
**CONDON
O'MEARA
McGINTY &
DONNELLY LLP**

Certified Public Accountants

One Battery Park Plaza
New York, NY 10004-1405
Tel: (212) 661 - 7777
Fax: (212) 661 - 4010

November 2, 2023

Mr. John Callaghan
Chair of Audit Committee
Port Chester Carver Center, Inc.
400 Westchester Avenue
Port Chester, NY 10573

Dear Mr. Callaghan:

In planning and performing our audit of the financial statements of Port Chester Carver Center, Inc. (the "Center") as of and for the year ended June 30, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the Center's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph and would not necessarily identify all control deficiencies that might be significant deficiencies or material weaknesses.

Although our consideration would not necessarily disclose all matters that concern the internal control, we submit, for your consideration, certain comments and recommendations, which we believe are opportunities for strengthening the internal control.

This report is intended solely for the information and use of management of the Center and is not intended to be used and should not be used by anyone other than these specified parties.

We wish to express our appreciation for the cooperation and courtesies extended to our representatives during the audit. We would be pleased to discuss our comments with you further, should you so desire.

Very truly yours,

Condon, McHarty & Donnelly LLP

cc: Ms. Yvette Hammel, President
Ms. Eileen Cheigh Nakamura, Treasurer
Ms. Anne Bradner, Chief Executive Officer

Cyber-security

Cyber risk has risen to the top of most audit committee agendas. The complexity of protecting data and the ability to react when a cyber issue is identified is not an easy undertaking. The concern of not having sensitive data compromised or a disruption of business is critical to the Center's operations. We were pleased to note the Center performed an external strategic and tactical assessment of the information technology environment during the 2023 fiscal year that summarized strengths, weaknesses, opportunities and threats. We understand that the Center is working on implementing the suggestions and addressing the risks identified to mitigate cybersecurity risks.

We recommend that after the suggestions have been implemented and any additional system controls have been put in place, the Center, document its practices regarding reducing IT vulnerabilities and develop an "Education and Action Plan" in case of an IT intrusion.

PORT CHESTER CARVER CENTER, INC.

**Financial Statements
for the year ended
June 30, 2023
(with Summarized Comparative
Information for the Year Ended
June 30, 2022)**

Independent Auditor's Report

To the Board of Directors
Port Chester Carver Center, Inc.

Opinion

We have audited the accompanying financial statements of Port Chester Carver Center, Inc. (the "Center"), 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 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 the Center as of June 30, 2023 and the results of its activities and its cash flows for the year 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 the Center 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 the 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 financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Center'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 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 the Center'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 the Center'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 the Center's fiscal 2022 financial statements, and our report dated December 16, 2022 expressed an unmodified opinion on those audited financial statements. 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.

Condon & McHenry + Donnelly LLP

November 2, 2023

PORT CHESTER CARVER CENTER, INC.

Statement of Financial Position

Assets

	June 30	
	2023	2022
Current assets		
Cash	\$ 880,696	\$ 660,666
Investments, at fair value	750,697	399,801
Pledges and accounts receivable	95,245	375,110
Prepaid expenses and other	34,087	60,135
Total current assets	1,760,725	1,495,712
Property and equipment, net	3,820,498	3,628,898
Investments – permanently restricted	1,404,000	1,404,000
Total assets	\$6,985,223	\$6,528,610

Liabilities and Net Assets

Current liabilities		
Accounts payable accrued expenses and other	\$ 165,754	\$ 207,403
Deferred revenue	90,445	-
Total current liabilities	256,199	207,403
Net assets		
Without donor restrictions	4,582,961	4,224,595
With donor restrictions	2,146,063	2,096,612
Total net assets	6,729,024	6,321,207
Total liabilities and net assets	\$6,985,223	\$6,528,610

See notes to financial statements.

PORT CHESTER CARVER CENTER, INC.

