

***EAST RIVER DEVELOPMENT ALLIANCE,
INC. (D/B/A URBAN UPBOUND)***

**Financial Statements
June 30, 2023**

**EAST RIVER DEVELOPMENT ALLIANCE, INC.
(D/B/A URBAN UPBOUND)**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023 (WITH COMPARATIVE TOTALS FOR 2022)**

	PAGE
INDEPENDENT AUDITORS' REPORT	1-3
FINANCIAL STATEMENTS:	
Statement of Financial Position	4
Statement of Activities	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
NOTES TO FINANCIAL STATEMENTS	8-18



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INDEPENDENT AUDITORS' REPORT

The Board of Directors
East River Development Alliance, Inc. (d/b/a Urban Upbound)

Opinion

We have audited the accompanying financial statements of the East River Development Alliance, Inc. (d/b/a Urban Upbound) (the "Organization") which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of East River Development Alliance, Inc. (d/b/a Urban Upbound) as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial statements section of our report. We are required to be independent of East River Development Alliance, Inc. (d/b/a Urban Upbound) 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 Financial statements

Management is responsible for the preparation and fair presentation of these 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 the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about East River Development Alliance, Inc. (d/b/a Urban Upbound) 's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 East River Development Alliance, Inc. (d/b/a Urban Upbound)'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about East River Development Alliance, Inc. (d/b/a Urban Upbound)'s ability to continue as a going concern for a reasonable period of time.

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



Report on Summarized Comparative Information

We have previously audited East River Development Alliance, Inc.'s June 30, 2022, financial statements and we expressed an unmodified audit opinion on those financial statements in our report dated May 11, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Wei Wei & Co. LLP

Flushing, New York
May 3, 2024.

**EAST RIVER DEVELOPMENT ALLIANCE, INC.
D/B/A URBAN UPBOUND**

**STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023 (WITH COMPARATIVE AMOUNT AT JUNE 30, 2022)**

ASSETS	2023	2022
Current assets:		
Cash and cash equivalents <i>(Note 2)</i>	\$ 136,206	\$ 123,814
Grants receivable <i>(Notes 2 and 4)</i>	3,750,961	3,962,017
Receivable, other	25,000	-
Investment, at fair value <i>(Note 2)</i>	2,051	3,000,644
Prepaid expenses	17,376	23,398
Security deposits	78,583	71,379
Total current assets	4,010,177	7,181,252
Property and equipment, net <i>(Notes 2 and 5)</i>	5,643,217	-
Operating leases right-of-use assets <i>(Notes 2 and 9)</i>	1,172,281	1,215,419
TOTAL ASSETS	10,825,675	8,396,671
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	1,056,686	1,388,027
Loan Payable - Economic Injury Disaster Loan (EIDL), current portion <i>(Note 6)</i>	7,692	7,692
Operating leases liabilities <i>(Notes 2 and 9)</i>	328,681	275,416
Total current liabilities	1,393,059	1,671,135
Noncurrent liabilities:		
Line of credit <i>(Note 8)</i>	995,000	635,089
Loan Payable - EIDL, less current portion <i>(Note 6)</i>	134,669	138,390
Other loan payable <i>(Note 7)</i>	2,300,000	-
Operating leases liabilities, less current portion <i>(Notes 2 and 9)</i>	843,600	940,003
Total noncurrent liabilities	4,273,269	1,713,482
TOTAL LIABILITIES	5,666,328	3,384,617
Net assets <i>(Note 2)</i>:		
Without donor restrictions	5,159,347	2,012,054
With donor restrictions	-	3,000,000
TOTAL NET ASSETS	5,159,347	5,012,054
TOTAL LIABILITIES AND NET ASSETS	\$ 10,825,675	\$ 8,396,671

See accompanying auditors' report and notes to financial statements.

