# NORTHERN RIVERS FAMILY SERVICES, INC., AND AFFILIATES

**Consolidated Financial Statements as of**
**June 30, 2022**
**Together with**
**Independent Auditor's Report**

Bonadio & Co., LLP
Certified Public Accountants

Bonadio & Co., LLP
Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

November 18, 2022

To the Board of Directors of
Northern Rivers Family Services, Inc. and Affiliates:

**Opinion**

We have audited the accompanying consolidated financial statements of Northern Rivers Family Services, Inc.(a nonprofit organization) and Affiliates, which comprise the statement of financial position as of June 30, 2022, 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Northern Rivers Family Services, Inc. as of June 30, 2022, 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 Northern Rivers Family Services, Inc. and Affiliates 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 Northern Rivers Family Services, Inc. and Affiliates'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.

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**INDEPENDENT AUDITOR'S REPORT**
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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 Northern Rivers Family Services, Inc. and Affiliates 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 Northern Rivers Family Services, Inc.'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 Northern Rivers Family Services, Inc.'s 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 8, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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

Bonadio & Co., LLP

## NORTHERN RIVERS FAMILY SERVICES, INC. AND AFFILIATES

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**
**JUNE 30, 2022**
(With Comparative Totals for 2021)

| | 2022 | 2021 |
|---|---|---|
| **ASSETS** | | |
| CURRENT ASSETS: | | |
| Cash | $ 16,743,717 | $ 18,325,413 |
| Accounts receivable, net | 14,098,371 | 13,699,811 |
| Current pledges receivable | 36,795 | 38,719 |
| Mortgage note receivable, net | 179,992 | - |
| Investments | 9,676,377 | 11,034,847 |
| Prepaid expenses and inventory | 396,850 | 407,780 |
| Total current assets | 41,132,102 | 43,506,570 |
| INVESTMENTS, restricted | 5,217,881 | 5,990,987 |
| PROPERTY AND EQUIPMENT, net | 28,767,389 | 31,338,711 |
| OTHER ASSETS: | | |
| Mortgage note receivable, net of current portion | 1,215,842 | - |
| Other assets | 25,792 | 36,309 |
| Beneficial interest in trusts | 1,660,746 | 2,026,124 |
| Long-term pledges receivable | 62,458 | 146,929 |
| Investment in CHHUNY and UPP | 960,130 | 886,161 |
| Total other assets | 3,924,968 | 3,095,523 |
| | $ 79,042,340 | $ 83,931,791 |
| **LIABILITIES AND NET ASSETS** | | |
| CURRENT LIABILITIES: | | |
| Line of credit | $ 134,125 | $ 67,564 |
| Accounts payable | 1,246,633 | 2,718,227 |
| Accrued salaries and expenses | 6,700,108 | 7,756,404 |
| Paycheck Protection Program | - | 11,372,872 |
| Refundable advances | 2,449,106 | 1,944,002 |
| Deferred revenue, current | 313,448 | 81,058 |
| Long-term debt, current | 1,069,404 | 1,117,544 |
| Total current liabilities | 11,912,824 | 25,057,671 |
| LONG-TERM LIABILITIES: | | |
| Due to funding sources | 1,626,660 | - |
| Long-term debt | 19,187,619 | 20,712,561 |
| Accrued post-retirement benefits | 1,095,144 | 1,253,032 |
| Liability for pension benefits | 5,230,517 | 8,706,928 |
| Total long-term liabilities | 27,139,940 | 30,672,521 |
| TOTAL LIABILITIES | 39,052,764 | 55,730,192 |
| **NET ASSETS** | | |
| Without donor restrictions | 33,501,304 | 20,628,456 |
| With donor restrictions | 6,488,272 | 7,573,143 |
| TOTAL NET ASSETS | 39,989,576 | 28,201,599 |
| | $ 79,042,340 | $ 83,931,791 |

The accompanying notes are an integral part of these statements.