Statement of Activities
Year Ended June 30, 2023
(with Summarized Comparative Information for the Year Ended June 30, 2022)

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Support and revenue				
Contributions	\$ 2,225,899	\$ 211,026	\$ 2,436,925	\$ 2,291,732
Fundraising events – net of expenses	418,264	-	418,264	451,274
Government grants	529,963	-	529,963	963,972
Employee retention credit	160,015	-	160,015	-
Program fees	91,170	-	91,170	94,284
Food service	194,054	-	194,054	40,515
Net investment return (loss)	-	66,034	66,034	(111,636)
Rental	191,262	-	191,262	168,065
Insurance proceeds – net	45,433	-	45,433	-
Other	81,807	-	81,807	16,510
Net assets released from restrictions	<u>227,609</u>	<u>(227,609)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>4,165,476</u>	<u>49,451</u>	<u>4,214,927</u>	<u>3,914,716</u>
Expenses				
Program services	3,338,125	-	3,338,125	2,532,706
Supporting activities				
Management and general	159,025	-	159,025	437,752
Fundraising	<u>309,960</u>	<u>-</u>	<u>309,960</u>	<u>42,859</u>
Total expenses	<u>3,807,110</u>	<u>-</u>	<u>3,807,110</u>	<u>3,013,317</u>
Increase in net assets	358,366	49,451	407,817	901,399
Net assets, beginning of year	<u>4,224,595</u>	<u>2,096,612</u>	<u>6,321,207</u>	<u>5,419,808</u>
Net assets, end of year	<u>\$ 4,582,961</u>	<u>\$ 2,146,063</u>	<u>\$ 6,729,024</u>	<u>\$ 6,321,207</u>

See notes to financial statements.

PORT CHESTER CARVER CENTER, INC.

**Statement of Functional Expenses
Year Ended June 30, 2023
(with Summarized Comparative Information for the
Year Ended June 30, 2022)**

Expenses	2023				2022
	Program Services	Supporting Activities			Total
		Management and General	Fundraising	Total	
Salaries, benefits and taxes	\$1,619,535	\$ 85,239	\$ 195,995	\$1,900,769	\$1,592,928
Consultants and contract labor	179,350	9,979	60,136	249,465	232,463
Occupancy, building and grounds	303,822	15,991	-	319,813	289,016
Professional fees	135,028	7,107	-	142,135	136,416
Conference, meeting and seminars	2,763	145	-	2,908	500
Supplies	116,913	6,153	26,717	149,783	89,102
Program expense					
Food	510,561	10,471	-	521,032	338,920
Field trips	25,568	1,346	-	26,914	11,019
Staff development	2,558	135	175	2,868	2,845
Transportation	59,517	3,133	-	62,650	5,595
Community activities	3,466	182	-	3,648	7,410
Fundraising events	-	-	140,731	140,731	113,481
Advertising	11,524	607	-	12,131	2,781
Insurance	97,540	5,134	-	102,674	83,740
Scholarships	15,330	-	-	15,330	-
Bank service charges	22,803	1,200	2,800	26,803	25,883
Total expenses before depreciation	3,106,278	146,822	426,554	3,679,654	2,932,099
Depreciation	231,847	12,203	24,137	268,187	194,699
Total	3,338,125	159,025	450,691	3,947,841	3,126,798
Less: expenses deducted directly from support and revenue on the statement of activities	-	-	140,731	140,731	113,481
Total	3,338,125	\$ 159,025	\$ 309,960	\$3,807,110	\$3,013,317

See notes to financial statements.

PORT CHESTER CARVER CENTER, INC.

