Disabilities	26,175,774	-	26,175,774
Early Childhood	7,368,086	-	7,368,086
Anti-Intimate Partner Services	6,370,818	-	6,370,818
Special Education	1,767,358	-	1,767,358
Total Program Services Expenses	181,153,444	-	181,153,444
Supporting services:			
Management and general	25,553,804	-	25,553,804
Development	484,182	-	484,182
Total Supporting Services Expenses	26,037,986	-	26,037,986
Total Operating Expenses	207,191,430	-	207,191,430
Change in Net Assets, before non-operating revenues (expenses)	(8,623,762)	-	(8,623,762)
Non-Operating Revenues (Expenses)			
Investment income, net	6,776,882	-	6,776,882
Contributions	1,761,361	-	1,761,361
Special events	481,381	-	481,381
Direct costs of special events to donors	(110,331)	-	(110,331)
Miscellaneous income	207,000	-	207,000
Total Non-Operating Revenues (Expenses)	9,116,293	-	9,116,293
Change in Net Assets	492,531	-	492,531
Net Assets, beginning of year	63,554,154	2,361,096	65,915,250
Net Assets, end of year	$ 64,046,685	$ 2,361,096	$ 66,407,781

See accompanying notes to consolidated financial statements.

Rising Ground, Inc. and Affiliates

Consolidated Statement of Functional Expenses

Year ended June 30, 2024

	Program Services							Supporting Services				
	Children and Family Services	Juvenile Justice	Developmental Disabilities	Early Childhood	Anti-Intimate Partner Services	Special Education	Total Program Services	Management and General	Development	Direct Costs of Special Events	Total Supporting Services	Total
Employee Compensation and Benefits												
Salaries and wages	$ 59,257,554	$ 17,403,075	$ 15,913,646	$ 3,065,162	$ 4,010,750	$ 813,943	$ 100,464,130	$ 11,648,494	$ 202,939	$ -	$ 11,851,433	$ 112,315,563
Fringe benefits	16,734,708	4,917,648	4,566,452	864,914	1,132,063	232,847	28,448,632	2,993,994	60,504	-	3,054,498	31,503,130
Total Employee Compensation and Benefits	75,992,262	22,320,723	20,480,098	3,930,076	5,142,813	1,046,790	128,912,762	14,642,488	263,443	-	14,905,931	143,818,693
Specific Assistance to Individuals												
Payments to foster parents	8,932,681	-	-	-	-	-	8,932,681	-	-	-	-	8,932,681
Food	1,304,044	468,429	431,353	122,370	7,375	26,139	2,359,710	-	-	-	-	2,359,710
Children's allowances and activities	1,481,760	303,943	46,102	159,661	601,503	100,590	2,693,559	-	-	-	-	2,693,559
Consumer incidentals	1,261,749	4,717	12,149	-	-	-	1,278,615	-	-	-	-	1,278,615
Clothing	362,404	27,709	37,844	-	-	-	427,957	-	-	-	-	427,957
Total Specific Assistance to Individuals	13,342,638	804,798	527,448	282,031	608,878	126,729	15,692,522	-	-	-	-	15,692,522
Occupancy												
Interest expense	433	-	134,085	-	-	-	134,518	227,454	-	-	227,454	361,972
Rent	8,284,765	1,101,452	921,896	331,603	241,316	4,553	10,885,585	471,770	39,404	-	511,174	11,396,759
Utilities	986,839	235,161	335,430	52,769	19,527	110,228	1,739,954	481,524	4,466	-	485,990	2,225,944
Maintenance and repairs	1,627,609	531,801	438,445	64,852	108	7,410	2,670,225	560,705	1,600	-	562,305	3,232,530
Security	747,527	95,583	119,967	4,652	754	13,990	982,473	130,810	32	-	130,842	1,113,315
Janitorial services	336,582	25,314	62,787	135,537	7,423	50,034	617,677	596,343	2,010	-	598,353	1,216,030
Total Occupancy	11,983,755	1,989,311	2,012,610	589,413	269,128	186,215	17,030,432	2,468,606	47,512	-	2,516,118	19,546,550
Professional Fees												
Clinical services	36,771	6,725	3,398	1,172,808	-	-	1,219,702	-	-	-	-	1,219,702
Legal and audit	184,546	-	-	-	-	-	184,546	482,910	-	-	482,910	667,456
Other independent contractors	2,860,269	432,546	332,507	869,047	49,450	176,678	4,720,497	2,413,731	17,510	-	2,431,241	7,151,738
Total Professional Fees	3,081,586	439,271	335,905	2,041,855	49,450	176,678	6,124,745	2,896,641	17,510	-	2,914,151	9,038,896
Other												
Supplies	1,313,161	582,664	387,892	312,394	21,615	62,350	2,680,076	490,872	31,509	-	522,381	3,202,457
Transportation and other travel-related expenses	606,104	105,756	178,470	19,447	12,544	503	922,824	79,257	610	-	79,867	1,002,691
Insurance	1,183,176	334,675	596,834	57,009	55,105	63,352	2,290,151	957,308	3,302	-	960,610	3,250,761
Telephone	887,750	199,875	305,370	25,719	36,143	4,128	1,458,985	475,014	7,613	-	482,627	1,941,612
Vehicle rentals, repairs, and replacement	380,361	146,747	490,690	-	-	3,677	1,021,475	47,966	-	-	47,966	1,069,441
Equipment/furniture rentals, repairs, and replacement	1,442,695	206,048	96,084	33,411	77,235	1,662	1,857,135	487,200	9,085	-	496,285	2,353,420
Staff development	284,807	258,306	61,477	53,013	64,796	(2,163)	720,236	270,835	-	-	270,835	991,071
Staff recruitment	81,071	500	1,008	611	11,961	3,458	98,609	223,386	508	-	223,894	322,503
Printing, postage, subscriptions, and publications	77,530	47	13	-	-	19,573	97,163	239,342	77,575	-	316,917	414,080
Dues, licenses, and permits	110,330	-	335	4,037	5,005	-	119,707	122,400	-	-	122,400	242,107
Line of credit interest expense	-	-	-	-	-	-	-	690,135	-	-	690,135	690,135
Miscellaneous	28,327	34,200	32,231	1,259	-	-	96,017	975,632	21,002	110,331	1,106,965	1,202,982
Total Other	6,395,312	1,868,818	2,150,404	506,900	284,404	156,540	11,362,378	5,059,347	151,204	110,331	5,320,882	16,683,260
Total Expenses, before depreciation and amortization	110,795,553	27,422,921	25,506,465	7,350,275	6,354,673	1,692,952	179,122,839	25,067,082	479,669	110,331	25,657,082	204,779,921
Depreciation and Amortization	1,051,246	201,688	669,309	17,811	16,145	74,406	2,030,605	486,722	4,513	-	491,235	2,521,840
Total Expenses	111,846,799	27,624,609	26,175,774	7,368,086	6,370,818	1,767,358	181,153,444	25,553,804	484,182	110,331	26,148,317	207,301,761
Less: Expenses Deducted Directly from Revenues												
Direct cost of special events to donors	-	-	-	-	-	-	-	-	-	(110,331)	(110,331)	(110,331)
Total Expenses Reported by Function	$ 111,846,799	$ 27,624,609	$ 26,175,774	$ 7,368,086	$ 6,370,818	$ 1,767,358	$ 181,153,444	$ 25,553,804	$ 484,182	$ -	$ 26,037,986	$ 207,191,430

See accompanying notes to consolidated financial statements.

