CENTRAL NASSAU GUIDANCE AND COUNSELING SERVICES, INC. AND SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS TOGETHER WITH AUDITOR'S REPORT

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

CENTRAL NASSAU GUIDANCE AND COUNSELING SERVICES, INC.
AND SUBSIDIARY
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2023 AND 2022

NawrockiSmith
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Central Nassau Guidance and Counseling
Services, Inc. and Subsidiary:

Opinion

We have audited the accompanying consolidated financial statements of Central Nassau Guidance and Counseling Services, Inc. and Subsidiary (collectively, the "Agency", a nonprofit organization), which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Central Nassau Guidance and Counseling Services, Inc. and Subsidiary as of December 31, 2023 and 2022, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under these 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 Central Nassau Guidance and Counseling Services, Inc. and Subsidiary and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 Central Nassau Guidance and Counseling Services, Inc. and Subsidiary'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 generally accepted auditing standards and *Government Auditing Standards* 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, including omissions, 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 generally accepted auditing standards and *Government Auditing Standards*, 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 Central Nassau Guidance and Counseling Services, Inc. and Subsidiary'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 Central Nassau Guidance and Counseling Services, Inc. and Subsidiary'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.

NawrockiSmith

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 1, 2024 on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and that results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of the audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

Nawrocki Smith LLP

Hauppauge, New York
May 1, 2024

CENTRAL NASSAU GUIDANCE AND COUNSELING SERVICES, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2023 AND 2022

	2023	2022
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 14,825,885	$ 13,262,286
Investments	1,810,256	48,413
Government contracts receivable	7,291,651	3,597,707
Program service fees receivable, net	2,573,671	2,207,993
Prepaid expenses	223,057	96,870
Current portion of right-of-use assets - operating	2,318,607	2,415,141
Total current assets	29,043,127	21,628,410
NON-CURRENT ASSETS:		
Fixed assets, net	11,761,920	7,704,905
Right of use assets, net - operating	1,256,065	1,791,556
Investment in Recovery Health Solutions IPA, LLC	18,106	17,000
Security deposits	168,964	145,557
Restricted cash - capital reserve	184,960	177,267
Restricted cash - other	25,786	24,746
Total non-current assets	13,415,801	9,861,031
Total assets	$ 42,458,928	$ 31,489,441
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Trade payables	$ 1,138,560	$ 936,585
Government agency payables	841,265	826,120
Accrued expenses	2,188,701	1,819,142
Unearned revenue	4,829,749	1,920,951
Current portion of lease liabilities - operating	2,318,607	2,415,141
Current portion of mortgages payable	233,548	108,827
Total current liabilities	11,550,430	8,026,766
NON-CURRENT LIABILITIES:		
Mortgages payable, net	3,622,222	738,006
Lease liabilities, net of current portion - operating	1,361,351	1,950,604
Due to governments	1,272,974	1,479,683
Total liabilities	17,806,977	12,195,059
NET ASSETS:		
Without donor restrictions:		
Undesignated	24,441,205	19,092,369
With donor restrictions:		
Purpose restricted	210,746	202,013
Total net assets	24,651,951	19,294,382
Total liabilities and net assets	$ 42,458,928	$ 31,489,441

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

CENTRAL NASSAU GUIDANCE AND COUNSELING SERVICES, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023			2022		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
REVENUES:						
Program service fees	$ 23,089,469	$ -	$ 23,089,469	$ 19,323,091	$ -	$ 19,323,091
Grants from governmental and other agencies	18,687,477	7,693	18,695,170	16,998,016	11,323	17,009,339
Rental income	682,167	-	682,167	540,140	-	540,140
Fundraising	363,231	-	363,231	225,813	-	225,813
Other	1,431,426	-	1,431,426	777,576	-	777,576
Investment earnings, net	585,458	1,040	586,498	12,488	179	12,667
Total revenues	44,839,228	8,733	44,847,961	37,877,124	11,502	37,888,626
EXPENSES:						
Program services	34,626,090	-	34,626,090	32,323,999	-	32,323,999
Management and general	4,639,254	-	4,639,254	4,400,405	-	4,400,405
Fundraising	225,048	-	225,048	120,373	-	120,373
Total expenses	39,490,392	-	39,490,392	36,844,777	-	36,844,777
CHANGE IN NET ASSETS	5,348,836	8,733	5,357,569	1,032,347	11,502	1,043,849
NET ASSETS, BEGINNING OF YEAR	19,092,369	202,013	19,294,382	18,060,022	190,511	18,250,533
NET ASSETS, END OF YEAR	$ 24,441,205	$ 210,746	$ 24,651,951	$ 19,092,369	$ 202,013	$ 19,294,382