## NORTHERN RIVERS FAMILY SERVICES, INC. AND AFFILIATES

**CONSOLIDATED STATEMENT OF ACTIVITIES**
**FOR THE YEAR ENDED JUNE 30, 2022**
(With Comparative Totals for 2021)

| | 2022 | | | 2021 |
|---|---|---|---|---|
| | Without Donor Restrictions | With Donor Restrictions | Total | Total |
| SUPPORT AND REVENUE: | | | | |
| Program service fees | $ 83,793,009 | $ - | $ 83,793,009 | $ 86,768,303 |
| Fundraising | 717,169 | 5,840 | 723,009 | 686,708 |
| Change in value of beneficial interests in trusts | - | (365,378) | (365,378) | 353,591 |
| Paycheck Protection Program | 9,746,212 | - | 9,746,212 | 1,682,389 |
| Miscellaneous | 407,575 | - | 407,575 | 2,814,078 |
| Net assets released from restrictions | 58,943 | (58,943) | - | - |
| Total support and revenue | 94,722,908 | (418,481) | 94,304,427 | 92,305,069 |
| EXPENSES: | | | | |
| Program services | 74,935,876 | - | 74,935,876 | 78,881,433 |
| Management and general | 9,246,955 | - | 9,246,955 | 9,106,790 |
| Fundraising and non-operating | 640,692 | - | 640,692 | 1,735,734 |
| Total expenses | 84,823,523 | - | 84,823,523 | 89,723,957 |
| OPERATING GAIN (LOSS) | 9,899,385 | (418,481) | 9,480,904 | 2,581,112 |
| NON-OPERATING GAIN (LOSS): | | | | |
| Investment income (loss), net | (1,249,105) | (666,390) | (1,915,495) | 3,288,480 |
| Loss on sale of property and equipment | 914,157 | - | 914,157 | (194,017) |
| State paid depreciation | (168,000) | - | (168,000) | (168,000) |
| Actuarial (loss) gain arising during period | 3,476,411 | - | 3,476,411 | 7,022,995 |
| Total non-operating gain (loss) | 2,973,463 | (666,390) | 2,307,073 | 9,949,458 |
| CHANGE IN NET ASSETS | 12,872,848 | (1,084,871) | 11,787,977 | 12,530,570 |
| NET ASSETS - beginning of year | 20,628,456 | 7,573,143 | 28,201,599 | 15,671,029 |
| NET ASSETS - end of year | $ 33,501,304 | $ 6,488,272 | $ 39,989,576 | $ 28,201,599 |

The accompanying notes are an integral part of these statements.

## NORTHERN RIVERS FAMILY SERVICES, INC. AND AFFILIATES

**CONSOLIDATED STATEMENT OF CASH FLOWS**
**FOR THE YEAR ENDED JUNE 30, 2022**
(With Comparative Totals for 2021)

| | 2022 | 2021 |
|---|---|---|
| CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Change in net assets | $ 11,787,977 | $ 12,530,570 |
| Adjustments to reconcile change in net assets to net cash provided (used) by operating activities | | |
| Actuarial losses arising during period | (3,476,411) | (7,022,995) |
| Paycheck Protection Program | (11,372,872) | (1,682,389) |
| Depreciation and amortization | 2,628,545 | 2,333,843 |
| Amortization of capital lease | 413,856 | 435,031 |
| Interest expense - bond issuance costs and bond premium | 20,132 | 17,389 |
| (Gain) Loss on sale of property and equipment | (907,657) | 194,017 |
| Loss (gain) loss on investments | 2,375,111 | (3,050,869) |
| Implicit price concessions | 1,731 | - |
| Change in value of beneficial interest in trusts | 365,378 | (353,591) |
| Stock donation | - | (12,280) |
| Changes in: | | |
| Accounts receivable | (467,596) | 2,150,509 |
| Prepaid expenses and inventory | 21,447 | (137,317) |
| Pledges receivable | 86,395 | 139,629 |
| Accounts payable | (1,577,629) | 1,213,198 |
| Accrued salaries and expenses | (1,056,296) | 1,911,264 |
| Deferred grant revenue | 1,859,050 | (260,709) |
| Refundable advances | 572,409 | 125,221 |
| Liability for pension and post retirement benefits | (157,888) | (135,277) |
| Net cash flow from operating activities | 1,115,682 | 8,395,244 |
| CASH FLOW FROM INVESTING ACTIVITIES: | | |
| Issuance of mortgage note receivable | (1,400,000) | - |
| Payments received on mortgage note receivable | 4,166 | - |
| Purchase for property and equipment | (875,017) | (1,772,402) |
| Proceeds from sale of property and equipment | 1,417,630 | 2,800 |
| Proceeds from sale of investments | 1,026,374 | 549,865 |
| Purchase of investments | (1,269,909) | (800,853) |
| Investment in CHHUNY and UP | (73,969) | - |
| Net cash flow from investing activities | (1,170,725) | (2,020,590) |
| CASH FLOW FROM FINANCING ACTIVITIES: | | |
| Net proceeds of line of credit | 66,561 | (588,689) |
| Net proceeds (repayment) of notes payable | - | (1,685,836) |
| Payments on capital leases obligations | (413,856) | (435,031) |
| Proceeds from capital leases | - | 446,222 |
| Payments on debt issurance cost | (9,150) | (261,857) |
| Repayment of bonds payable | (325,000) | (305,000) |
| Repayment of mortgages payable | (845,208) | (762,343) |
| Net cash flow from financing activities | (1,526,653) | (3,592,534) |
| CHANGE IN CASH | (1,581,696) | 2,782,120 |
| CASH - beginning of year | 18,325,413 | 15,543,293 |
| CASH - end of year | $ 16,743,717 | $ 18,325,413 |
| SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION: | | |
| Interest Paid | $ 892,673 | $ 776,547 |
| SUPPLEMENTAL DISCLOSURE OF NON-CASH TRANSACTIONS: | | |
| Purchase of property and equipment included in accounts payable | $ 116,705 | $ 372,269 |