**EAST RIVER DEVELOPMENT ALLIANCE, INC.
D/B/A URBAN UPBOUND**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023 (WITH COMPARATIVE TOTALS FOR 2022)**

	without Donor Restrictions	with Donor Restrictions	2023	2022
REVENUE AND SUPPORT:				
Government income	\$ 9,815,790	\$ -	\$ 9,815,790	\$ 9,826,817
Foundations and other grants	787,370	-	787,370	3,359,085
Special events, less direct cost of \$102,049	272,445	-	272,445	392,917
Contributions	27,559	-	27,559	272,736
Other income	61,881	-	61,881	4,410
Net assets released from restrictions	3,000,000	(3,000,000)	-	-
Total Revenue and Support	13,965,045	(3,000,000)	10,965,045	13,855,965
EXPENSES:				
Program services :				
Employment services	4,994,526	-	4,994,526	4,576,743
Financial Counseling, Fitness and Tax Preparations	1,509,612	-	1,509,612	1,121,720
Community Revitalization, College Access, Relief and Recovery	2,646,965	-	2,646,965	3,221,677
Credit Union Program	113,795	-	113,795	258,433
Total Program Services	9,264,898	-	9,264,898	9,178,573
Supporting services:				
Fundraising	854,070	-	854,070	625,603
Management and general	698,784	-	698,784	511,857
Total Supporting Services	1,552,854	-	1,552,854	1,137,460
Total Expenses	10,817,752	-	10,817,752	10,316,033
Change in Net Assets	3,147,293	(3,000,000)	147,293	3,539,932
Net Assets, Beginning of year	2,012,054	3,000,000	5,012,054	1,472,122
Net Assets, End of year	\$ 5,159,347	\$ -	\$ 5,159,347	\$ 5,012,054

See accompanying auditors' report and notes to financial statements.

EAST RIVER DEVELOPMENT ALLIANCE, INC.
D/B/A URBAN UPBOUND

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023

	Program Services					Supporting Services			Total
	Employment Service	Financial Counseling Fitness and Tax Preparations	Community Revitalization College Access, Relief and Recovery	Credit Union Program	Program Services Total	Fundraising	Management and General	2023	
Salaries	\$ 3,195,132	\$ 1,181,419	\$ 943,045	\$ 26,737	\$ 5,346,333	\$ 321,992	\$ 263,448	\$ 5,931,773	
Payroll taxes	295,703	121,270	78,488	2,554	498,015	33,653	27,534	559,202	
Fringe benefits	128,717	8,105	22,315	-	159,137	4,140	3,387	166,664	
Total personnel services	3,619,552	1,310,794	1,043,848	29,291	6,003,485	359,785	294,369	6,657,639	
Rent (Note 9)	230,690	124,893	25,899	2,984	384,466	2,069	1,693	388,228	
Utilities	21,197	20,134	-	5,312	46,643	3,793	3,103	53,539	
Repairs and maintenance	101,541	11,064	-	11,510	124,115	33,590	27,483	185,188	
Insurance	-	-	-	3,749	3,749	31,531	25,798	61,078	
Office/program supplies	75,054	7,993	-	2,170	85,217	60,088	49,163	194,468	
Program outreach	52,973	-	-	-	52,973	23,939	19,587	96,499	
Meetings and events	6,780	339	-	364	7,483	18,925	15,485	41,893	
Postage and printing	-	-	-	1,351	1,351	2,676	2,190	6,217	
Dues, fees and subscriptions	157,633	18,583	-	45,200	221,416	41,638	34,068	297,122	
Professional fees	-	-	-	7,691	7,691	28,663	23,451	59,805	
Communications	45,207	3,573	-	2,450	51,230	29,646	24,256	105,132	
Bank and payroll fees	61,997	-	-	-	61,997	17,399	14,235	93,631	
Interest	-	-	-	-	-	30,187	24,698	54,885	
Equipment leases	57,582	1,205	-	-	58,787	5,056	4,137	67,980	
Participant costs, stipends, incentives	133,580	-	-	-	133,580	14,819	12,125	160,524	
Travel and transportation	17	-	-	1,242	1,259	13,507	11,051	25,817	
Workshop and training	-	11,034	-	-	11,034	15,606	12,769	39,409	
Security	251,150	-	-	-	251,150	-	-	251,150	
Consultants	179,573	-	1,577,218	481	1,757,272	71,751	58,705	1,887,728	
Miscellaneous	-	-	-	-	-	32,380	26,492	58,872	
Total expenses before depreciation and amortization	1,374,974	198,818	1,603,117	84,504	3,261,413	477,263	390,489	4,129,165	
Depreciation and amortization	-	-	-	-	-	17,022	13,926	30,948	
TOTAL EXPENSES	\$ 4,994,526	\$ 1,509,612	\$ 2,646,965	\$ 113,795	\$ 9,264,898	\$ 854,070	\$ 698,784	\$ 10,817,752	

See accompanying auditors' report and notes to financial statements.