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

CENTRAL NASSAU GUIDANCE AND COUNSELING SERVICES, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

2023

	Program Services												Support Services			
	CCBHC	Community Residence	ACT Teams	Health Home Care Management	SAMHSA Grants	PROS	OFA Project Forward	Intensive Crisis Stabilization Center	Drop-In Center/Starry Night Café	Linkage Innovation for Older	Other	Total	Management and General	Fundraising	Total	Total
Contracted personnel services	$ 8,343,960	$ 4,427,702	$ 2,447,779	$ 1,675,537	$ 1,245,580	$ 1,091,038	$ 423,077	$ 487,185	$ 162,703	$ 101,791	$ 687,406	$ 21,093,758	$ 2,941,657	$ 97,723	$ 3,039,380	$ 24,133,138
Payroll taxes and benefits	1,361,131	934,350	419,405	434,296	236,370	232,254	72,283	96,273	27,894	12,333	116,766	3,943,355	502,495	21,795	524,290	4,467,645
Rent	7,760	2,543,972	81,473	82,244	50,887	255,660	24,544	-	-	-	1,304	3,047,844	22,756	-	22,756	3,070,600
Repairs and maintenance	230,411	679,001	56,484	49,093	30,320	64,730	10,470	18,111	27,074	1,366	96,290	1,263,350	109,399	3,317	112,716	1,376,066
Consultants	356,642	-	3,981	-	225,039	5,022	169,016	-	-	163,480	297,807	1,220,987	115,649	-	115,649	1,336,636
Supplies, medical testing and activities	53,924	400,705	75,792	99,840	66,762	33,592	61,733	12,847	20,069	6	16,718	841,988	93,583	84,957	178,540	1,020,528
Depreciation	220,236	352,579	36,476	19,248	13,906	28,566	16,796	4,825	31,033	865	2,562	727,092	110,682	2,666	113,348	840,440
Utilities	108,840	333,567	17,636	16,620	14,126	53,815	8,255	1,707	15,981	2	893	571,442	39,000	2,551	41,551	612,993
Insurance	133,837	189,397	68,185	59,240	20,257	11,786	5,319	3,518	15,830	3,705	7,765	518,839	86,508	1,545	88,053	606,892
Data processing	220,811	41,378	19,302	30,384	24,591	10,739	7,417	-	7,926	-	7,100	369,648	-	-	-	369,648
Professional fees	38,594	50,744	20	520	-	17	-	2,325	-	-	-	92,220	275,099	-	275,099	367,319
Miscellaneous	43,326	28,901	6,742	5,960	7,678	4,364	83,166	2,893	332	185	8,732	192,279	57,231	7,078	64,309	256,588
Telephone	56,604	47,463	27,940	32,501	26,400	13,027	7,628	1,043	900	1,135	7,553	222,194	16,219	772	16,991	239,185
Dues and subscriptions	16,763	18,297	5,185	64,314	5,946	3,683	4,196	2,023	484	177	4,590	125,658	89,795	1,445	91,240	216,898
Transportation	38,369	48,273	40,857	23,687	3,096	44	124	85	1,880	559	819	157,793	3,609	186	3,795	161,588
Interest and financing	9,783	59,995	5,412	6,103	410	6,503	2,936	215	21	3	98	91,479	62,736	5	62,741	154,220
Staff training	15,361	21,434	4,749	7,153	5,583	1,688	6,797	18,629	199	40	938	82,571	25,695	556	26,251	108,822
Moving and storage	1,679	37,117	-	-	-	-	7,105	2,776	-	-	-	48,677	53,174	-	53,174	101,851
Postage	6,374	1,575	1,187	1,150	991	2,054	393	429	370	55	338	14,916	9,742	452	10,194	25,110
Real estate taxes	-	-	-	-	-	-	-	-	-	-	-	-	24,225	-	24,225	24,225
Total expenses	$ 11,264,405	$ 10,216,450	$ 3,318,605	$ 2,607,890	$ 1,977,942	$ 1,818,582	$ 911,255	$ 654,884	$ 312,696	$ 285,702	$ 1,257,679	$ 34,626,090	$ 4,639,254	$ 225,048	$ 4,864,302	$ 39,490,392

2022

	Program Services											Support Services			
	CCBHC	Community Residence	ACT Teams	Health Home Care Management	SAMHSA Grants	PROS	OFA Project Forward	Drop-In Center/Starry Night Café	Linkage Innovation for Older	Other	Total	Management and General	Fundraising	Total	Total
Contracted personnel services	$ 7,446,152	$ 3,839,426	$ 2,040,004	$ 1,745,021	$ 1,208,670	$ 1,074,095	$ 443,362	$ 149,620	$ 92,454	$ 605,272	$ 18,644,076	$ 2,804,743	$ 51,232	$ 2,855,975	$ 21,500,051
Payroll taxes and benefits	1,319,175	791,980	366,309	484,098	236,183	237,654	82,563	28,798	16,987	127,746	3,691,493	548,850	11,348	560,198	4,251,691
Rent	34,057	2,505,853	50,744	61,968	51,379	278,323	27,419	8,509	-	5,402	3,023,654	27,312	-	27,312	3,050,966
Consultants	604,225	6,034	655	17	268,814	7	174,363	2	157,185	263,911	1,475,213	144,321	-	144,321	1,619,534
Repairs and maintenance	252,617	640,514	50,461	60,299	34,055	93,708	11,160	23,615	1,124	18,964	1,186,517	140,009	1,297	141,306	1,327,823
Supplies, medical testing and activities	56,507	450,037	101,727	54,099	109,126	36,767	29,869	11,834	22	39,206	889,194	93,153	39,390	132,543	1,021,737
Depreciation	230,689	357,245	26,815	25,881	5,785	24,876	12,029	28,673	5,942	2,094	720,029	50,392	733	51,125	771,154
Utilities	122,483	363,290	9,338	13,996	5,577	65,073	6,076	19,623	-	1,803	607,259	38,017	821	38,838	646,097
Insurance	116,492	186,550	60,835	68,546	21,285	15,106	6,784	16,440	3,872	7,991	503,901	78,142	689	78,831	582,732
Bad debt	-	406,876	-	-	-	-	-	-	-	-	406,876	-	-	-	406,876
Data processing	208,399	25,360	9,297	16,674	13,648	7,505	9,263	4,387	-	1,234	295,767	1,500	-	1,500	297,267
Professional fees	7,800	5,446	-	-	-	4,530	-	-	-	-	17,776	253,884	-	253,884	271,660
Miscellaneous	28,503	9,912	3,826	4,716	47,648	2,132	88,980	65	4,624	27,424	217,830	32,124	6,584	38,708	256,538
Dues and subscriptions	15,604	28,174	8,202	75,245	24,845	4,536	3,062	1,393	76	264	161,401	72,309	6,574	78,883	240,284
Telephone	45,368	41,031	18,605	29,589	16,958	4,478	8,794	1,000	1,234	8,096	175,153	16,511	279	16,790	191,943
Transportation	31,986	51,197	20,064	23,572	8,317	319	337	1,809	982	323	138,906	3,381	214	3,595	142,501
Interest and financing	7,953	64,674	5,244	5,243	-	5,237	2,622	-	-	-	90,973	23,288	-	23,288	114,261
Staff training	2,971	18,243	24,800	7,764	1,836	1,733	3,810	-	139	6,069	67,365	29,976	812	30,788	98,153
Moving and storage	-	300	-	-	-	-	-	-	-	-	300	30,721	-	30,721	31,021
Postage	5,015	2,619	289	569	300	269	381	336	32	506	10,316	11,772	400	12,172	22,488
Total expenses	$ 10,535,996	$ 9,794,761	$ 2,797,215	$ 2,677,297	$ 2,054,426	$ 1,856,348	$ 910,874	$ 296,104	$ 284,673	$ 1,116,305	$ 32,323,999	$ 4,400,405	$ 120,373	$ 4,520,778	$ 36,844,777