Rising Ground, Inc. and Affiliates

Consolidated Statement of Cash Flows

Year ended June 30, 2024	
Cash Flows from Operating Activities	
Change in net assets	$ 492,531
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation and amortization	2,521,840
Interest expense related to amortization of deferred issuance costs	18,891
Interest expense related to amortization of bond discount	3,500
Realized gains on investments	(1,923,411)
Unrealized gains on investments	(2,865,943)
Allowance for credit losses	285,819
Operating lease expense	10,657,310
Changes in:	
Accounts receivable	(9,987,770)
Other receivables	225,492
Prepaid expenses	(166,261)
Accrued investment interest receivable	54,930
Security deposits	(83,945)
Accounts payable	(141,731)
Accrued payroll and employee benefits	2,421,171
Accrued expenses and other liabilities	(679,501)
Due to government agencies	3,665,791
Accrued interest payable	(4,063)
Principal reduction in operating lease liabilities	(10,312,026)
Net Cash Used in Operating Activities	(5,817,376)
Cash Flows from Investing Activities	
Purchases of investments	(11,999,422)
Proceeds from sales of investments	18,851,818
Change in assets limited as to use - investments	1,213
Purchases of fixed assets	(3,505,522)
Net Cash Provided by Investing Activities	3,348,087
Cash Flows from Financing Activities	
Principal payments on line of credit and notes payable	(5,331,606)
Proceeds from line of credit and notes payable	11,000,000
Principal payments on bonds payable	(325,000)
Principal payments on finance leases payable	(117,752)
Net Cash Provided by Financing Activities	5,225,642
Net Increase in Cash, Cash Equivalents, Restricted Cash, and Restricted Cash Equivalents	2,756,353
Cash, Cash Equivalents, Restricted Cash, and Restricted Cash Equivalents, beginning of year	21,366,349
Cash, Cash Equivalents, Restricted Cash, and Restricted Cash Equivalents, end of year	$ 24,122,702
Supplemental Disclosure of Cash Flow Information	
Cash paid during the year for interest	$ 824,390
Right-of-use assets acquired through operating leases	28,209,466

See accompanying notes to consolidated financial statements.

1. Nature of Organization

Rising Ground is comprised of Rising Ground, Inc. (RG, Inc.); Fund for Rising Ground, Inc. (FRG); Rising Ground Employee Benefits Program Trust (the Trust); and Edwin Gould Services for Children and Families (EGSCF). RG, Inc. provides comprehensive social services including family stabilization, foster care, Early Head Start, residential and respite services for children and adults with developmental disabilities, therapeutic and community-based supports for survivors of intimate partner and/or gender-based violence, preschool special education, care for unaccompanied migrant children in our residences and our certified foster homes, residential treatment and group homes for youth with emotional and mental health challenges, residential and support services for runaway and homeless youth, and a spectrum of residential community based 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), New York City (NYC) and federal government agencies.

On June 29, 2021, the FRG was established to solicit, hold, manage, invest, and distribute charitable funds and real property for RG, Inc.; and perform the function of, or carry out the purposes of, RG, Inc., the sole member.

On June 23, 2020, 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 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.

RG Inc.'s program services consist of the following:

Residential Treatment Center

The Residential Treatment Center, in Yonkers, provides 24-hour residential care to youth ages 12 to 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. While the majority of residents are placed in the RTC by their school district, some of the youth supported by the Residential Treatment Center are in foster care. After the closure of the Biondi School in 2023, in 2024, RG, Inc. became affiliated with the Greenburg North Castle School District and all residents now attend this school. This affiliation has allowed for increased enrollment in the program in 2024.

Foster Care Programs

Enhanced Family Foster Care

The Enhanced Family Foster Care program serves children who have experienced abuse and neglect and have been removed from their parent or guardian's care. The goal in all cases is to establish a permanent appropriate living arrangement for the child, preferably via reunification with their birth family. If that is not possible, the goal is to establish a home with an adoptive family or another permanent resource or to prepare the youth to live independently. Key to these efforts are several unique programs that help guide a child's and their family's future toward a positive path including—Co-parenting; Parents Supporting Parents; and Mentored Internship Program.

Supervised Independent Living Program (SILP)

RG, Inc. is one of four providers citywide that provides services to foster youth agers 18-21 through the Supervised Independent Living Program (SILP). Supporting up to 12 youth at any given time, in apartments, with staff support, youth learn the skills necessary to live independently.

Youth Reception Centers

RG, Inc. has two preplacement sites where they house the most vulnerable youth and children during the critical time between their removal from their parents care and their placement into the foster care system. RG, Inc. provide a nurturing, homelike experience for children during this time of transition.

Intimate Partner and Gender-Based Violence Prevention and Youth Centered Services

Paths to Healing

Paths to Health, RG, Inc.'s array of intimate partner/gender-based violence programs, are committed to both healing and prevention. Community-based services support survivors and their families to overcome histories of abuse to find positive paths forward through clinical service provision, access to entitlements and other financial supports and providing advocacy and a voice to a population that is all too often silenced. RG, Inc.'s STEPS to End Family Violence Criminalized Survivors program specially focuses on the needs of incarcerated survivors. In Respect and Responsibility, RG, Inc. works with those who have caused or those who recognize the potential to cause harm, to explore root causes and envision healthy relationships. RG, Inc. is also the clinical service provider at the Staten Island Family Justice Center.

In addition to these programs, RG, Inc has added clinical supports to survivors of community violence through our Trauma Recovery Center and newly added contract from the Mayor's Office to End Domestic and Gender Based Violence.

Paths to Success

Paths to Success, RG, Inc.'s division of youth development services includes the following programs: Relationship Abuse Prevention Program RAPP and Early RAPP which teach middle and high school students to recognize and change destructive patterns of behavior before transitioning into adult relationships. Additionally, 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. In 2024, Paths to Success, RG, Inc began to work to identify, prevent and support youth who may be at risk for Human Trafficking through a private grant.

Community School Services, in collaboration with the NYC Department of Education, works with three 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 the school. These combined supports help the school better address the needs of young people, resulting in improved student learning, stronger families, and healthier communities.

Preventive Services Programs

Preventive Services

RG, Inc's, 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 four evidence-based models in seven distinct programs supporting up to 688 families that have proven track records of success, Family Connections Solution based Casework, Child Parent Psychotherapy and Functional Family Therapy – Child Welfare adaptation.

The Fatherhood Initiative

Contracted by NYC's Department of Youth and Community Development (DYCD), the Fatherhood Initiative supports 217 non-custodial fathers to build healthy relationships with their children and co-parent.