The accompanying notes are an integral part of these statements.

## NORTHERN RIVERS FAMILY SERVICES, INC. AND AFFILIATES

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**
**FOR THE YEAR ENDED JUNE 30, 2022**
(With Comparative Totals for 2021)

| | Program | Management & General | Fundraising & Non-Operating | 2022 Total | 2021 Total |
|---|---|---|---|---|---|
| Salaries | $ 47,041,273 | $ 5,293,636 | $ 197,651 | $ 52,532,560 | $ 52,339,627 |
| Employee health and retirement benefits | 5,559,729 | 1,020,860 | 36,659 | 6,617,248 | 9,221,317 |
| Payroll Taxes | 4,452,295 | 5,796 | 4,636 | 4,462,727 | 4,428,956 |
| Total compensation and benefits | 57,053,297 | 6,320,292 | 238,946 | 63,612,535 | 65,989,900 |
| Purchase of services | 3,738,103 | 280,370 | 65,994 | 4,084,467 | 4,233,761 |
| Boarding home | 3,681,331 | - | - | 3,681,331 | 3,758,873 |
| Depreciation and amortization | 2,022,274 | 416,429 | 47,470 | 2,486,173 | 2,165,843 |
| Allowances- uncollectible receivables | 825,292 | - | 100 | 825,392 | 2,067,668 |
| Rent | 731,412 | 685,704 | 301,362 | 1,718,478 | 2,025,295 |
| Supplies and equipment | 926,953 | 77,693 | 16,124 | 1,020,770 | 1,818,029 |
| Insurance | 1,326,255 | 96,017 | 1,804 | 1,424,076 | 1,357,420 |
| Systems and software | 544,995 | 717,143 | 22,027 | 1,284,165 | 1,146,516 |
| Interest | 853,950 | 2,745 | 1,779 | 858,474 | 767,453 |
| Food | 672,914 | - | - | 672,914 | 617,709 |
| Utilities and property taxes | 557,820 | 35,894 | 19,495 | 613,209 | 614,542 |
| Telecommunications | 412,309 | 86,693 | 22,829 | 521,831 | 562,378 |
| Publicity | 361,548 | 11,836 | 122 | 373,506 | 428,976 |
| Auto and transportation | 522,787 | 10,554 | 2,473 | 535,814 | 327,173 |
| Conferences and administrative expense | (102,955) | (85,988) | (124,408) | (313,351) | 277,557 |
| Legal and professional fees | 139,231 | 145,702 | (2,570) | 282,363 | 247,984 |
| Repair and maintenance | 143,004 | 15,721 | 2,255 | 160,980 | 236,044 |
| Staff development | 52,707 | 240,671 | 808 | 294,186 | 211,076 |
| Dues, licenses and permits | 43,276 | 117,892 | 762 | 161,930 | 205,974 |
| Scholarship awards | - | - | 7,314 | 7,314 | - |
| Recreation | 174,915 | 8,921 | 4,188 | 188,024 | 126,012 |
| In-Kind expense | - | - | - | - | 127,069 |
| Office supplies and expense | 92,437 | 16,645 | 9,267 | 118,349 | 118,305 |
| Allowances- children & parents | 43,217 | - | - | 43,217 | 58,220 |
| Postage and shipping | 44,782 | 1,045 | 1,887 | 47,714 | 58,807 |
| Clothing | 44,149 | - | - | 44,149 | 53,395 |
| Discrectionary funds | - | - | - | - | 39,450 |
| Background checks | - | 42,486 | - | 42,486 | 35,460 |
| Bedding | 15,849 | 12 | 13 | 15,874 | 25,226 |
| Subscription and publications | 12,075 | 2,478 | 651 | 15,204 | 18,305 |
| Sales tax | 1,448 | - | - | 1,448 | 1,788 |
| School expense | 501 | - | - | 501 | 1,749 |
| | $ 74,935,876 | $ 9,246,955 | $ 640,692 | $ 84,823,523 | $ 89,723,957 |