CENTRAL NASSAU GUIDANCE AND COUNSELING SERVICES, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 5,357,569	$ 1,043,849
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	840,440	771,154
Net change in operating lease liabilities	(53,762)	159,048
Decrease in unamortized bond costs	7,681	7,682
Unrealized (gain) loss on investments	(17,728)	8,836
(Increase) decrease in government contracts receivable	(3,693,944)	1,602,302
(Increase) decrease in program service fees receivable	(365,678)	895,577
(Increase) decrease in prepaid expenses	(126,187)	71,789
Increase in security deposits	(23,407)	(16,889)
Increase (decrease) in trade payables	201,975	(13,307)
Increase (decrease) in government agency payables	15,145	(399,754)
Increase in accrued expenses	369,559	84,680
Decrease in deferred rent payable	-	(117,364)
Increase in unearned revenue	2,908,798	1,377,440
Decrease in due to governments	(206,709)	(275,587)
Net cash provided by operating activities	5,213,752	5,199,456
CASH FLOWS FROM INVESTING ACTIVITIES:		
Earnings reinvested	(45,221)	(538)
Purchase of investments	(1,700,000)	-
Purchase of fixed assets	(4,897,455)	(761,700)
Net cash used by investing activities	(6,642,676)	(762,238)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from mortgage payable	3,120,000	-
Principal payments on mortgages payable	(118,744)	(103,983)
Net cash provided (used) by financing activities	3,001,256	(103,983)
NET INCREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	1,572,332	4,333,235
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF YEAR	13,464,299	9,131,064
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, END OF YEAR	$ 15,036,631	$ 13,464,299
SUPPLEMENTAL INFORMATION:		
Initial recognition of right-of-use assets obtained via lease liabilities	$ 631,714	$ 6,464,427
Cash paid for interest	$ 63,679	$ 51,386
COMPONENTS OF CASH, CASH EQUIVALENTS, AND RESTRICTED CASH ON THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION		
Cash and cash equivalents	$ 14,825,885	$ 13,262,286
Restricted cash	210,746	202,013
TOTAL CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	$ 15,036,631	$ 13,464,299

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

(1) Background and organization

Central Nassau Guidance and Counseling Services, Inc. is a not-for-profit corporation which was founded and incorporated under the laws of the State of New York in 1972. Central Nassau Guidance and Counseling Services, Inc. and CNGCS Development Corporation, a wholly owned subsidiary (collectively, the "Agency") are New York State not-for-profit corporations serving Nassau and Suffolk Counties. The mission of Central Nassau Guidance and Counseling Services, Inc. is to inspire and catalyze recovery for people living with mental health and substance use conditions through innovative and person-centered integrated clinical treatment, counseling, housing and support services—empowering those served to live healthy and fulfilling lives.

CNGCS Development Corporation is a not-for-profit corporation which was founded and incorporated under the laws of the State of New York in 1997. CNGCS Development Corporation serves as a title holding corporation that helps provide housing opportunities for those affected by mental health and substance use conditions for Central Nassau Guidance and Counseling Services, Inc.

(2) Summary of significant accounting policies:

The accompanying consolidated financial statements include the assets, liabilities, revenues and expenses of the Agency and eliminate all intercompany accounts and transactions which totaled $9,495 and $46,016 for the years ended December 31, 2023 and 2022, respectively. The following is a summary of significant accounting policies followed by the Agency:

Financial statement presentation -

The accompanying consolidated financial statements are presented under the accrual basis of accounting in accordance with U.S. generally accepted accounting principles which require the consolidated financial statements to distinguish between those with and without donor restricted net assets and changes in net assets. The Agency's net assets consist of the following:

Without donor restrictions - net assets of the Agency which have not been restricted by an outside donor or by law and are therefore available for use in carrying out the operations of the Agency.