**EAST RIVER DEVELOPMENT ALLIANCE, INC.
D/B/A URBAN UPBOUND**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023 (WITH COMPARATIVE AMOUNT FOR 2022)**

CASH FLOWS FROM OPERATING ACTIVITIES:	2023	2022
Change in net assets	\$ 147,293	\$ 3,539,932
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	30,948	-
Amortization of right-of-use assets	301,045	239,237
Changes in operating assets and liabilities:		
Grants receivable	211,056	(1,407,310)
Receivable, other	(25,000)	-
Prepaid expenses	6,022	(6,928)
Security deposit	(7,204)	-
Accounts payable and accrued expenses	(331,341)	743,520
Operating leases liabilities	(301,045)	(239,237)
Net cash provided by operating activities	31,774	2,869,214
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net purchases of investments	-	(3,000,644)
Purchase of fixed assets	(5,674,165)	-
Proceeds from sale of investments	2,998,593	-
Net cash (used in) investing activities	(2,675,572)	(3,000,644)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of loan payable, EIDL	(3,721)	(2,077)
Proceeds from line of credit	359,911	235,644
Proceeds from other loan payable	2,300,000	-
Net cash provided by financing activities	2,656,190	233,567
NET CHANGE IN CASH AND CASH EQUIVALENTS	12,392	102,137
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	123,814	21,677
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 136,206	\$ 123,814
SUPPLEMENTAL DISCLOSURE OF ADDITIONAL CASH FLOW INFORMATION:		
Cash paid for interest	\$ 54,885	\$ 25,280
Initial recognition of operating right-of-use assets and lease liabilities	\$ -	\$ 1,454,656

See accompanying auditors' report and notes to financial statements.

**EAST RIVER DEVELOPMENT ALLIANCE, INC.
(D/B/A URBAN UPBOUND)**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

1. NATURE OF ORGANIZATION

East River Development Alliance, Inc. (d/b/a Urban Upbound) (the “Organization”), was incorporated under the laws of the State of New York on August 27, 2003, and began operations soon thereafter. The Organization is a not-for-profit organization under Section 501(c)(3) and is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code (“IRC”).

East River Development Alliance, Inc. (d/b/a Urban Upbound) is funded primarily by government contract revenues as well as foundations contributions and corporate grants.

The following are descriptions of the Organization’s programs:

Employment Services

The Urban Upbound Employment Services Programs offer 1-on-1 career exploration, sector-focused job readiness training, job placement, retention and career advancement services for unemployed and underemployed youth and adults. The programs host recruitment events and job fairs to connect employers directly with clients thus facilitating on-the-spot interviews and job offers. The programs also provide free training and certifications in key sectors.

Financial Empowerment

Urban Upbound offers a suite of financial empowerment services including 1-on-1 financial counseling and group workshops focusing on increasing participant financial literacy and financial planning and assisting low-income families in accessing benefits such as the Supplemental Nutrition Assistance Program (SNAP). The Program offers free tax filing services to individuals including self-employed workers and small businesses to ensure that clients maximize their tax refunds and receive all their credits. Additionally, the Tax Prep team offers ITIN filing for undocumented immigrants.

College Access and Youth Development

Urban Upbound addresses the financial, academic, and social-emotional barriers to enrolling and succeeding in college for low-income youth by offering one-on-one counseling to high school students and parents (or legal guardians), workshops and tutoring. Among other services, students receive PSAT and SAT support and tutoring, go on campus tours, and get assistance with their college applications, essays, letters of recommendation, FAFSA applications & scholarships. Additionally, the programs help program alumni enrolled in college navigate their first year to ensure they have a successful experience.

**EAST RIVER DEVELOPMENT ALLIANCE, INC.
(D/B/A URBAN UPBOUND)**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

1. NATURE OF ORGANIZATION (continued)

Mental Health

The mental health department is a wellness program for children, youth and adults. The program introduces them to healthy ways of living by providing counseling services, while fighting the stigma that still exists in low-income communities. The program offers individual and group counseling covering depression, grief, social anxiety, self awareness, self-esteem issues, education-related anxiety and phobias. Types of therapeutic modalities: Cognitive behavior therapy (CBT), dialectical behavioral therapy (DBT), cognitive behavior therapy-suicide prevention (CBTSP), art therapy and play therapy.