Statement of Cash Flows

	Year Ended	
	June 30	
	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Increase in net assets	\$ 407,817	\$ 901,399
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation	268,187	194,699
Net realized and unrealized (gain) loss on investments	(65,590)	150,929
Donated stocks	(9,997)	-
Proceeds from sales of donated stocks	9,997	-
Changes in current assets and liabilities		
Pledges and accounts receivable	279,865	(340,119)
Prepaid expenses and other	26,048	(34,942)
Accounts payable, accrued expenses and other	(41,649)	32,817
Deferred revenue	90,445	(2,650)
Net cash provided by operating activities	<u>965,123</u>	<u>902,133</u>
Cash flows from investing activities		
Proceeds from sale of investments	306,811	641,514
Purchases of investments	(592,117)	(665,046)
Acquisition of property and equipment	(459,787)	(781,698)
Net cash (used in) investing activities	<u>(745,093)</u>	<u>(805,230)</u>
Cash flows (used in) financing activities		
Forgiveness of term note – PPP	-	(469,734)
Net increase (decrease) in cash	220,030	(372,831)
Cash, beginning of year	<u>660,666</u>	<u>1,033,497</u>
Cash, end of year	<u>\$ 880,696</u>	<u>\$ 660,666</u>

See notes to financial statements.

PORT CHESTER CARVER CENTER, INC.**Notes to Financial Statements
June 30, 2023****Note 1 – Nature of organization**

Port Chester Carver Center, Inc. (the “Center”) was incorporated in 1949 to provide education programs and services which help children and youth maximize their potential for growth and self-sufficiency as well as to build support and resources for families and individuals in need. The Center has become a full community center; serving children, youth and their families by offering various education, sports, and employment training programs and services to address food insecurity.

Note 2 – Significant accounting policies**Net assets**

The Center maintains its net assets in two categories as follows:

- **Without donor restrictions**

Operating net assets - Net assets that are not subject to donor-imposed restrictions and are available for the general operations of the Center.

Board Designated Fund – Includes funds designated by the Board to function as endowments and are classified and reported based on the existence or absence of donor-imposed restrictions. The Fund was established to reserve for any potential future uncertainties in operations. The Center’s Board designated funds totaled \$200,000 at June 30, 2023.

- **With donor restrictions**

- **With temporary donor restrictions**

Net assets subject to donor-imposed restrictions that will be met either by actions of the Center or the passage for time. Items that affect this net asset category are gifts for which donor-imposed restrictions have not been met in the year of receipt. Restrictions that have been met on net assets with donor restrictions are reported as net assets released from restrictions.

- **With permanent donor restrictions**

Net assets subject to donor-imposed restrictions to be maintained perpetuity by the Center, including gifts and pledges wherein donors stipulate that the corpus of the gift be held in perpetuity from which the revenue is to be used for the donor stipulated purpose.

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence of any donor-imposed restrictions. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, net assets with temporary donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

PORT CHESTER CARVER CENTER, INC.**Notes to Financial Statements (continued)
June 30, 2023****Note 2 – Significant accounting policies (continued)**Tax status

The Center is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (the “Code”). In addition, the Center has been classified by the Internal Revenue Service as an organization, which is not a private foundation within the meaning of Section 509(a)(1) of the Code. The Center qualifies for the maximum charitable contribution deduction by donors.

Use of estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect 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. Actual results could differ from those estimates.

Cash equivalents

The Center considers all highly liquid investments with original maturities of ninety days or less at the date of acquisition, to be cash equivalents, unless such assets are held as part of its investment strategy, in which case these assets are included in investments.

Concentrations of credit risk

The Center’s financial instruments that are potentially exposed to concentrations of credit risk consist of cash, cash equivalents, investments and receivables. The Center places its cash and cash equivalents with what it believes to be quality financial institutions. At times during the year, cash balances exceeded the FDIC insurance limit, however, the Center has not experienced any losses to date in such accounts. The Center’s investments are exposed to various risks such as interest rate, market volatility, liquidity and credit. Due to the level of uncertainty related to the foregoing risks, it is reasonably possible that changes in these risks could materially affect the fair value of the investments reported in the statement of financial position at June 30, 2023. The Center routinely assesses the financial strength of its cash, cash equivalents and investment portfolio. Management of the Center monitors the collectibility of its receivables. As a consequence, concentrations of credit risk are limited.