Atlas

Subcontracted through United Way of New York City, Atlas utilizes the Functional Family Therapy (FFT) model to help support court involved or at-risk youth to successfully integrate back into the community. This program began in 2020 working with youth released to their own recognizance and has been continued and expanded twice and is contracted to support 180 youth.

Center Based Respite

Center Based Respite (CBR) is a short term (up to 21 days) program to support families who are experiencing a crisis. Families may place their children into CBR's care for a period of respite while tending to the crisis that they are managing. This program is voluntary and is designed to prevent child welfare involvement for families who are struggling with a short-term crisis and lack resources to support them.

Immigration Services

Passage of Hope

RG, Inc.'s Passage of Hope program serves undocumented migrant children from an array of countries and regions 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 (ORR) and placed with Passage of Hope so they may receive a myriad of services (medical, clinical, education, legal, etc.) while they are reunified with their families in the U.S.

Home Study/Post Release Services

In 2024, the program began to offer Home Study and Post Release Services to provide an additional layer of oversight and support to children released from ORR's care. This case management/clinical approach provides additional review of homes prior to the child's release to the sponsor as well as supports to the newly reunified family once the child is in the home.

Runaway Homeless Youth Services

Transitional Independent Living (TIL) and Crisis Residences

Runaway Homeless Youth Services (RHY), contracted through NYC's DYCD include its Transitional Independent Living (TIL) programs which houses and assists up to 164 runaway and homeless youth ages 16 to 21 while they transition into independent living. RG, Inc is also a provider of Crisis Residential Services to up to 20 youth while they await placement in a TIL or other housing option.

Drop-In Centers

The Drop-In Centers are comprised of two City Contracts: Safe Space Drop-in Center in Jamaica and the Safe Space Drop-in Center in Far Rockaway serving at risk, runaway, and homeless youth aged 14-24. In addition to shelter, meals, and a place to shower and do laundry, the Centers provide youth with case management, crisis counseling, mental health services, referrals for substance abuse & medical programs, assistance with GED, education. RG, Inc. Supports over 3,400 youth per year in the drop-in centers.

Rapid Rehousing

Starting in 2023, through a contract with the Federal Office of Housing and Urban Development (HUD), RG, Inc. Began to support youth in their own apartments through Rapid Rehousing which is a housing first, rent subsidy program that places up to 103 youth in their own apartments while providing them with essential supports to ensure their success after discharge from our program.

Health Services

Article 29I Clinic

Young people in RG, Inc.'s Foster Care, Residential and Non-Secure Placement programs also receive services and referrals from RG, Inc.'s Health Service programs to ensure that their health and mental health needs are met.

Children and Family Treatment and Support Services (CFTSS)

CFTSS is a community based mental health program that provides clinical services (such as individual and family therapy) as well as non-clinical supports such as skills building to children and youth who are at risk of a mental health diagnosis and their families.

Article 31 Mental Health Clinic

The Article 31 Clinic, comprised of the main clinic located in the Jamaica Hub, a satellite clinic in Far Rockaway and two school based mental health clinics, provides evaluation, therapy through licensed mental health providers, as well as psychiatric evaluation and medication management. These services are offered both in person and through virtual platforms.

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. RG Inc.'s supportive clinical practices address the associated emotional, behavioral, and psychological issues/disorders in order to assist its consumers in living more fulfilling lives.

Early Childhood Programs

The Ames Preschool

The George and Marion Ames Early Childhood Center serves students ages 18 months to five years. Program components include an early childhood educational curriculum that prepares children for their school years, promoting creativity, pre-academic skills, socialization, independence, bilingual (Spanish) services, parent involvement, and linkage to community and social services.

Early Head Start

Located in the Bronx and Brooklyn, RG Inc.'s federally funded Early Head Start program serves pregnant women, infants, and toddlers living at or below the poverty level. This work expanded for RG in 2024 adding 308 slots to its existing 136 slots. This work is done in family childcare centers throughout the Bronx and Brooklyn as well as in the homes of the families supported by the program.

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

The 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.

Maternal Child Health (MCH)

The MCH program is an early childhood home visiting program based out of the Jamaica Hub. This program is funded by two grants (OCFS, and a subcontract of a Federal Grant) using the Healthy Families and Healthy Start models. This work is aimed to improve health outcomes of families of infants and toddlers through education and access to resources and supports.

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

RG, Inc.'s 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. RG Inc. ensures 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 their family and community. Aftercare services are also provided to youth around New York City who are transitioning out of LSP programs.

Non-Secure Placement

RG Inc.'s Non-Secure Placement program is also part of the residential care continuum for adjudicated Juvenile Delinquents in New York City ages 12 to 14. The 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 RG Inc.'s 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 NYCACS's Juvenile Justice Initiative throughout the Bronx and Manhattan annually.

Community Programs

Children's Health Home Care Management

Care Management enables RG, Inc. to serve as a downstream Care Management Agency (CMA) providing comprehensive care management services to children and their families who meet necessary criteria. This program is designed to wrap community services around the families specific to their health and mental health needs with the goal of reducing ER visits, hospital stays and improving the family's quality of life within the community.

Jamaica Community Partnership

The Jamaica Community Partners (JCP) program serves as the “backbone” agency for a collective of organizations that support the Jamaica Community. The JCP program is a primary preventive, community-facing program that provides concrete support to the community and its members.

Family Enrichment Center

Opening in 2024, the Family Enrichment Center (FEC) is a community led program where services and offerings are designed by the community to meet the needs of the East Flatbush Community. “The Yard” serves as a space where community can gather, get the resources that they need and work together to strengthen to community. The work of this program is designed from a primary prevention framework.

2. Principles of Consolidation

The accompanying consolidated financial statements of Rising Ground, which include the accounts of RG, Inc.; the Trust; EGSCF; and FRG. All material intercompany transactions and balances have been eliminated in the consolidated financial statements.

3. 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.

Consolidated 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, 2024, Rising Ground had net assets with donor restrictions held in perpetuity of $2,361,096. See Note 12 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, 2024		
Cash and cash equivalents	$	5,474,989
Self-insurance deposits		17,826,156
Cash reserve for liabilities		821,557
Total	$	24,122,702

Fair Value Measurements

Accounting principles generally accepted in the United States of America (GAAP) establish a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimize 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 of Current Expected Credit Losses

Rising Ground's accounts receivables are recorded at the reimbursable or contracted amount and do not bear interest. Billings for services are included in revenue and relate to established rate agreements with a duration of less than one year. Adjustments to the estimated payment amounts that are expected to be received upon final settlement with the payors are reviewed at the end of each reporting period, and upon final settlement are recorded as an adjustment to revenue.

Accounts receivable balances are further reduced by an allowance for current expected credit losses. Rising Ground adopted the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 326, *Financial Instruments – Credit Losses*, model in their financial statements for the year ended June 30, 2024.