Business Innovation

Urban Upbound offers technical assistance to small businesses at all stages of development, working with entrepreneurs to launch their dream business as well as with start-ups and more established businesses. The program services include support with their governance structure, financial planning, marketing and customer services, among others. The program also assists businesses in getting certified as M/WBEs.

Urban Weeds

As a community organization that leads and innovates, it was imperative for Urban Upbound to be among the first to leverage the changes resulting from the legalization of cannabis cultivation, production and commercialization in New York. Thus, Urban Upbound successfully applied for and received a recreational cannabis dispensary license from the New York State Office of Cannabis Management and officially launched Urban Weeds LLC. The profits from this social enterprise will be reinvested back into the programs and allow Urban Upbound to diversify into less traditional sources of funding while providing the community with a good source of employment and ultimately a workforce incubation program offering on-site training to clients interested in obtaining work at one of the many licensed dispensaries opening in New York City or launching a business of their own.

**EAST RIVER DEVELOPMENT ALLIANCE, INC.
(D/B/A URBAN UPBOUND)**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentationⁱ

The accompanying financial statements have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America (“U.S.GAAP”), as applicable to not-for-profit organizations. The classification of the Organization’s net assets and its support, revenue and expenses is based on the existence or absence of donor-imposed restrictions. The two classes of net assets are defined as follows:

Net assets without donor restrictions -includes funds having no restriction as to use or purpose imposed by donors. It represents resources available for support of the Organization’ operations.

Net assets with donor restrictions -represents assets that are subject to donor-imposed stipulations. Donor restricted contributions whose restrictions are met within the same year as received are reflected as net assets without donor restrictions in the accompanying financial statements. At June 30, 2023, the Organization had no net assets with donor restrictions.

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and cash equivalents

For the purposes of the statement of cash flows, the Organization considers all demand deposits, money market funds and other short-term liquid investments with original maturities of three months or less to be cash equivalents.

**EAST RIVER DEVELOPMENT ALLIANCE, INC.
(D/B/A URBAN UPBOUND)**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government grants receivable and revenue recognition

Government grant receivables are recorded when expenses are incurred or services are rendered and the Organization has a contract for services. The allowance for doubtful accounts is based on management's review that all receivables are collectible and accordingly, no provision for doubtful collection is deemed necessary. As of June 30, 2023, there was no balance for allowance for doubtful accounts.

The Organization recognizes revenue from contributions in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2018-08, Not-For-Profit" Entities ("Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. In accordance with ASU 2018-08, the Organization evaluates whether a transfer or assets is (1) an exchange transaction in which a resource provider is receiving commensurate value in return for the resources transferred and (2) a contribution. If the transfer is determined to be an exchange transaction, the Organization applies guidance under FASB Accounting Standards Codification ("ASC") 606. If the transfer of assets is determined to be a contribution, the Organization evaluates whether the contribution based upon whether the agreement includes both (1) one or more barriers that must be overcome before the Organization is entitled to the assets transferred and promised and (2) a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets.

Revenue from government sources

Revenue from cost reimbursement contracts is recognized when the Organization has expended the program costs in accordance with the grant agreement. Advance received from grantor agencies under cost reimbursement grants and before the Organization's expenses claim submissions are reflected in the accompanying statements of financial position as "contract refundable advances."

Contributions and Promises to Give

Contributions to support the Organization's operations are recognized as without donor restrictions unless they are received with donor stipulations that limit their use. Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. The gifts are reported as either net assets with donor restrictions or net assets without donor restrictions if they are received with donor stipulations that limit the use of the donated assets. 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 statement of activities as net assets released from restrictions.

**EAST RIVER DEVELOPMENT ALLIANCE, INC.
(D/B/A URBAN UPBOUND)**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment at Fair Value and Income Recognition

Investments are reported at fair value. Purchase and sales of securities are recorded on a trade date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Realized and unrealized gains and losses are recorded in the statement of activities. Gains or losses that result from market fluctuations are recorded as unrealized gains and losses.

Fixed assets

Fixed assets are recorded at cost, or if donated, at their approximate fair value at the date of donation.

Depreciation is over the estimated useful lives of the assets using the straight-line method for financial reporting as follows:

Building and improvements	10-40 years
Computer hardware and software	5 years

The Organization follows the policy of capitalizing all acquisitions in excess of \$5,000 and a useful life of 2 years or more. Donations of fixed assets are recorded as contributions at their estimated fair value at the date of donation. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire fixed assets are reported as increases in net assets with donor restrictions.