During the 2023 fiscal year, the Center entered into a program with its bank to deposit excess cash into other qualified institutions to be in compliance with the FDIC insurance limit.

Investments

The Center accounts for its investments in accordance with accounting principles generally accepted in the United States of America. Accordingly, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Realized and unrealized gains and losses are included in the statement of activities.

PORT CHESTER CARVER CENTER, INC.**Notes to Financial Statements (continued)
June 30, 2023****Note 2 – Significant accounting policies (continued)**Fair value measurements

Fair value refers to the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value hierarchy gives the highest priority to quoted prices in active markets (Level 1) and the lowest priority to unobservable data (Level 3). Fair value measurements are required to be separately disclosed by level within the fair value hierarchy. At June 30, 2023, all of the Center's investments are deemed to be Level 1; their fair values are measured using quoted prices in active markets that the Center can access at the measurement date.

Allowance for doubtful accounts

As of June 30, 2023, the Center deems its pledges and accounts receivable to be collectible and therefore, does not believe an allowance for doubtful accounts for any potentially uncollectible pledges and accounts receivable is necessary. Such estimate is based on management's experience, the aging of the receivables, subsequent receipts and current economic conditions.

Property and equipment

Property and equipment are recorded at cost. Donations of property and equipment are recorded at fair value on the date of receipt. The Center capitalizes, as property and equipment, expenditures for such assets in excess of a nominal amount with an estimated useful life of greater than one year. Depreciation is computed on the straight-line method over the estimated useful lives of the depreciable assets, which range from 3 to 39 years.

Functional allocation of expenses

The Center allocates its expenses on a functional basis among its various programs and supporting services. Expenses that can be identified with a specific program or supporting activity are allocated directly to that activity. Other expenses that are common to several functions are allocated among the program and supporting services benefitted based upon management's estimate of time and effort spent.

Volunteer time

A substantial number of volunteers made significant contributions of their time to the Center's programs. The value of this contributed time is not reflected in these financial statements since it is not susceptible to objective measurements or valuation.

PORT CHESTER CARVER CENTER, INC.

Notes to Financial Statements (continued)
June 30, 2023

Note 2 – Significant accounting policies (continued)

Contributed nonfinancial assets

The Center recognizes contributed nonfinancial assets within public support and revenue. Unless otherwise noted, the contributed nonfinancial assets do not have donor-imposed restrictions. The Center did not record any contributed nonfinancial assets during the 2023 fiscal year.

Comparative financial information

The statements of activities and functional expenses in the accompanying financial statements include certain prior-year summarized comparative information, in total but not by net asset class or by functional classification, respectively. Therefore, to compare 2023 to 2022 at the net asset class and functional level, the June 30, 2022 financial statements should be read in conjunction with the 2023 statements of activities, functional expenses and notes to the financial statements.

New accounting pronouncements

The FASB issued ASU No. 2016-02, *Leases* (Topic 842) (“ASC 842”). ASC 842 is effective July 1, 2022 and requires a lessee to recognize a right-of-use (“ROU”) asset, which represents the right to control the use of a respective asset for the lease term and a lease liability on the statement of financial position. The Center has elected to exclude leases with terms shorter than twelve months. The Center did not have any leases that met the requirements of ASC 842.

Subsequent events

The Center has evaluated events and transactions for potential recognition or disclosure through November 2, 2023, which is the date the financial statements were available to be issued.

Note 3 – Financial assets and liquidity resources

As of June 30, 2023 and June 30, 2022, financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, were as follows:

	<u>2023</u>	<u>2022</u>
Cash	\$ 880,696	\$ 660,666
Investments, at fair value - current	750,697	399,801
Pledges and accounts receivables	<u>95,245</u>	<u>375,110</u>
Sub-total	1,726,638	1,435,577
Less: Assets with donor restrictions	(742,063)	(692,612)
Add: Appropriation of investment return for subsequent year operations	-	100,000
Total	<u>\$ 984,575</u>	<u>\$ 842,965</u>

PORT CHESTER CARVER CENTER, INC.