Rising Ground review their accounts receivables on a regular basis and analyze these balances for potential credit losses based on a "roll-rate" methodology. Under a "roll-rate" methodology, loss rates for each aging bucket take into account the migration of each balance through the various aging buckets to determine the appropriate credit loss rate for each bucket. Rising Ground consider other available external data and management's reasonable outlook for business and economic conditions over the life of the receivables. In accordance with ASC 326-20-30-2, Rising Ground determined that similar risk characteristics existed for receivables with similar days outstanding, regardless of payor class; therefore, the pools for the allowance for credit losses were calculated based on aging buckets. This is consistent with Rising Ground's previous methodology for calculating their allowance.

Management anticipates that historic loss rates will be consistent during the next fiscal year and concluded that no adjustments to its methodology or inputs are required. Management applies these forecasts to create the following credit loss matrix to calculate the allowance for credit losses:

June 30, 2024		
Allowance for Credit Losses Balance, July 1, 2023	$	882,456
Provision for expected credit losses for the current period		285,819
Allowance for Credit Losses Balance, June 30, 2024	$	1,168,275

There were no recoveries on prior years credit losses for the year ended June 30, 2024. Recoveries when received are recorded as a reduction in the credit loss expense.

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.

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. There were no impairment charges recorded during the year ended June 30, 2024.

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, 2024.

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, 2024.

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 and Other Grants and Contracts

Rising Ground receives revenues from various governmental agencies, including the OPWDD, New York City Administration for Children's Services, DYCD, and others. Government and other grants and contract revenues are non-exchange transactions in which no commensurate value is exchanged. Accordingly, contributions accounting is applied under ASC Topic 958, *Not-for-Profit Entities*. Government and other grants and contract revenue are evaluated for contributions that are conditional. Factors indicating the existence of a conditional contribution include the presence of a barrier that must be overcome and either a right of return of the assets transferred or a right of release of the funder's obligation to transfer the assets. Government and other grants and contract revenue are recognized when the conditions are satisfied, which is generally when the expenditures for each contract are incurred. Reimbursements are subject to audit and retroactive adjustment by the respective third-party fiscal intermediary.

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 FASB 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.

Investment Income, Net

Investment income, net, 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. Depreciation is allocated based on estimated use of square footage. Employee expenses are allocated based on headcount and time studies. Other expenses are allocated based on estimates of time and effort.

Measure of Operations

Rising Ground's change in net assets from operations includes revenues and expenses directly related to the provision of program services. Investment income, net, contributions, both with and without donor restrictions, special events and related direct costs, and net assets released from restrictions are considered non-operating.

Interpretation of Relevant Endowment Law

Rising Ground follows the provisions of 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 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 48% of their operating revenues from the city of New York for the year ended June 30, 2024.

73% of Rising Ground's accounts receivable at June 30, 2024 are from the city of New York.

Income Taxes

RG, Inc. and EGSCF are 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. and EGSCF 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 2024.

Rising Ground has not taken an unsubstantiated tax position that would require provision of a liability under GAAP. Under 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, 2024. 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, 2024, there were no interest or penalties recorded or included in the accompanying consolidated financial statements. Rising Ground is subject to routine audits by taxing authorities. As of June 30, 2024, Rising Ground was not subject to any examination by a taxing authority.

Recently Adopted Accounting Pronouncement

Financial Instruments - Credit Losses

In June 2016, the FASB issued Accounting Standards Update (ASU) 2016-03, *Financial Instruments - Credit Losses (Topic 326)*: *Measurement of Credit Losses on Financial Instruments*, as amended. The new credit losses standard changes the impairment model for most financial assets and certain other instruments. For trade and other receivables; contract assets recognized as a result of applying FASB ASC 606, *Revenue from Contracts with Customers*; loans; and certain other instruments, entities will be required to use a new forward-looking "expected-loss" model that generally will result in earlier recognition of credit losses than under today's incurred loss model. ASU 2016-03 is effective for annual periods beginning after December 15, 2022. On July 1, 2023, as required, Rising Ground adopted the guidance prospectively. The adoption of this guidance did not materially impact Rising Ground's financial position or results of operation.

4. 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, 2024, Rising Ground recognized revenue of $198,567,668 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 price 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, 2024, Rising Ground has a liability of refunds to funding sources recorded of $11,756,147. 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, 2024

	Operating Income	Non-Operating Income	Total
NYC Government Agencies	$ 21,973,101	$ -	$ 21,973,101
Medicaid	34,525,414	-	34,525,414
Other	1,768,811	-	1,768,811
Managed Care	4,530,476	-	4,530,476
Total Revenue Subject to ASC 606	62,797,802	-	62,797,802
Total Revenue Not Subject to ASC 606	135,769,866	9,116,293	144,886,159
Total	$ 198,567,668	$ 9,116,293	$ 207,683,961

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.

5. Investments, at Fair Value

Rising Ground's investments recorded at fair value have been categorized based upon a fair value hierarchy, in accordance with GAAP. See Note 3 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.

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

June 30, 2024

	Level 1					
	Investments	Assets Limited as to Use	Total Level 1	Level 2	Level 3	Total
Investments, at fair value:						
U.S. Treasury obligations	$ 991,039	$ 546,358	$ 1,537,397	$ -	$ -	$ 1,537,397
Equities	35,495,233	-	35,495,233	-	-	35,495,233
Mutual funds	15,478,523	-	15,478,523	-	-	15,478,523
Total Investments, at Fair Value	$ 51,964,795	$ 546,358	$ 52,511,153	$ -	$ -	$ 52,511,153

There have been no changes in the methodologies used at June 30, 2024. There were no transfers between levels during the year ended June 30, 2024.

6. Accounts Receivable, Net

Accounts receivable, net, consists of the following:

June 30, 2024		
New York City – government agencies	$	30,043,402
New York State – government agencies		4,118,067
Federal contracts		2,909,909
Other		1,694,304
Managed Care		2,624,088
Total Accounts Receivable		41,389,770
Less: allowance for credit losses		(1,168,275)
Total Accounts Receivable, Net	$	40,221,495

7. Fixed Assets, Net

Fixed assets, net, consist of the following:

June 30, 2024		
Building and building improvements	$	21,627,814
Leasehold improvements		9,976,321
Furniture, fixtures, and equipment		14,495,789
Total Fixed Assets		46,099,924
Less: accumulated depreciation and amortization		(36,315,067)
Add: construction in progress		451,945
Fixed Assets, Net	$	10,236,802

Depreciation and amortization expense for the year ended June 30, 2024 totaled $2,521,840. Equipment included in fixed assets, net costing $1,749,488 and associated accumulated amortization of $1,709,540 are subject to finance lease agreements as described in Note 9.

There is no cost to complete expected on the construction in progress. The fixed assets will begin being depreciated when they are placed into service.