Fair value measurements

FASB ASC 820, *Fair Value Measurements and Disclosures*, specifies a hierarchy of valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon market data obtained from independent sources (observable inputs). In accordance with FASB ASC 820, the following summarizes the fair value hierarchy:

Level 1 Inputs – Unadjusted quoted market prices for identical assets and liabilities in an active market that the Organization has the ability to access.

Level 2 Inputs – Inputs other than the quoted prices in active markets that are observable either directly or indirectly.

Level 3 Inputs – Inputs based on prices or valuation techniques that are both unobservable and significant to the overall fair value measurements.

**EAST RIVER DEVELOPMENT ALLIANCE, INC.
(D/B/A URBAN UPBOUND)**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurements (continued)

Carrying values of non-derivative financial instruments, including cash and cash equivalents, grants receivable, investment, prepaid expenses, security deposits, accounts payable and accrued expenses, and line of credits approximated their fair values due to the short-term nature of these financial instruments. There were no changes in methods or assumptions during the year ended June 30, 2023.

Income taxes

The Organization is exempt from federal income taxes under Sections 501(c)(3) and 501(c)(13) of the Internal Revenue Code. These IRC sections enable the Organization to accept donations which qualify as charitable contributions to the donor. The Organization has filed for and received income tax exemptions in the jurisdictions where it is required to do so. Accordingly, no provision for income taxes has been made in the financial statements. In addition, the Organization has no unrelated business income which could be taxable. The Organization files with the Internal Revenue Service Form 990, "Return of Organization Exempt from Income Tax" and the related State and local exempt organization returns as required.

The Organization's 2020, 2021 and 2022 tax years are open and subject to examination by the tax authorities. However, the Organization is not currently under examination, nor has it been contacted by any of the tax authorities.

Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Administrative overhead, which represents a fixed amount paid by each contract to reimburse the Organization for its administration costs, is shown as a program expense in order to report the total reimbursement under the contract. It is then reversed for the purpose of functional reporting.

The financial statements report certain categories of expenses that are attributed to more than one program of supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include rent and utilities, depreciation which are allocated on a square footage basis, as well as salaries, payroll taxes and fringe benefits, repairs and maintenance, equipment leases, meetings and events, travel and transportation, professional fees, postage and printing, insurance, communication, which are allocated on the basis of estimates and effort.

**EAST RIVER DEVELOPMENT ALLIANCE, INC.
(D/B/A URBAN UPBOUND)**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

3. CONCENTRATIONS OF CREDIT RISK AND REVENUE CONCENTRATION

The Organization maintains its cash in bank deposit accounts, which at times, may exceed the FDIC insured limits of \$250,000 per financial institution. At times cash balances held at financial institutions may be in excess of federally insured limits. The Organization has not experienced any losses in such accounts. Management believes it is not exposed to any significant credit risk related to cash.

The Organization receives government grants representing 90% of its revenues from various Departments of New York City. Should these grants be discontinued, The Organization would have to pursue alternative funding sources to continue its operations.

4. GRANTS RECEIVABLE

As of June 30, 2023, grants receivable consisted of reimbursable billings less advances received or adjusted for the following programs:

TIAA-CREF	\$ 1,000
Office of the District Attorney Queens County	34,715
America Works	20,310
New York City Mayor's Office of Criminal Justice	481,631
United States Department of Housing and Urban Development	483,758
Consortium of Worker Education	389,852
New York City Department of Youth and Community Development	651,718
New York City Department of Human Resources Administration	884,988
New York City Housing Authority	12,500
New York State of Children and Family Services	454,022
New York City Department of Consumer and Worker Protection	337,468
<hr/>	
Total	\$ 3,751,962

EAST RIVER DEVELOPMENT ALLIANCE, INC.
(D/B/A URBAN UPBOUND)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

5. FIXED ASSETS, NET

Fixed assets at June 30, 2023 are summarized as follows:

Land	\$ 1,075,663
Building and building improvements	4,302,652
Computer hardware and software	368,296
	5,746,611
Less: accumulated depreciation and amortization	(103,394)
Fixed assets, net	\$ 5,643,217

Depreciation and amortization expense for the year ended June 30, 2023, was \$30,948.