The accompanying notes are an integral part of these statements.

## 1. THE ORGANIZATION

Northern Rivers Family Services, Inc. (Northern Rivers or the Organization) is a New York State not-for-profit corporation to manage the combined operations of its affiliates Parsons Child and Family Center, Northeast Parent and Child Society, Inc. and Unlimited Possibilities, Inc. Northern Rivers Family Services, Inc. is the sole corporate member of Parsons Child and Family Center, Northeast Parent and Child Society, Inc. and Unlimited Possibilities, Inc.

Parsons Child and Family Center (the Center) is a New York not-for-profit corporation. The Center was formed to serve the special needs of children in the Capital Region of New York State. The Center promotes healthy families by providing necessary support through a wide range of educational, residential, and clinical services. The Center receives significant support for program operations from New York State directly and indirectly through local municipalities.

Northeast Parent and Child Society, Inc. (the Society) is a New York not-for-profit corporation. The Society was formed for the purpose of providing therapeutic, educational, and other related services to children and their families, through the operation of residential, non-residential and supporting service programs. The Society receives significant support for program operations from New York State directly and indirectly through local municipalities.

Unlimited Possibilities, Inc. (UP) is a non-profit organization operating under the laws of the State of New York. The Organization provides vocational and rehabilitation programs which address the population of adult mentally ill, and those having developmental and physical disabilities in Saratoga County, New York. The Organization became affiliated with Northern Rivers Family Services, Inc. on July 1, 2019.

**Basis of Accounting**
The consolidated financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

**Principals of Consolidation**
The accompanying consolidated financial statements include the accounts of Northern Rivers Family Services, Inc., the Center, the Society, and UP collectively referred to as the Organization. All significant inter-organization transactions and balances have been eliminated in the consolidation.

**Use of Estimates**
The preparation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Estimates also affect the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates.

**Cash**
Cash includes investments in highly liquid debt instruments with an initial maturity of three months or less. The Organization's cash balances may at times exceed federally insured limits. The Organization has not experienced any losses in these accounts and believes it is not exposed to any significant credit risk with respect to cash and cash equivalents.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Accounts Receivable

Accounts receivable include uncollateralized obligations from numerous sources including Medicaid; local, New York State; contracts; and third-party reimbursement programs. Substantially all programs are billed on a monthly basis under customary payment terms associated with the Organization's various funding sources. Payment is normally received within thirty to sixty days. Accounts for which no payment has been received for several months are considered delinquent and customary collection efforts are begun. After all collection efforts are exhausted, the account is written off.

The estimated uncollectible amounts are generally considered implicit price concessions that are a direct reduction of accounts receivable. Implicit price concessions are $750,000 as of June 30, 2022 and 2021.

### Pledges Receivable

Contributions are recorded as support when pledges are made. All contributions are available for unrestricted use, unless specifically restricted by the donor.

Contributions received with donor-imposed restrictions that are met in the same reporting period are classified as unrestricted revenue. A receivable is recorded to the extent that a pledge has been made, but cash has not been collected. Management has determined that an allowance for uncollectible pledges is not necessary at June 30, 2022 and 2021.

### Mortgage Note Receivable

Mortgage note receivable consist of a non-interest bearing mortgage secured by real estate and payable in monthly installments over the life of the mortgage. The mortgages are recorded at the gross amount of payments to be received over the life of the mortgage. Management has elected not to discount the mortgage due to the immaterial impact on the financial statements. Mortgage note receivable is periodically reviewed for collectability based on past history and current economic conditions. A loan is considered impaired when contractual payments are greater than 90 days past due and it is probable the Society will be unable to collect the scheduled principal payments.