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8. 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, New York. 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%.	$	1,342,934
(B) On September 1, 2021, Rising Ground assumed the balance of EGSCF's mortgage loan agreement with Citi Bank N.A. in the amount of $362,832 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, New York.		166,557
(C) On September 1, 2021, Rising Ground assumed the balance of EGSCF's 15-year mortgage for the purchase of a Queens, New York property for an IRA program with Citi Bank N.A. The loan balance at the date of the transfer was $347,882 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.		205,376
(D) On September 1, 2021, Rising Ground assumed the balance of EGSCF's 15-year mortgage for the purchase of a Manhattan, New York property for an IRA program with Citi Bank N.A. The loan balance at the date of the transfer was $649,892 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.		426,697
(E) Effective July 7, 2023, Rising Ground renewed their revolving line of credit in the amount of $8,000,000. The line of credit matures after one year and bears a variable base index rate equal to the greater of: (a) the greater of 0% and the then current rate of interest published by The Wall Street Journal from time to time as the U.S. "Prime Rate" and (b) the greater of 0% and the then current weighted average of the rate of overnight federal funds transactions with members of the Federal Reserve {12180178:6} 3 System as published by the Federal Reserve Bank of New York (Federal Funds Effective Rate) plus 0.5% and the interest rate at June 30, 2024 was 8.50%. The line of credit is secured by accounts receivable and is guaranteed by EGSCF and the Trust. Effective July 31, 2024, the revolving line of credit was renewed and expanded to $13,000,000 which matures February 28, 2026.		
On July 7, 2023 Rising Ground entered into a second line of credit in the amount of $25,000,000 with TD Bank. The loan is secured by the assets of the Fund for Rising Ground. The line of credit matures after one year a bears a variable base index rate equal to the greater of: (a) the greater of 0% and then the current rate of interest published by The Wall Street Journal from time to time as the U.S. "Prime Rate" and (b) the greater of 0% and the then current weighted average of the rate of overnight Federal funds transactions with members of the Federal Reserve System as published by the Federal Reserve Bank of New York (Federal Funds Effective Rate) plus 0.5%. This line of credit was not renewed after maturity.		9,610,031
	$	11,751,595

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

Year ending June 30,		
2025	$	10,067,985
2026		475,364
2027		453,738
2028		444,841
2029		309,667
		11,751,595
Less: current portion		(10,067,985)
Net	$	1,683,610

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, 2024. As of June 30, 2024, RG, Inc. and EGSCF were in compliance with these covenant requirements.

Interest expense related to the line of credit and notes payable was $709,099 for the year ended June 30, 2024. Interest is included as a component of interest expense and line of credit interest expense on the accompanying consolidated statement of functional expenses.

9. Leases

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 GAAP.

For leases with initial terms of greater than one year, Rising Ground records the related right-of-use (ROU) 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 GAAP. As such, Rising Ground accounts for the applicable non-lease components together with the related lease components when determining the ROU 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 ROU assets and liabilities in the consolidated statement of financial position.

The following tables summarize information related to the lease assets and liabilities:

Year ended June 30, 2024		
Lease costs:		
Finance lease cost:		
Amortization of ROU assets	$	132,408
Interest on lease liabilities		5,423
Operating lease cost		10,657,310
Total Lease Cost	$	10,795,141

June 30, 2024		
ROU assets and liabilities:		
Finance lease ROU assets, net	$	39,948
Finance lease liabilities		36,072
Operating lease ROU assets		35,750,731
Operating lease liabilities		36,300,856

Year ended June 30, 2024		
Other information:		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from finance leases	$	117,752
Operating cash flows from operating leases		10,312,026

Weighted-average remaining lease term – finance leases	0.63 years
Weighted-average remaining lease term – operating leases	17.48 years
Weighted-average discount rate – finance leases	5.38%
Weighted-average discount rate – operating leases	4.99%

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

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Finance Leases

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) $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 matured in July 2024.	$	2,399
(B) $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 matured in July 2024.		1,422
(C) $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 matured in July 2024.		471
(D) $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.		7,321
(E) $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.		3,729
(F) $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.		658
(G) $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.		4,194
(H) $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.		4,426
(I) $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.		4,405
(J) $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.		7,047
	$	36,072

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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.

Year ending June 30,		
2025	$	34,900
2026		1,845
		36,745
Less: interest		(673)
Total		36,072
Less: current portion		(34,246)
Long-Term Obligation Under Finance Leases	$	1,826

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, 2024:

Year ending June 30,		
2025	$	7,378,569
2026		6,350,054
2027		4,642,657
2028		4,346,740
2029		3,394,698
Thereafter		53,174,007
		79,286,725
Less: interest		(42,985,869)
Total		36,300,856
Less: current portion		(7,378,569)
Long-Term Obligation Under Operating Leases	$	28,922,287

10. 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, 2024 was $1,040,000.

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, 2024, the amount held in the debt service reserve fund was $193,861; the amount held in the debt service fund was $352,497. 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, 2024, the unamortized debt issuance cost was $53,889. At June 30, 2024, the unamortized bond discount was $9,982.

11. Commitments and Contingencies

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, 2024 was $75,798, which is included in accrued payroll and employee benefits on the accompanying consolidated statement of financial position.

Principal payments through the last of the 120 monthly payments are as follows:

Year ending June 30,		
2025	$	54,768
2026		21,030
Total	$	75,798

Interest expense related to the workers' compensation liability was $3,501 in 2024 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 $6,338,672 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 $11,756,147 has been included in due to government agencies in the consolidated financial statements. Rising Ground has agreed to settlement plans with some of the agencies for $7,564,184 with terms ranging from three to ten years.

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

Year ending June 30,		
2025	$	1,296,586
2026		1,187,754
2027		1,026,702
2028		998,837
2029		961,448
Thereafter		2,092,857
Total	$	7,564,184

12. Net Assets

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

June 30, 2024		
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 Net Assets Restricted in Perpetuity		2,361,096
Total	$	2,361,096

13. 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 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 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 net assets restricted in perpetuity (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 net assets restricted in perpetuity 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, 2024

	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	44,731	-	44,731
Appropriation of endowment assets for expenditure	(44,731)	-	(44,731)
Endowment Net Assets, end of year	$ -	$ 2,361,096	$ 2,361,096

There were no endowments under water as of June 30, 2024.

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14. 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, 2024		
Cash and cash equivalents	$	5,474,989
Investments		49,603,699
Accounts receivable		40,221,495
Other receivables		150,495
Total Financial Assets Available to Management for General Expenditure Within One Year		95,450,678
Amounts unavailable to management for general expenditures within one year, due to:		
Net assets with donor restrictions		(2,361,096)
Total Financial Assets Available to Management for General Expenditures Within One Year Without Restrictions	$	93,089,582

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.

15. Retirement Plans

RG, Inc. 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 $2,418,273 for the year ended June 30, 2024 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, 2024. This plan was frozen as of December 31, 2018.

16. Subsequent Events

Rising Ground has evaluated subsequent events through November 27, 2024, 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 as disclosed in Note 8, effective July 31, 2024, Rising Ground renewed the revolving line of credit and increased the amount to $13,000,000.