With donor restrictions - net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Functional expenses -

The Consolidated Statements of Functional Expenses report certain categories of expenses that are attributable to one or more program or supporting functions of the Agency. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Direct program expenses are reported in their respective functional categories. The significant expenses that are allocated include: salaries, employee benefits, payroll taxes, rent and client assistance which are allocated on the basis of estimates of time and effort. Depreciation and building rent are allocated on basis of square footage and use, and all other expenses are allocated based on a systematic and rational basis. The major program services provided by the Agency are summarized as follows:

Certified Community Behavioral Health Clinic ("CCBHC"): The Agency's Certified Community Behavioral Health Clinic ("CCBHC") provides integrated outpatient mental health, co-occurring and substance use disorder treatment and physical health services. Licensed by the NYS Office of Mental Health ("OMH") and the NYS Office of Addiction Services and Supports ("OASAS"), CCBHC services are provided to adults, adolescents, children and families and include: same day access to treatment, crisis stabilization services, psychosocial assessments, individual and group psychotherapy, psychiatric evaluations and medication management, outpatient detoxification and medication assisted treatment, 24/7 mobile crisis team, care transition and treatment services from the hospital to the home and community, on-site primary care services, targeted case management, peer support, counseling and family support services, psychiatric rehabilitation services, and intensive community-based mental health care for veterans and members of armed services. The Mobile Recovery Unit provides mobile and telehealth treatment services, via a recreational vehicle ("RV") and a box truck, for substance use and co-occurring disorders including medication assisted treatment and peer outreach and engagement services.

The Agency also partnered with Northwell Health to improve the engagement rates into treatment for individuals who experience a heroin/opiate overdose at Northwell hospital emergency rooms throughout Long Island. The program provides support and direct connection to licensed treatment programs and linkage to recovery support services. The program also provides resources for family and/or significant others and supports the individuals for up to 120 days post hospital emergency department discharge.

Community Residence: The Agency's residential programs provide a safe and supportive environment allowing our residents to grow and achieve their fullest potential with the goal of living independently in the community. The Agency provides 24-hour supervised, transitional and permanent housing opportunities for single adults with serious mental illness and co-occurring substance use disorders. In addition, the crisis respite programs offer short-term stays in a 24-hour staffed setting to those in immediate need of temporary refuge from their current housing situation.

Assertive Community Treatment ("ACT") Teams: For individuals diagnosed with refractory Schizophrenia and/or serious mental illness characterized by multiple psychiatric hospitalizations and emergency room visits, involvement with criminal justice system and alcohol/substance use, three multi-disciplinary teams provide a full range of community based mental health and substance use treatment, medication management, rehabilitation, vocational and support services.

Care Management Services: The Agency provides comprehensive care management and jail diversion services for clients who have complex medical, behavioral health, criminal justice, and/or long-term care or homebound needs. The Agency ensures high-quality case management services which address the social determinants of health while reducing avoidable health care costs, specifically preventable hospital admissions/readmissions and avoidable emergency room visits. These programs include our Health Home Care Management ("HHCM") program; Mental Health Court; Treatment Alternative to Prison Program ("TAPP"); and our "Link-Age" program which focuses on the homebound elderly population.

Personal Recovery-Oriented Services ("PROS"): The Roads to Recovery program, is a structured, recovery-oriented program that offers day mental health treatment and rehabilitative services to adults. The program is characterized by a blend of mental health and psycho education services provided in a fully integrated program. The program also includes clinical services such as individual and group counseling, family counseling, crisis intervention, interpersonal skill development, behavior modification and medication management.

Project FORWARD: This program offers relationship, communication, and parenting skill-building workshops to adults 18 years and older. Participants also receive individualized coaching to help support their goals, along with optional financial and employment stability support/services. Project FORWARD provides the tools to support and enhance healthy communication, enduring relationships, and positive parenting skills (for those with children).

Intensive Crisis Stabilization Center ("ICSC"): Across 2024 and 2025, CN Guidance is launching our first-of-its-kind on Long Island and state-licensed Intensive Crisis Stabilization Center ("ICSC"), located at our 950 S. Oyster Bay Road facility in Hicksville. This urgent behavioral healthcare center will be open 24/7/365 and serve individuals, families, and agencies like emergency services and local law enforcement. Built on a platform of community partnership, CN Guidance's ICSC will be a welcoming place where individuals and families from diverse backgrounds and neighborhoods on Long Island can go when they are experiencing mental health or substance use-related crises. At the ICSC, clients and families will get help from trained, experienced, supportive, and empathetic clinical professionals and peer specialists. Those served can be assessed, served, and remain safe in the ICSC for up to 24 hours as they transition to longer term care.

With the ICSC, CN Guidance is spearheading and leading a core partnership of seven collaborating entities that disproportionately serve individuals from marginalized/ underserved populations and many communities of color, including Nassau/Suffolk County agencies that span police, mental health, and social service departments. An additional 50 community providers have also provided signed letters of support for the ICSC, a model example of resources more equitably accessed through the Agency.

Peer-operated Drop-in and Respite Services: The Starry Night Café is a peer operated affirmative business that specializes in catering to the creative talents of persons with developmental disabilities. The program provides respite through supervised activities in a safe, stimulating, and supportive environment which offers numerous opportunities for people to use their talent and creativity while improving their social skills. The Starry Night Café also functions as a Drop-in Center during the daytime. The Drop-In Center provides a safe, nurturing and structured program designed to offer clients the opportunity to meet others, participate in recreational activities, learn computer skills, become knowledgeable of other resources in the community and to have a healthy meal. The work of the Drop-In Center is geared toward enabling the participants to enhance their interpersonal relationships, increase their opportunities for socialization, and create stability and independence within their personal lives. Both programs provide staff members with lived experience an opportunity to train and work in a competitive employment setting by operating various functions of the café while operating the programs.