After all collection efforts are exhausted, any amounts deemed uncollectible based upon an assessment of the debtor's financial condition are written off. No allowance has been recorded as of June 30, 2022, and there were no write offs during 2022.

### Investments

The Organization records investments in equities, mutual funds and debt securities at their fair value. Realized and unrealized gains and losses are included in the change in net assets in the accompanying statements of activities. Investment securities are exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities, it is at lease reasonably possible that changes in the values of investment securities will occur in the near term and those changes could materially affect the amounts reported in the accompanying financial statements.

### Inventory

Inventory consists of food supplies on hand and is stated at the lower of cost (first in, first out) or net realizable value.

### DASNY (Dormitory Authority of the State of New York) Bond Funds

The DASNY Bond Funds were created as the result of the issuance of the Series 2008 A-1 for the construction of a new Children's Home. These funds were held by a Trustee and payments were made only upon proper authorization.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**DASNY (Dormitory Authority of the State of New York) Bond Funds**
Debt Service Funds – Payments of principal and interest are made from these funds.

Debt Service Reserve Funds – These funds will be used to augment the funds in the Debt Service Funds if the amounts in the Debt Service Funds are insufficient to make required payments.

These bond funds are classified as restricted investments on the statement of financial position.

**Property and Equipment**
All expenditures for land, buildings and equipment in excess of $5,000 with a useful life of two years or more, are capitalized and recorded at cost. Property and equipment that is donated is recorded at its fair value at the time of the donation.

The estimated lives used in determining depreciation are as follows:

| | |
|---|---|
| Land improvements | 20 years |
| Buildings | 20 - 40 years |
| Leasehold improvements | 3 - 10 years |
| Equipment | 3 - 10 years |
| Automobiles | 3 - 10 years |

Building and equipment under capital lease is capitalized at the present value of future minimum lease payments at the inception of the lease. Assets subject to capital leases are amortized over either the lease term or the life of the related assets, depending upon available purchase options and lease renewal features. Amortization related to assets subject to capital leases is included within depreciation expense.

Maintenance and repairs are charged to operations when incurred. Betterments and renewals are capitalized. When property and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in operations.

**Long-Lived Assets**
The Organization assesses its long-lived assets for impairment when events or circumstances indicate their carrying amounts may not be recoverable. This is accomplished by comparing the expected undiscounted future cash flows of the long-lived assets with the respective carrying amount as of the date of assessment. If the expected undiscounted future cash flows exceed the respective carrying amount as of the date of assessment, the long-lived assets are considered not to be impaired. If the expected undiscounted future cash flows are less than the carrying value and the fair value of the long-lived assets. No impairment of long-lived assets was recognized in 2021 and 2022.

**Beneficial Interest in Perpetual Trusts**
The Society is the beneficiary of five perpetual trusts. The Society has the right to receive the income earned on the trusts' assets in perpetuity but will never receive the assets held in the trust. The beneficial interest is recorded at the fair value of the underlying assets, based upon the market value of the investments held by trusts. The net increase or decrease in the fair value of the underlying assets is reflected in the statement of activities as change in value of beneficial interests in trusts, within the permanently restricted fund class.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Refundable Advances**
The Society and Center receive advances from New York State funding agencies. If the amounts received are not spent or are in excess of maximum funding limits during the period they are received, they are reported as refundable advances in the accompanying financial statements. At the funding agencies' discretion, the amounts will be used to offset future amounts receivable or recouped against future payments. Accordingly, these amounts have been reflected as a liability in the accompanying financial statements.

**Debt Issuance Costs**
Debt issuance costs are recognized as interest expense on straight-line basis over the periods of the related debt. The unamortized issuance costs were $434,832 and $451,311 at June 30, 2022 and 2021, respectively, and are netted against long-term debt on the consolidated statements of financial position. There were $25,629 and $22,886 of amortization expense for the years ended June 30, 2022 and 2021, respectively.

**Financial Reporting**
The Organization reports its activities and the related net assets using two net asset categories: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions include resources which are available for the support of the Organization's operating activities and are not subject to donor-imposed stipulations.