6. LOANS PAYABLE, ECONOMIC INJURY DISASTER LOAN (“EIDL”)

On June 17, 2020, the Organization received an Economic Injury Disaster Loan (“EIDL”) in the amount of \$150,000 from the US Small Business Administration (“SBA”). The loan term requires a monthly repayment of \$641 starting from the twelfth month from the date of the promissory note. The interest will accrue at the interest rate of 2.75% per annum and will accrue only on funds actually advanced from the date of each advance. The Organization began paying off the loan in February 2022. The balance of the loan is \$142,361 for the year ended June 30, 2023, and interest expense was \$3,971.

	2023
EIDL Loan	\$ 142,361
Less: current maturities	(7,692)
Loan payable, net of current maturities	\$ 134,669

**EAST RIVER DEVELOPMENT ALLIANCE, INC.
(D/B/A URBAN UPBOUND)**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

6. LOANS PAYABLE (continued)

Future principal payments on the EIDL loan payable are as follows:

<u>Year ending June 30</u>	<u>Amount</u>
2024	\$ 7,692
2025	7,692
2026	7,692
2027	7,692
2028	7,692
Thereafter	103,901
<u>Total</u>	<u>\$ 142,361</u>

7. OTHER LOAN PAYABLE

In April 2023, the Organization entered into a loan agreement with a board member, who provided funds to purchase a property for the Organization. The loan is no interest bearing and due upon demand. At June 30, 2023, loan payable was \$2,300,000 and the loan remained outstanding as of the date of this report.

8. LINE OF CREDIT

The Organization entered a revolving line of credit loan with Webster Bank on August 26, 2021. The maximum principal amount of the loan is \$1,000,000. The interest of outstanding principal balance of the loan is prime rate plus .50 percent. The maturity date of the loan is September 1, 2023. At June 30, 2023, the amount outstanding on the line of credit was \$995,000, included in loan payable in the accompanying statement of financial position. Interest expense for the year ended June 30, 2023, was \$49,432.

9. OPERATING LEASES

The Organization maintains various leases throughout the boroughs of Queens and Manhattan for programs and administrative usage. The terms of these leases expire at various dates through 2027. The Organization entered into a new lease on September 1, 2022, for property located in Long Island City and renewed a lease for the ground floor of a building located in Manhattan on January 1, 2023. The Organization amortizes the operating right-of-use assets over the life of the lease agreements.

EAST RIVER DEVELOPMENT ALLIANCE, INC.
(D/B/A URBAN UPBOUND)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

9. OPERATING LEASES (continued)

Future minimum annual lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2024	\$ 328,681
2025	355,456
2026	334,288
2027	132,548
2028	21,308
<hr/> Total	<hr/> \$ 1,172,281

10. URBAN UPBOUND FEDERAL CREDIT UNION

The Organization executed due obligations based on the agreement with Urban Upbound Federal Credit Union to provide administrative support for the operating expenses. The Federal Credit Union was founded in 2010 and it was the first credit union in Queens with its mission to help the community with affordable banking services, personal credit building and enhance the underserved communities' living standards. The program expenses for the year ended June 30, 2023, were \$113,795.

11. COMMUNITY ENTERPRISE INITIATIVES

Community enterprise initiatives are to assist in establishing entities which provide jobs and services in Astoria, Queens and the City of New York. The entities established are supported by the Organization for administration expenses for the duration enacted in the agreement. The Organization may hold an equity position in the entities with the anticipation of equity being transferred to the community in the coming years. The Organization held an equity position in OnPoint Security NYC LLC, established in 2016. During 2023, the security expenses incurred for the Onpoint Security NYC LLC were \$251,150.

**EAST RIVER DEVELOPMENT ALLIANCE, INC.
(D/B/A URBAN UPBOUND)**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

12. LIQUIDITY AND AVAILABILITY OF RESOURCES

The following represents the Organization's financial assets as of June 30, 2023:

Cash and cash equivalents	\$ 136,206
Grants receivable	3,750,962
Investment	2,052

Financial assets available to meet general expenditures over the next twelve months	\$ 3,889,220
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As part of the Organization's strategy, management structures its financial assets, consisting of cash and cash equivalents and net accounts receivable to be available for its general expenditures and liabilities coming due within one year. The Organization receives cash flow from various government Agencies and foundation grants to fund its programs and activities.

13. SUBSEQUENT EVENTS

The Organization's management has performed subsequent events procedures through May 3, 2024, which is the date the financial statements were available to be issued. There were no subsequent events requiring adjustment to or disclosure in the financial statements.