Insurance Navigator Program: The Agency has partnered with Health and Welfare Council of Long Island to link individuals across Long Island with health insurance through the New York State marketplace. Together, we engage underserved individuals in the community and not only assist them in navigating the complex health insurance system, but also provide advocacy and guidance in choosing a managed care plan or a primary care physician.

Fundraising expenses -

The proceeds from the Agency's special events are reflected in the Consolidated Statements of Activities. Exchange transactions are reciprocal transfers in which each party receives and sacrifices something of approximately equal value.

The costs of the direct benefits to the donors attending special events and the indirect costs, including labor and other overhead expenses, associated with the Agency's fundraising activities are included as fundraising expenses in both the Consolidated Statements of Activities and Changes in Net Assets and the Consolidated Statements of Functional Expenses.

Revenue recognition -

The Agency complies with and accounts for its revenues in accordance with FASB ASC 958, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* and ASC 606, *Revenue from Contracts with Customers*.

The following are the significant revenue recognition accounting policies of the Agency:

Contracts: Revenue under contracts are recognized when earned. Revenue is earned when performance obligations, as defined in each contract, are fulfilled. Funds received but not yet earned are shown as unearned revenue. Expenditures under contracts are subject to review by the granting authority. To the extent, if any, that such a review reduces expenditures allowable under these contracts, the Agency will record such disallowance at the time the final assessment is made.

Grants and contributions: Grants and contributions are recognized as income when received and are considered to be available for unrestricted use unless specifically restricted by the donor. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Consolidated Statements of Activities and Changes in Net Assets as net assets released from restriction. Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. Conditional contributions are accounted for as a liability or are not recognized as revenue initially, until the barriers to entitlement are overcome, at which point a transaction is recognized as unconditional and classified as either net assets with donor restrictions, or net assets without donor restrictions.

Third party reimbursements: Third party reimbursements are reported at an amount that reflects the consideration to which the Agency expects to be entitled in exchange for providing housing to eligible families. These amounts are due from third party payors, as applicable, and include variable consideration and price concessions due to coverage. Revenue is recognized as performance obligations are satisfied based on actual charges incurred in relation to total expected collections.

Fundraising revenue: The portion of fundraising revenue that relates to the commensurate value the attendee receives in return is recognized when the related events are held, and performance obligations are met.

Contributed services -

A number of volunteers have donated significant amounts of their time in the Agency's program services and fundraising campaigns. However, since these services do not meet the criteria for recognition under U.S. generally accepted accounting principles, they are not reflected in the accompanying consolidated financial statements.

Cash and cash equivalents -

All highly liquid financial instruments with an original maturity of three months or less, other than those held as part of the investment portfolio or restricted cash, are considered to be cash equivalents for financial statement purposes.

Restricted cash -

The New York State Office of Mental Health ("OMH") requires the Agency to reserve, from its funding, an amount annually equal to 0.6% of the acquisition cost for each property that the Agency owns and uses to run a residency program; up to 10% of the acquisition cost. Expenditures from this account are restricted to repairs and maintenance on the respective facilities and require approval by OMH before disbursement. Other restricted cash represents the donor restricted funds for the Agency's various programs.

Government contracts and program service fees receivables -

Accounts receivable are comprised of Federal, State, county grants and contracts, as well as Medicaid and Medicare expected to be received within the upcoming year. As of December 31, 2023 and 2022, the Agency has reserved a balance for potential uncollectible accounts amounting to $572,005 and $729,996, respectively. Such estimate is based on management's experience, the aging of receivables, subsequent receipts and current economic conditions.

Investments -

Investments are recorded at fair value. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Agency follows U.S. generally accepted accounting principles regarding fair value measurements which establish a fair value hierarchy requiring an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements).

Investment income is recorded when earned and considered available for unrestricted use unless otherwise restricted by the donor. Realized and unrealized gains and losses are determined on the basis of specific identification.

Liquidity considerations -

Quantitative

As of December 31, 2023 and 2022 financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, were as follows:

	2023	2022
Financial assets		
Unrestricted cash and cash equivalents	$ 14,825,885	$ 13,262,286
Restricted cash and cash equivalents	210,746	202,013
Government contracts receivable	7,291,651	3,597,707
Program service fees receivable, net	2,573,671	2,207,993
Investments	1,810,256	48,413
Total financial assets	26,712,209	19,318,412
Less amounts not available to be used for general expenditures within one year		
Restricted by donors with purpose restrictions	(210,746)	(202,013)
Total financial assets to meet cash needs for general expenditures within one year	$ 26,501,463	$ 19,116,399

Qualitative

The Organization has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet two months of normal operating expenses, with a minimum of approximately $6.5 million and $5.9 million for the years ended December 31, 2023 and 2022, respectively.

Fixed assets -

Fixed assets are capitalized at cost or, if donated, at fair market value as of the date of receipt. Maintenance and repairs are expensed as incurred. The carrying amounts of fixed assets and the related accumulated depreciation are removed from the accounts when such assets are disposed of, and any resulting gain or loss is recorded in the consolidated statement of activities and changes in net assets. The Agency capitalizes expenditures over $3,000. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Building	40 years
Building improvements	15-30 years
Leasehold improvements	20 years or the life of the lease, whichever is less
Furniture, fixtures and equipment	5-7 years
Transportation equipment	5 years

Certain property and equipment assets acquired through contracts may revert upon termination of the contract to the contracting governmental Agency at the end of the contract period.