Notes to Financial Statements (continued)
June 30, 2023

Note 3 – Financial assets and liquidity resources (continued)

The Center's assets include donor-restricted funds. As described in note 10, the Center has an annual spending rate of investment return earned on donor restricted funds of up to a maximum of 7% of the rolling twenty-quarter average fair value of the Center's investment portfolio. An appropriation from these funds was not approved for the 2023 fiscal year.

To help manage unanticipated liquidity needs, the Center has a committed line of credit in the amount of \$500,000, which it could draw upon if necessary (see note 6).

The Center's working capital and cash flows have seasonal variations during the year attributable to the annual cash receipts from contributions and other revenue items. As part of the Center's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

Note 4 – Investments

The Center's investments, including those classified as net assets with donor restrictions, at June 30, 2023 and June 30, 2022, are as follows:

	<u>2023</u>		<u>2022</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Money market funds	\$ 70,256	\$ 70,256	\$ 12,763	\$ 12,763
Mutual fund – equities	-	-	51,165	54,253
Real estate investment trusts	15,405	47,299	25,325	57,474
Common stocks	922,531	1,283,644	875,937	1,163,875
Government and agency obligations	531,305	521,539	220,745	213,340
Corporate bonds	250,188	231,959	317,697	302,096
Totals	<u>\$ 1,789,685</u>	<u>\$ 2,154,697</u>	<u>\$ 1,503,632</u>	<u>\$ 1,803,801</u>

Net investment return consists of the following for the years ended June 30, 2023 and June 30, 2022:

	<u>2023</u>	<u>2022</u>
Interest and dividends	\$ 15,156	\$ 51,190
Realized gain on sales of investments	747	79,668
Unrealized gain (loss) on investments	64,843	(230,597)
Investment fees	(14,712)	(11,897)
Net investment return (loss)	<u>\$ 66,034</u>	<u>\$ (111,636)</u>

PORT CHESTER CARVER CENTER, INC.

**Notes to Financial Statements (continued)
June 30, 2023**

Note 5 – Property and equipment

At June 30, 2023, and June 30, 2022 property and equipment consisted of the following:

	<u>2023</u>	<u>2022</u>
Building	\$ 705,000	\$ 705,000
Building improvements	5,660,049	5,428,719
Furniture and equipment	<u>934,123</u>	<u>705,666</u>
Sub-total	7,299,172	6,839,385
Less: accumulated depreciation	<u>3,478,674</u>	<u>3,210,487</u>
Property and equipment, net	<u>\$ 3,820,498</u>	<u>\$ 3,628,898</u>

Note 6 – Line of credit

The Center has available a \$500,000 unsecured line of credit with a bank, which expires June 1, 2027. Borrowings under the line bear interest at the prime rate as published in *The Wall Street Journal* plus 1%. At June 30, 2023, no amounts were outstanding under the line.

Note 7 – Government stimulus grants

2021 Paycheck Protection Program

On March 17, 2021, the Center obtained a Paycheck Protection Program (“PPP”) loan, totaling \$469,734. The PPP was a small business loan program administered by the Small Business Administration established under the Coronavirus Aid, Recovery and Economic Security Act (CARES Act). The Center was eligible for forgiveness of the PPP loan, provided it satisfied or certain criteria. The Center elected to record the PPP loan as a liability until the PPP was in part, or wholly, forgiven and the Center was legally released. The Center met the requirements and during November 2021, the PPP loan was forgiven and as a result, the Center recorded \$469,734 as a government grant in the 2022 statement of activities.

Employee retention credit

In response to the coronavirus emergency, the CARES Act and subsequent legislation (the “Acts”) were signed into law. The Acts provided, among other things, a refundable credit of certain qualified wages per employee for wages which includes medical premiums paid or incurred from March 13, 2020 through September 30, 2021. In connection therewith, the Center received credits during the fiscal year totaling \$160,015.