Supplementary Information

Rising Ground, Inc. and Affiliates

Consolidating Schedule of Financial Position

June 30, 2024

	Rising Ground and Affiliate	Edwin Gould	Eliminations	Total
Assets				
Current Assets				
Cash and cash equivalents	$ 5,404,649	$ 70,340	$ -	$ 5,474,989
Investments, at fair value, current portion	49,603,699	-	-	49,603,699
Accounts receivable, net	40,221,495	-	-	40,221,495
Other receivables	53,636	96,859	-	150,495
Prepaid expenses	897,441	46,506	-	943,947
Due from Edwin Gould	1,765,796	-	(1,765,796)	-
Total Current Assets	97,946,716	213,705	(1,765,796)	96,394,625
Assets Limited as to Use				
Assets limited as to use – investments	546,358	-	-	546,358
Self-insurance deposits	17,826,156	-	-	17,826,156
Cash reserve for liabilities	821,557	-	-	821,557
Total Assets Limited as to Use	19,194,071	-	-	19,194,071
Other Assets				
Investments, at fair value, net of current portion	2,361,096	-	-	2,361,096
Security deposits	1,125,256	286,164	-	1,411,420
Investment in equity investee	2,088,367	-	(2,088,367)	-
Loan receivable	4,510,000	-	-	4,510,000
Operating lease right-of-use assets	34,344,802	1,405,929	-	35,750,731
Fixed assets, net	10,222,478	14,324	-	10,236,802
Total Other Assets	54,651,999	1,706,417	(2,088,367)	54,270,049
Total Assets	$ 171,792,786	$ 1,920,122	$ (3,854,163)	$ 169,858,745

Rising Ground, Inc. and Affiliates

Consolidating Schedule of Financial Position

June 30, 2024

	Rising Ground and Affiliate	Edwin Gould	Eliminations	Total
Liabilities and Net Assets (Deficit)				
Current Liabilities				
Accounts payable	$ 6,087,759	$ -	$ -	$ 6,087,759
Accrued payroll and employee benefits, current portion	9,306,557	-	-	9,306,557
Accrued expenses and other liabilities	26,520,545	677,374	-	27,197,919
Due to government agencies, current portion	1,244,578	52,008	-	1,296,586
Accrued interest payable	16,900	-	-	16,900
Line of credit and notes payable, current portion	10,067,985	-	-	10,067,985
Finance leases payable, current portion	34,246	-	-	34,246
Operating leases payable, current portion	6,842,683	535,886	-	7,378,569
Bonds payable, current portion	330,000	-	-	330,000
Due to Rising Ground	-	1,765,796	(1,765,796)	-
Total Current Liabilities	60,451,253	3,031,064	(1,765,796)	61,716,521
Accrued Payroll and Employee Benefits, net of current portion	21,030	-	-	21,030
Due to Government Agencies, net of current portion	8,215,517	2,244,044	-	10,459,561
Line of Credit and Notes Payable, net of current portion	1,683,610	-	-	1,683,610
Finance Leases Payable, net of current portion	1,826	-	-	1,826
Operating Leases Payable, net of current portion	27,807,863	1,114,424	-	28,922,287
Bonds Payable, net of current portion, unamortized discount and unamortized debt issuance costs	646,129	-	-	646,129
Total Liabilities	98,827,228	6,389,532	(1,765,796)	103,450,964
Commitments and Contingencies				
Net Assets (Deficit)				
Without donor restrictions	70,604,462	(4,469,410)	(2,088,367)	64,046,685
With donor restrictions	2,361,096	-	-	2,361,096
Total Net Assets (Deficit)	72,965,558	(4,469,410)	(2,088,367)	66,407,781
Total Liabilities and Net Assets (Deficit)	$ 171,792,786	$ 1,920,122	$ (3,854,163)	$ 169,858,745

Rising Ground, Inc., Fund for Rising Ground and the Employee Benefits Program Revocable Trust

Consolidating Schedule of Financial Position

June 30, 2024

	Rising Ground, Inc.	Fund for Rising Ground	Employee Benefits Program Revocable Trust	Eliminations	Total
Assets					
Current Assets					
Cash and cash equivalents	$ 5,028,727	$ 375,922	$ -	$ -	$ 5,404,649
Investments, at fair value, current portion	-	49,603,699	-	-	49,603,699
Accounts receivable, net	40,200,824	20,671	1,950,000	(1,950,000)	40,221,495
Other receivables	53,636	-	-	-	53,636
Prepaid expenses	897,441	-	-	-	897,441
Due from Edwin Gould	1,765,796	-	-	-	1,765,796
Due from Fund for Rising Ground	181,469	-	-	(181,469)	-
Total Current Assets	48,127,893	50,000,292	1,950,000	(2,131,469)	97,946,716
Assets Limited as to Use					
Assets limited as to use - investments	546,358	-	-	-	546,358
Self-insurance deposits	-	-	17,826,156	-	17,826,156
Cash reserve for liabilities	821,557	-	-	-	821,557
Total Assets Limited as to Use	1,367,915	-	17,826,156	-	19,194,071
Other Assets					
Investments, at fair value, net of current portion	2,361,096	-	-	-	2,361,096
Security deposits	1,125,256	-	-	-	1,125,256
Investment in equity investee	2,088,367	-	-	-	2,088,367
Loan receivable	4,510,000	-	-	-	4,510,000
Operating lease right-of-use assets	34,344,802	-	-	-	34,344,802
Fixed assets, net	10,222,478	-	-	-	10,222,478
Total Other Assets	54,651,999	-	-	-	54,651,999
Total Assets	$104,147,807	$ 50,000,292	$ 19,776,156	$ (2,131,469)	$171,792,786

Rising Ground, Inc., Fund for Rising Ground and the Employee Benefits Program Revocable Trust

Consolidating Schedule of Financial Position

June 30, 2024

	Rising Ground, Inc.	Fund for Rising Ground	Employee Benefits Program Revocable Trust	Eliminations	Total
Liabilities and Net Assets					
Current Liabilities					
Accounts payable	$ 6,087,759	$ -	$ -	$ -	$ 6,087,759
Accrued payroll and employee benefits, current portion	9,306,557	-	-	-	9,306,557
Accrued expenses and other liabilities	10,546,877	-	17,923,668	(1,950,000)	26,520,545
Due to government agencies, current portion	1,244,578	-	-	-	1,244,578
Accrued interest payable	16,900	-	-	-	16,900
Line of credit and notes payable, current portion	10,067,985	-	-	-	10,067,985
Finance leases payable, current portion	34,246	-	-	-	34,246
Operating leases payable, current portion	6,842,683	-	-	-	6,842,683
Bonds payable, current portion	330,000	-	-	-	330,000
Due to Rising Ground	-	181,469	-	(181,469)	-
Total Current Liabilities	44,477,585	181,469	17,923,668	(2,131,469)	60,451,253
Accrued Payroll and Employee Benefits, net of current portion	21,030	-	-	-	21,030
Line of Credit and Notes Payable, net of current portion	1,683,610	-	-	-	1,683,610
Finance Leases Payable, net of current portion	1,826	-	-	-	1,826
Operating Leases Payable, net of current portion	27,807,863	-	-	-	27,807,863
Due to Government Agencies, net of current portion	8,215,517	-	-	-	8,215,517
Bonds Payable, net of current portion, unamortized discount and unamortized debt issuance costs	646,129	-	-	-	646,129
Total Liabilities	82,853,560	181,469	17,923,668	(2,131,469)	98,827,228
Commitments and Contingencies					
Net Assets					
Without donor restrictions	18,933,151	49,818,823	1,852,488	-	70,604,462
With donor restrictions	2,361,096	-	-	-	2,361,096
Total Net Assets	21,294,247	49,818,823	1,852,488	-	72,965,558
Total Liabilities and Net Assets	$104,147,807	$ 50,000,292	$ 19,776,156	$ (2,131,469)	$171,792,786