Right-of-use assets and lease liabilities -

The Agency complies with the provisions of the Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) No. 2016-02, *Leases* (“Topic 842”). All leases entered into during the year were also required to recognized and measured. In applying Topic 842, the Agency made an accounting policy election not to recognize the right-of-use assets and lease liabilities relating to short-term leases.

The Agency determines if an arrangement is or contains a lease at inception. The Agency’s operating lease arrangements are comprised of building leases and equipment leases. Right-of-use (“ROU”) assets represent the Agency’s right to use the underlying assets for the lease terms and lease liabilities represent the Agency’s obligation to make lease payments arising from the leases. ROU assets and lease liabilities are recognized at the commencement date based on the present value of the lease payments over the lease terms. As the Agency’s leases do not provide an implicit rate and the implicit rate is not readily determinable, the Agency estimates its incremental borrowing rate based on the information available at the commencement date in determining the present value of the lease payments. ROU assets also exclude lease incentives.

The Agency reconciles the operating lease expenses with the operating lease payments by presenting the amortization of the ROU assets and the change in the lease liabilities in a single line item within the adjustments to reconcile change in net assets to net cash provided by operating activities in the accompanying Consolidated Statements of Cash Flows.

Government agency payables -

The Agency owes money back to various government agencies as a result of overpayments from contracts due from services, treatments or programs.

Impairment of long-lived assets and long-lived assets to be disposed of -

The Agency follows the provision of the FASB Accounting Standards Codification on accounting for the impairment and disposal of long-lived assets. It requires that long-lived assets and certain identifiable intangibles be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. These principles did not have any impact on the Agency's consolidated financial position, results of activities or liquidity during the years ended December 31, 2023 and 2022.

Conditional asset retirement obligations -

The FASB Accounting Standards Codification on asset retirement and environmental obligations requires the Agency to recognize the fair value of its legal obligation to perform an asset retirement activity, even though uncertainty exists about the timing and/or method of settlement, if and when the fair value of the liability can be reasonably estimated. As of December 31, 2023 and 2022, the Agency has met the provisions of and is in compliance with these requirements.

Vacation accrual policy -

Employees may be paid unused vacation pay up to their termination date, plus up to the maximum of ten days which might have been accrued from the previous year, provided that the employee has complied with notice of resignation requirements. An exception may be made for an employee to accrue more than ten days to the following year with the approval of the Chief Executive Officer.

Income taxes -

Central Nassau Guidance and Counseling Services, Inc. qualifies as a tax-exempt, not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code and applicable New York State tax laws. The subsidiary, CNGCS Development Corporation, qualifies as a tax-exempt, not-for-profit organization under Section 501(c)(2) of the Internal Revenue Code and applicable New York State tax laws as a holding corporation. Accordingly, no provision for Federal or State income taxes is required.

Uncertainty in income taxes -

The Agency has determined that there are no material uncertain tax positions that require recognition or disclosure in the consolidated financial statements. Periods ending December 31, 2020 and subsequent remain subject to examination by the applicable taxing authorities.

The use of estimates in the preparation of consolidated financial statements -

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reported period. Actual results may differ from those estimates.

Reclassifications -

Certain reclassifications of prior year balances on the Consolidated Statements of Financial Position have been made to conform to the current year presentation. These reclassifications had no effect on the change in net assets for the year ended December 31, 2022.

(3) Fair value measurements:

The FASB *Fair Value Measurement* standard clarifies the definition of fair value for financial reporting, establishes framework for measuring fair value, and requires additional disclosure about the use of fair value measurements in an effort to make the measurement of fair value more consistent and comparable. The Agency has adopted the standard for their financial assets and liabilities measured on a recurring and nonrecurring basis (ASC 820-10).

Fair Value Measurement defines fair value as the amount that would be received from the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants, i.e. an exit price. The three levels of fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reported entity has the ability to access at the measurement date.

- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

- Level 3 inputs are unobservable inputs for the asset or liability.

The following methods and assumptions were used by the Agency in addressing the fair value of financial instruments.

Common stock -

Common stock are securities that represent equity ownership that also comes with voting rights in a company or organization.

Short-term investments -

Short-term investments held by the Agency consist of certificates of deposit. These investments consist of funds with and without donor restrictions and do not include any government grant or contract funds. The carrying amounts reported on the Statements of Financial Position approximate those assets' fair values.

Investment in LLC -

Investments held by the Agency consist of an investment in a limited liability corporation ('LLC"). The carrying amount reported is valued according to the valuation policy of the LLC, subject to prevailing accounting and other regulatory guidelines. The Agency has no ability to influence the operating or financial policies.

The following table represents the Agency's fair value hierarchy for investments as of December 31, 2023:

	Fair value	Level 1	Level 2	Level 3
Common stock	$ 41,089	$ 41,089	$ -	$ -
Certificates of deposit	1,769,167	1,769,167	-	-
Investment in LLC	18,106	-	-	18,106
	$ 1,828,362	$ 1,810,256	$ -	$ 18,106

The following table represents the Agency's fair value hierarchy for investments as of December 31, 2022:

	Fair value	Level 1	Level 2	Level 3
Common stock	$ 23,975	$ 23,975	$ -	$ -
Certificates of deposit	24,438	24,438	-	-
Investment in LLC	17,000	-	-	17,000
	$ 65,413	$ 48,413	$ -	$ 17,000

Assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

	2023	2022
Beginning balance	$ 17,000	$ 17,000
Add: Unrealized gains	1,106	-
Ending balance	$ 18,106	$ 17,000

As of December 31, 2023 and 2022, the Agency did not possess any level 2 type of investments.