Net assets with donor restrictions represent donor-imposed restrictions that permit the Organization to use up or expend the donated assets as specified. This classification of net assets includes the beneficial interest in perpetual trust as noted above. This temporary restriction is satisfied by the passage of time or by actions of the Organization. See information about these restrictions in Note 13.

**Statement of Activities**
The consolidated statement of activities is divided into operating and non-operating components. All revenue and expenses directly associated with the day-to-day operations are included in income or loss from operations. Contributions, bequests, investment gains and losses and other non-operating items are classified as non-operating income or expense.

**Contributions**
The Organization reports gifts of cash and other assets as restricted support 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 restriction are reclassified to net assets without donor restriction and reported in the consolidated statement of activities as net assets released from restrictions. If net assets with donor restrictions are received and earned in the same year, it is reported as net assets without donor restriction.

The Organization reports gifts of land, buildings, and equipment as net assets without donor restriction unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as net assets with donor restrictions. Absent explicit donor stipulations about how those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. The Organization reports donor restricted contributions as net assets without donor restriction provided that the restrictions are met in the same year the contributions are received.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Contributions (Continued)

The Center is named beneficiary in a revocable trust whereby at the death of the last surviving child the trust will terminate and the balance, if any, of the trust funds at the future date shall be paid to the Center. Under U.S. GAAP, revocable trusts are considered conditional promises-to-give and are not recorded in the beneficiary's financial statements; therefore, no amounts relating to the revocable trust have been reflected in the consolidated financial statements.

### Third-Party Reimbursement and Revenue Recognition

The Center, Society and UP receives substantially all of its revenue for services provided to approved individuals from third-party agencies, primarily the New York State Department of Health, the New York State Office of Children and Family Services, New York Office of Mental Health, and the New York State Education Department. Operating revenue is recognized at amounts that reflects the consideration to which they expect to be entitled in exchange for providing residential, educational, therapeutic, and other services. These amounts are due from third-party payors (including state and local government agencies and school districts) based upon tentative rates and they include variable consideration retroactive revenue adjustments due to settlement of audits, reviews, and investigations. These rates are initially estimated based upon prior historical costs. These initial rates are subsequently adjusted to actual based upon the filing of cost reports.

Revenue is recognized when the Organization satisfies their performance obligations under contracts by transferring services to clients at a point in time. The Organization's performance obligations are to provide residential, educational, and therapeutic services. The transaction price is based on established charges for services provided determined using the output method. These rates are determined by allowable expenditures in rate setting periods. The reimbursement rate may also change after the cost report is audited by funding sources. The Organization's policy is to recognize retroactive rate adjustments and audit settlements, if any, in the period in which they are finalized by the funding sources.

The Organization reviews individual contracts at the time of performance, in order to determine estimated uncollectable accounts due from third party payors and records these implicit price concessions as a direct reduction to revenue. Estimates of implicit price concessions are determined based on historical collection experience using a portfolio approach as a practical expedient to account for the contracts as a collective group.

### Donated Materials and Services

Donated materials and supplies are recorded as contributions at estimated fair value at the date of gift. The Organization receives a significant amount of donated services from unpaid volunteers who assist in fundraising and special projects. The value of the services have not been reflected in these financial statements because they do not meet the criteria for recognition.

### Fair Value Measurement – Definition and Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and GAAP provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure 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 unobservable inputs (level 3 measurements).

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The valuation methodology used for the Organization's assets measured at fair value is to value the investments at quoted market prices on the last business day of the fiscal year.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Fair Value Measurement – Definition and Hierarchy (Continued)**

The Organization has financial instruments in the accompanying consolidated financial statements, including cash and equivalents and investments including money market funds, debt securities, equities, mutual funds, and beneficial interest in perpetual trusts. The carrying value of cash and equivalents, and investments in equities, and mutual funds notes are a reasonable approximation of fair value due to the short-term nature of the instruments and are considered to be a level 1 measurement. The fair value of the corporate debt securities, and beneficial interest in perpetual trusts are determined to be a level 2 measurement using the market approach as the carrying amount of these investments approximates fair value based on the value of similar assets at which the Organization could invest.

**Functional Allocation of Expenses**

The Organization's directly identifiable expenses related to a singular program or supporting service are charged fully and directly. Expenses related to more than one program or supporting service are charged as such using specific allocation methods. Fringe benefit expenses are charged to departments based on actual salary expenses; occupancy related expenses are charged to departments based on square footage.