Edwin Gould Services for Children and Families

Schedule of Financial Position

June 30, 2024		
Assets		
Current Assets		
Cash and cash equivalents	$	70,340
Other receivables		96,859
Prepaid expenses		46,506
Total Current Assets		213,705
Other Assets		
Security deposits		286,164
Operating lease right-of-use assets		1,405,929
Fixed assets, net		14,324
Total Other Assets		1,706,417
Total Assets	$	1,920,122
Liabilities and Net Deficit		
Current Liabilities		
Accrued expenses and other liabilities	$	677,374
Due to government agencies, current portion		52,008
Operating leases payable, current portion		535,886
Due to Rising Ground		1,765,796
Total Current Liabilities		3,031,064
Operating Leases Payable, net of current portion		1,114,424
Due to Government Agencies, net of current portion		2,244,044
Total Liabilities		6,389,532
Commitments and Contingencies		
Net Deficit		
Without donor restrictions		(4,469,410)
With donor restrictions		-
Total Net Deficit		(4,469,410)
Total Liabilities and Net Deficit	$	1,920,122

Rising Ground, Inc. and Affiliates

Consolidating Schedule of Activities

Year ended June 30, 2024

	Rising Ground and Affiliate		Edwin Gould		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	$ 196,904,186	$ -	$ -	$ -	$ -	$ -	$ 196,904,186	$ -	$ 196,904,186
Other income	1,663,482	-	-	-	-	-	1,663,482	-	1,663,482
Total Operating Revenues	198,567,668	-	-	-	-	-	198,567,668	-	198,567,668
Operating Expenses									
Program services expenses	181,153,444	-	-	-	-	-	181,153,444	-	181,153,444
Supporting services expenses:									
Management and general	25,232,111	-	321,693	-	-	-	25,553,804	-	25,553,804
Development	484,182	-	-	-	-	-	484,182	-	484,182
Total Supporting Services Expenses	25,716,293	-	321,693	-	-	-	26,037,986	-	26,037,986
Total Operating Expenses	206,869,737	-	321,693	-	-	-	207,191,430	-	207,191,430
Change in Net Assets (Deficit), before non-operating revenues (expenses)	(8,302,069)	-	(321,693)	-	-	-	(8,623,762)	-	(8,623,762)
Non-Operating Revenues (Expenses)									
Investment income, net	6,776,882	-	-	-	-	-	6,776,882	-	6,776,882
Contributions	1,761,361	-	-	-	-	-	1,761,361	-	1,761,361
Special events	481,381	-	-	-	-	-	481,381	-	481,381
Direct costs of special events to donors	(110,331)	-	-	-	-	-	(110,331)	-	(110,331)
Contribution to Edwin Gould Services for Children and Families	(321,693)	-	-	-	321,693	-	-	-	-
Miscellaneous income	207,000	-	-	-	-	-	207,000	-	207,000
Total Non-Operating Revenues (Expenses)	8,794,600	-	-	-	321,693	-	9,116,293	-	9,116,293
Change in Net Assets (Deficit)	492,531	-	(321,693)	-	321,693	-	492,531	-	492,531
Change in Net Assets for Transfer of Assets	2,797,539	-	(2,797,539)	-	-	-	-	-	-
Net Assets (Deficit), beginning of year	67,314,392	2,361,096	(1,350,178)	-	(2,410,060)	-	63,554,154	2,361,096	65,915,250
Net Assets (Deficit), end of year	$ 70,604,462	$ 2,361,096	$ (4,469,410)	$ -	$ (2,088,367)	$ -	$ 64,046,685	$ 2,361,096	$ 66,407,781

Rising Ground, Inc., Fund for Rising Ground and the Employee Benefits Program Revocable Trust

Consolidating Schedule of Activities

Year ended June 30, 2024

	Rising Ground, Inc.		Fund for Rising Ground	Employee Benefits Program Revocable Trust		Total		
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	Without Donor Restrictions	Eliminations	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenues								
Program revenue	$ 196,904,186	$ -	$ -	$ 19,047,000	$ (19,047,000)	$ 196,904,186	$ -	$ 196,904,186
Other income	1,663,482	-	-	-	-	1,663,482	-	1,663,482
Total Operating Revenues	198,567,668	-	-	19,047,000	(19,047,000)	198,567,668	-	198,567,668
Operating Expenses								
Program services expenses	181,153,444	-	-	-	-	181,153,444	-	181,153,444
Supporting services expenses:								
Management and general	25,212,942	-	4,909,138	19,047,000	(23,936,969)	25,232,111	-	25,232,111
Development	484,182	-	-	-	-	484,182	-	484,182
Total Supporting Services Expenses	25,697,124	-	4,909,138	19,047,000	(23,936,969)	25,716,293	-	25,716,293
Total Operating Expenses	206,850,568	-	4,909,138	19,047,000	(23,936,969)	206,869,737	-	206,869,737
Change in Net Assets, before non-operating revenues (expenses)	(8,282,900)	-	(4,909,138)	-	4,889,969	(8,302,069)	-	(8,302,069)
Non-Operating Revenues (Expenses)								
Investment income, net	443,516	-	6,037,878	295,488	-	6,776,882	-	6,776,882
Contributions	1,761,361	-	-	-	-	1,761,361	-	1,761,361
Special events	481,381	-	-	-	-	481,381	-	481,381
Direct costs of special events to donors	(110,331)	-	-	-	-	(110,331)	-	(110,331)
Fund for Rising Ground grant	4,889,969	-	-	-	(4,889,969)	-	-	-
Contribution to Edwin Gould Services for Children and Families	(321,693)	-	-	-	-	(321,693)	-	(321,693)
Miscellaneous income	-	-	-	207,000	-	207,000	-	207,000
Total Non-Operating Revenues (Expenses)	7,144,203	-	6,037,878	502,488	(4,889,969)	8,794,600	-	8,794,600
Change in Net Assets	(1,138,697)	-	1,128,740	502,488	-	492,531	-	492,531
Transfer Equity	(9,201,883)	-	11,999,422	-	-	2,797,539	-	2,797,539
Net Assets, beginning of year	29,273,731	2,361,096	36,690,661	1,350,000	-	67,314,392	2,361,096	69,675,488
Net Assets, end of year	$ 18,933,151	$ 2,361,096	$ 49,818,823	$ 1,852,488	$ -	$ 70,604,462	$ 2,361,096	$ 72,965,558