(4) Investments

Investments as of December 31, 2023 and 2022 are as follows:

	2023		2022	
	Cost	Market Value	Cost	Market Value
Common stock	$ 13,344	$ 41,089	$ 13,344	$ 23,975
Certificates of deposit	1,720,000	1,769,167	20,000	24,438
	$ 1,733,344	$ 1,810,256	$ 33,344	$ 48,413

(5) Fixed assets

Fixed assets as of December 31, 2023 and 2022 are comprised of the following:

	2023	2022
Land	$ 495,801	$ 495,801
Construction-in-progress	628,033	321,963
Buildings and improvements	16,556,873	12,386,866
Furniture, fixtures and equipment	2,400,509	1,979,131
Transportation equipment	1,364,924	1,364,924
	21,446,140	16,548,685
Less: accumulated depreciation	9,684,220	8,843,780
	$ 11,761,920	$ 7,704,905

(6) Leases

The Agency is obligated under various operating leases for certain equipment and space expiring through 2027.

The Agency evaluated current contracts to determine which met the criteria of a leases. The ROU assets represent the Agency's right to use underlying assets for the lease term, and the lease liabilities represent the Agency's obligation to make lease payments arising from these leases. The ROU assets and lease liabilities, all of which arise from operating leases, were calculated based on the present value of future lease payments over the lease terms. The Agency has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments. The weighted-average discount rate applied to calculate lease liabilities as of January 1, 2023, was 4.13%.

As of December 31, 2023, the weighted-average remaining lease term for the Agency's operating leases was approximately 1.9 years.

Cash paid for the operating leases for the year ended December 31, 2023 was $2,601,501. There were no noncash investing and financing transactions related to leasing other than the transition entry described in Note 2.

Future maturities of operating lease liabilities are presented in the following table, for the fiscal years ending December 31:

For the Fiscal Year Ending December 31,	
2024	$ 2,396,470
2025	1,335,536
2026	33,408
2027	7,251
2028	1,571
Total	3,774,236
Less: discount to present value	(94,278)
Total lease liabilities	$ 3,679,958

(7) Line of credit

The Agency had a $5,000,000 revolving line of credit with a M&T bank for general operations which was amended on February 28, 2020 for additional borrowings of up to $8,000,000. Borrowings under this line were secured by essentially all of the Agency's assets. The interest rate on the line provided for certain minimum and maximum rate limitations. Interest on outstanding amounts under this agreement are at the prime rate (8.50% as of December 31, 2023). There were no borrowings on this line of credit.

(8) Long-term debt:

Mortgages payable

The Agency issued a new mortgage to refund its outstanding tax-exempt Series 2000 A-F Civic Facility Revenue Bond (the "Bond") in January 2015 in the amount of $2,370,000. The original proceeds of the Bond were used to purchase and renovate several properties owned by the Agency. The mortgage is payable over a 15 year period and bears interest at a rate of 4.50%, and is payable in monthly installments of principal and interest in the amount of $12,307 through February 1, 2030. As of December 31, 2023 and 2022, the balance of the mortgage payable was $745,687 and $846,833, respectively (net of debt issuance costs of $46,729 and $54,410, respectively).

Scheduled future principal payments on the mortgage payable is as follows:

For the Year Ended December 31,	
2024	$ 113,798
2025	119,200
2026	124,754
2027	130,566
2028	136,613
2029-2030	167,485
	792,416
Less: issuance costs	(46,729)
	$ 745,687

The Agency issued a new mortgage in October 2023 in the amount of $3,120,000. The proceeds of the mortgage were used to purchase a new building. The mortgage is a 10 year term note with a variable interest rate and is payable in monthly installments of $9,916, plus interest increasing by 7.5% each year. The Agency will refinance the remaining balance of the mortgage in 2033. As of December 31, 2023 the balance of the mortgage payable was $3,110,083.

Scheduled future principal payments on the mortgage payable is as follows:

For the Year Ended December 31,	
2024	$ 120,499
2025	129,595
2026	139,379
2027	149,901
2028	161,217
2029-2033	967,030
Amount to be refinanced	1,442,462
	$ 3,110,083

(9) **With donor restrictions**

Net assets with donor restrictions are available for or relate to capital asset purchases and other programs. The donor restricted funds are kept within separate bank accounts and are used accordingly.

(10) **Commitments and contingencies:**

Contract funding considerations

Reimbursement contracts are often subject to audit by applicable granting agencies. The possible disallowances by the granting agencies of any item charged to the program cannot be determined until such time when and if any audit occurs. Therefore, no provision for any potential disallowances that may result from such audits has been made in the accompanying consolidated financial statements. Management is of the opinion that any potential disallowances will not be material to the accompanying consolidated financial statements.

Reimbursement of expenditures

Contracts, grants and fees applicable to program and community services are reported in the year earned at net realizable amounts for services rendered under contracts and reimbursement agreements. Certain contracts and grants provide for reimbursement rates that are subject to potential changes based on periodic reviews by the funding agencies. Such rates are either adjusted prospectively through future reimbursement rates or are adjusted retroactively. Prospective rate adjustments are generally insignificant and are reflected in the revenues of the future periods based on when the adjusted reimbursement rates are determined. Retroactive rate adjustments are recorded as adjustments to revenues in the period that the amounts are determinable and are reasonably measurable.