Note 8 – Rental revenue

The Center leased a portion of its facility to various not-for-profit organizations on a month-to-month basis. Additionally, the Center leased portions of its facility on a temporary basis for specific events. Rental revenue received in connection with these agreements totaled \$191,262 and \$168,065 for the fiscal years ended June 30, 2023 and June 30, 2022, respectively.

PORT CHESTER CARVER CENTER, INC.

**Notes to Financial Statements (continued)
June 30, 2023**

Note 9 – Retirement plan

The Center maintains a Simple IRA Retirement Plan (the “Plan”) for eligible employees. Employees may defer a portion of their compensation to the Plan subject to the annual limits established by the Internal Revenue Service. The Center makes matching contributions to the Plan as defined in the Plan document. The Center’s contributions to the Plan totaled \$16,794 and \$16,361 for the 2023 and 2022 fiscal years, respectively.

Note 10 – Net assets with donor restrictions

Net assets with perpetual donor restrictions

Effective September 17, 2010, the State of New York enacted the New York Prudent Management of Institutional Funds Act (NYPMIFA), the provisions of which apply to endowment funds existing on or established after that date. The Center’s endowment consists of various funds established for specific purposes. The Center is required to act prudently when making decisions to spend or accumulate donor restricted endowment assets and in doing so to consider a number of factors including the duration and preservation of its donor restricted endowment funds. The Center classifies as net assets with permanent donor restrictions, the original value of gifts donated to the perpetual endowment. The portion of the donor-restricted endowment fund that is not classified as net assets with perpetual restrictions is classified as net assets without donor restrictions or net assets with temporary donor restrictions based on donor stipulations.

Net assets with perpetual donor restrictions as of June 30, 2023 are restricted to investments in perpetuity. Investment return on the endowment funds is available to support programs and activities of the Center at the direction of the Executive Director and the Board of Directors, including the Board’s Program Committee. The Center’s Board of Directors has adopted a policy whereby interest, dividends and net realized and unrealized gains and losses on investments are considered part of the Center’s total investment return. The Center’s long-term spending rate, designated by the Board, permits the Center to use up to a maximum of 7% of the rolling twenty-quarter average of the total investment portfolio’s fair value to support its operations annually. For the 2022 fiscal year, the Board had authorized a withdrawal of \$100,000 to support programs and activities.

The following is a summary of the Center’s net assets with perpetual donor restrictions as of June 30, 2023:

	<u>Amount</u>
Program Endowment Fund	\$ 750,000
Endowment Fund	654,000
Total	\$ 1,404,000

PORT CHESTER CARVER CENTER, INC.

**Notes to Financial Statements (continued)
June 30, 2023**

Note 11 – Net assets with donor restrictions (continued)

Net assets with temporary donor restrictions

Changes in net assets with temporary donor restrictions for the year ended June 30, 2023 are as follows:

	<u>Balance at June 30, 2022</u>	<u>Support/Net Investment Return</u>	<u>Released from Restrictions</u>	<u>Balance at June 30, 2023</u>
Carver program	\$ 116,740	\$ 135,601	\$ (114,098)	\$ 138,243
Carver market grants	100,000	-	-	100,000
Retail rescue program	250,000	425	(113,511)	136,914
Capital use	-	75,000		75,000
Net investment income	<u>225,872</u>	<u>66,034</u>	<u>-</u>	<u>291,906</u>
Total	<u>\$ 692,612</u>	<u>\$ 277,060</u>	<u>\$ (227,609)</u>	<u>\$ 742,063</u>

There were no endowment funds with deficiencies as of June 30, 2023.

Note 12 - Insurance claim

On December 24, 2022, the Center sustained water damages to its facility as a result of a pipe burst. The Center filed a claim with its insurance carrier and received reimbursement checks totaling \$92,962 which covered property damages as well as business income loss. In connection with the claim, the Center incurred costs totaling \$47,529 which was recorded net of insurance proceeds on the statement of activities.