Edwin Gould Services for Children and Families

Schedule of Activities

Year ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Expenses			
Supporting services expenses:			
Management and general	321,693	-	321,693
Total Operating Expenses	321,693	-	321,693
Change in Net Assets	(321,693)	-	(321,693)
Change in Net Assets for Transfer of Assets	(2,797,539)	-	(2,797,539)
Net Deficit, beginning of year	(1,350,178)	-	(1,350,178)
Net Deficit, end of year	$ (4,469,410)	$ -	$ (4,469,410)

Rising Ground, Inc., Fund for Rising Ground and the Employee Benefits Program Revocable Trust

Consolidated Schedule of Functional Expenses *

Year ended June 30, 2024

	Program Services							Supporting Services				
	Children and Family Services	Juvenile Justice	Developmental Disabilities	Early Childhood	Anti-Intimate Partner Services	Special Education	Total Program Services	Management and General	Development	Direct Costs of Special Events	Total Supporting Services	Total
Employee Compensation and Benefits												
Salaries and wages	$ 59,257,554	$ 17,403,075	$ 15,913,646	$ 3,065,162	$ 4,010,750	$ 813,943	$ 100,464,130	$ 11,648,494	$ 202,939	$ -	$ 11,851,433	$ 112,315,563
Fringe benefits	16,734,708	4,917,648	4,566,452	864,914	1,132,063	232,847	28,448,632	2,993,994	60,504	-	3,054,498	31,503,130
Total Employee Compensation and Benefits	75,992,262	22,320,723	20,480,098	3,930,076	5,142,813	1,046,790	128,912,762	14,642,488	263,443	-	14,905,931	143,818,693
Specific Assistance to Individuals												
Payments to foster parents	8,932,681	-	-	-	-	-	8,932,681	-	-	-	-	8,932,681
Food	1,304,044	468,429	431,353	122,370	7,375	26,139	2,359,710	-	-	-	-	2,359,710
Children’s allowances and activities	1,481,760	303,943	46,102	159,661	601,503	100,590	2,693,559	-	-	-	-	2,693,559
Consumer incidentals	1,261,749	4,717	12,149	-	-	-	1,278,615	-	-	-	-	1,278,615
Clothing	362,404	27,709	37,844	-	-	-	427,957	-	-	-	-	427,957
Total Specific Assistance to Individuals	13,342,638	804,798	527,448	282,031	608,878	126,729	15,692,522	-	-	-	-	15,692,522
Occupancy												
Interest expense	433	-	134,085	-	-	-	134,518	227,454	-	-	227,454	361,972
Rent	8,284,765	1,101,452	921,896	331,603	241,316	4,553	10,885,585	471,770	39,404	-	511,174	11,396,759
Utilities	986,839	235,161	335,430	52,769	19,527	110,228	1,739,954	481,524	4,466	-	485,990	2,225,944
Maintenance and repairs	1,627,609	531,801	438,445	64,852	108	7,410	2,670,225	560,705	1,600	-	562,305	3,232,530
Security	747,527	95,583	119,967	4,652	754	13,990	982,473	130,810	32	-	130,842	1,113,315
Janitorial services	336,582	25,314	62,787	135,537	7,423	50,034	617,677	596,343	2,010	-	598,353	1,216,030
Total Occupancy	11,983,755	1,989,311	2,012,610	589,413	269,128	186,215	17,030,432	2,468,606	47,512	-	2,516,118	19,546,550
Professional Fees												
Clinical services	36,771	6,725	3,398	1,172,808	-	-	1,219,702	-	-	-	-	1,219,702
Legal and audit	184,546	-	-	-	-	-	184,546	482,910	-	-	482,910	667,456
Other independent contractors	2,860,269	432,546	332,507	869,047	49,450	176,678	4,720,497	2,378,432	17,510	-	2,395,942	7,116,439
Total Professional Fees	3,081,586	439,271	335,905	2,041,855	49,450	176,678	6,124,745	2,861,342	17,510	-	2,878,852	9,003,597
Other												
Supplies	1,313,161	582,664	387,892	312,394	21,615	62,350	2,680,076	490,872	31,509	-	522,381	3,202,457
Transportation and other travel-related expenses	606,104	105,756	178,470	19,447	12,544	503	922,824	79,257	610	-	79,867	1,002,691
Insurance	1,183,176	334,675	596,834	57,009	55,105	63,352	2,290,151	957,308	3,302	-	960,610	3,250,761
Telephone	887,750	199,875	305,370	25,719	36,143	4,128	1,458,985	475,014	7,613	-	482,627	1,941,612
Vehicle rentals, repairs, and replacement	380,361	146,747	490,690	-	-	3,677	1,021,475	47,966	-	-	47,966	1,069,441
Equipment/furniture rentals, repairs, and replacement	1,442,695	206,048	96,084	33,411	77,235	1,662	1,857,135	487,200	9,085	-	496,285	2,353,420
Staff development	284,807	258,306	61,477	53,013	64,796	(2,163)	720,236	270,835	-	-	270,835	991,071
Staff recruitment	81,071	500	1,008	611	11,961	3,458	98,609	223,386	508	-	223,894	322,503
Printing, postage, subscriptions, and publications	77,530	47	13	-	-	19,573	97,163	239,342	77,575	-	316,917	414,080
Dues, licenses, and permits	110,330	-	335	4,037	5,005	-	119,707	122,400	-	-	122,400	242,107
Line of credit interest expense	-	-	-	-	-	-	-	690,135	-	-	690,135	690,135
Miscellaneous	28,327	34,200	32,231	1,259	-	-	96,017	775,181	21,002	110,331	906,514	1,002,531
Total Other	6,395,312	1,868,818	2,150,404	506,900	284,404	156,540	11,362,378	4,858,896	151,204	110,331	5,120,431	16,482,809
Total Expenses, before depreciation and amortization	110,795,553	27,422,921	25,506,465	7,350,275	6,354,673	1,692,952	179,122,839	24,831,332	479,669	110,331	25,421,332	204,544,171
Depreciation and Amortization	1,051,246	201,688	669,309	17,811	16,145	74,406	2,030,605	400,779	4,513	-	405,292	2,435,897
Total Expenses	111,846,799	27,624,609	26,175,774	7,368,086	6,370,818	1,767,358	181,153,444	25,232,111	484,182	110,331	25,826,624	206,980,068
Less: Expenses Deducted Directly from Revenues												
Direct cost of special events to donors	-	-	-	-	-	-	-	-	-	(110,331)	(110,331)	(110,331)
Total Expenses Reported by Function	$ 111,846,799	$ 27,624,609	$ 26,175,774	$ 7,368,086	$ 6,370,818	$ 1,767,358	$ 181,153,444	$ 25,232,111	$ 484,182	$ -	$ 25,716,293	$ 206,869,737

* Edwin Gould Services for Children and Families does not have any program services expenses in fiscal year 2024 therefore it does not have a separately presented consolidated schedule of functional expenses.