Some of the Agency's contracts and grants do not provide for rate adjustments although they may be subject to audits. It has been the experience of the Agency that adjustments as a result of audits have been insignificant. Management of the Agency is not aware of any potential material liabilities as of December 31, 2023 resulting from any audits.

As of December 31, 2023 and 2022, the Agency recorded unearned revenue for grants in the amount of $4,829,749 and $1,920,951, respectively, for potential disallowed claims for reimbursement. Disallowed claims arise principally due to amounts claimed in excess of final amounts reconciled on the Consolidated Fiscal Report ("CFR"). It is the opinion of management that disallowances, if any, in excess of amount recorded for unearned revenue would not have a material effect on the combined financial position of the Agency.

As of December 31, 2023 and 2022, the Agency recorded amounts due to governments in the amount of $1,272,974 and $1,479,683, respectively, for contract amounts received in excess of expenditures.

Paycheck Protection Program

On April 23, 2020, the Agency received loan proceeds in the amount of $3,696,595 pursuant to the Paycheck Protection Program ("PPP") under the Coronavirus Aid, Relief and Economic Security Act ("CARES Act") which was enacted on March 27, 2020. The Small Business Administration ("SBA") reserves the right to audit any PPP loan, regardless of size. These audits may occur after forgiveness has been granted. In accordance with the CARES Act, all borrowers are required to maintain their PPP loan documentation for six years after the PPP loan is repaid in full and to provide that documentation to the SBA upon request. The Agency does not believe the results of any audits or reviews by the SBA would have a material impact on the financial statements.

Operating leases

The Agency, as part of the Residential Services Program, leases several apartments, with lease terms generally for one year periods. Residents of the program are responsible for a portion of the minimum annual rental. The space minimum annual rental has not been reduced by the residents' portion because of the variability in occupancy levels and reimbursement rates.

Future minimum annual lease payments for all leases are summarized as follows:

For the Fiscal Year Ending December 31,	
2024	$ 1,083,174

(11) Pension and retirement plans:

403(b) Plan

The Agency has a 403(b) Thrift Plan (the "Thrift Plan") for eligible non-union employees. Non-union employees may elect to defer compensation and make voluntary contributions to the plan. Voluntary contributions to the Thrift Plan amounted to approximately $356,000 and $282,000 for the years ended December 31, 2023 and 2022, respectively. The Agency may make discretionary contributions to the plan each year, however no discretionary contributions were made to the Thrift Plan for each of the years ended December 31, 2023 and 2022.

Certain eligible non-union employees are given a set fringe rate as part of their compensation package to be used for health benefit or retirement purposes at their election. Any unspent fringe benefits are contributed to the employee's 403(b) Thrift Plan account. Fringe benefits which were contributed to the Thrift Plan amounted to approximately $556,000 and $409,000 for the years ended December 31, 2023 and 2022, respectively.

457(b) Plan

The Agency provides a defined contribution retirement plan under Section 457(b) (the "457(b) Plan") of the IRC. The 457(b) Plan became effective on December 1, 2008. The 457(b) Plan is available for the benefit of a select group of highly compensated management employees. The 457(b) Plan allows eligible employees to contribute up to the lesser of 100% of their salary for the year or the applicable dollar amount for a year as set by the Internal Revenue Service. There are no matching contributions. Employee contributions are remitted to an insurance company and are used to purchase annuities and other investments. For the years ended December 31, 2023 and 2022, contributions to the 457(b) Plan amounted to approximately $130,000 and $89,000, respectively.

Multi-employer defined benefit pension plan

The Agency contributes to a multi-employer defined benefit pension plan (the "Plan") under the terms of a collective bargaining agreement that covers its union represented employees.

The risk of participating in a multi-employer plan is different from a single-employer plan in the following aspects:

- Assets contributed to a multi-employer plan by one employer may be used to provide benefits to employees of other participating employers.
- If a participating employer stops contributing to the Plan, the unfunded obligations of the Plan may be borne by the participating employers.
- If the Agency chooses to stop participating in the multi-employer plan, the Agency may be required to pay the Plan an amount based on the underfunded status of the Plan, referred to as a withdrawal liability.

The Agency's participation in the Plan for the year ended December 31, 2023, is outlined in the table below. The "EIN/Pension Plan Number" column provides the Employer Identification Number ("EIN") and the three-digit plan number. The next column lists the expiration date of the collective-bargaining agreement to which the Plan is subject. Unless otherwise noted, the most recent Pension Protection Act ("PPA") zone status available in 2023 and 2022 is for the Plan's year end at December 31, 2023 and 2022, respectively. The zone status is based on information that the Agency received from the Plan and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65% funded, plans in the yellow zone are less than 80% funded, and plans in the green zone are at least 80% funded. The "FIP/RP Status Pending/Implemented" column indicates plans for which a financial improvement plan ("FIP") or a rehabilitation plan ("RP") is either pending or has been implemented.

Pension Fund	EIN/Pension Plan Number	Expiration Date of Collective Bargaining Agreement	Pension Protection Act Zone Status		FIP/RP Status Pending/ Implemented	Surcharge Imposed	Contributions To the Plan	
			2023	2022			2023	2022
1199 SEIU Healthcare Pension Fund	13-3604862-001	10/31/2017	Green	Green	No	No	$130,180	$ 89,451

(12) Concentrations of credit risk

The Agency maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Agency has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

(13) Subsequent events

The Agency has evaluated subsequent events through May 1, 2024, which is the date the financial statements were available to be issued, noting no matters requiring financial statement disclosure.