**Income Taxes**

The Organization, Society, and Center are exempt from federal income tax under Section 501 (c)(3) of the Internal Revenue Code. In addition, they each qualify for charitable contribution deductions and has been classified as an organization other than a private foundation.

**Reclassifications**

Certain reclassifications have been made to the 2021 financial statement presentation to correspond to the current year's format. Net assets and changes in net assets are unchanged due to these reclassifications.

**Comparative Financial Information**

The consolidated financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements as of and for the year ended June 30, 2021, from which the summarized information was derived.

## 3. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization is substantially supported by contributions. The Center and Society is substantially supported by grants and support from New York State funding sources. The following reflects the Organization's financial assets as of the consolidated statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of June 30:

| | 2022 | 2021 |
|---|---|---|
| Financial assets: | | |
| Cash | $ 16,743,717 | $ 18,325,413 |
| Accounts receivable, net | 15,561,510 | 13,699,811 |
| Pledges receivable | 36,795 | 38,719 |
| Investments | 14,894,258 | 17,025,834 |
| Other assets | 17,615 | - |
| Beneficial interest in trusts | 1,660,746 | 2,026,124 |
| Total financial assets | 48,914,641 | 51,115,901 |
| Less: those unavailable for general expenditure due to: | | |
| Donor restrictions | (6,488,658) | (7,573,143) |
| Debt service reserves | (515,142) | (540,506) |
| Total financial assets available | $ 41,910,841 | $ 43,002,252 |

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures and other obligations come due. The ability to meet cash needs is highly dependent on funding from government agencies and the timely collection of accounts and pledges receivable. The Organization has designed procedures to bill and collect from these payors as quickly as possible, however, this can sometimes be difficult to predict.

## 4. PLEDGES RECEIVABLE

Pledges receivable represent unconditional promises to give which have been made by donors, but not yet received by the Organization. The Organization has reviewed for collectability and has determined that no allowance for uncollectible pledges is warranted. Total unconditional promises to give were as follows at June 30:

| | 2022 | 2021 |
|---|---|---|
| Pledges receivable | $ 36,795 | $ 191,736 |
| Amounts due in | | |
| Less than one year | 36,795 | 38,719 |
| One to five years | 68,687 | 153,017 |
| | 105,482 | 191,736 |
| Less: Discount to present value | (6,229) | (6,088) |
| Pledges receivable, net | $ 99,253 | $ 185,648 |

## 5. MORTGAGE NOTE RECEIVABLE

Mortgage note receivable consist of a non-interest bearing mortgage secured by real estate and is payable in monthly installments over the life of the mortgage. The mortgage was entered into in May of 2022 for $1,400,000, with a down payment of $130,000 due at signing and $4,166 monthly payments due over the life of the 60 month mortgage term. An additional down payment of $150,000 is due at the 36 month and a balloon payment of $870,040 is due at the 60 month period of the mortgage. Management has elected not to discount the mortgage due to its immaterial impact on the financial statements. Mortgage note receivable outstanding as of June 30, 2022 and 2021 was $1,395,834 and $0, respectively.

Maturities of the non-interest bearing mortgage note receivable as of June 30, 2022 are as follows:

| | |
|---|---|
| 2023 | $ 179,992 |
| 2024 | 49,992 |
| 2025 | 199,992 |
| 2026 | 49,992 |
| 2027 | 915,866 |
| Total | $ 1,395,834 |

## 6. INVESTMENTS

A summary of investments measured at fair value at June 30 is as follows:

| | 2022 | 2021 |
|---|---|---|
| Cash equivalents | $ 299,232 | $ 380,809 |
| Debt securities | 828,942 | 904,094 |
| Equities | 11,896,144 | 13,638,751 |
| Mutual funds | 1,869,940 | 2,102,180 |
| Total | $ 14,894,258 | $ 17,025,834 |

## 7. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

| | 2022 | 2021 |
|---|---|---|
| Land | $ 140,530 | $ 140,530 |
| Building and improvements | 52,369,846 | 52,839,781 |
| Furniture, vehicles and equipment | 9,103,180 | 8,739,818 |
| Less: Accumulated depreciation | (34,979,003) | (33,199,892) |
| Construction in progress | 115,274 | 387,056 |
| Total | $ 26,749,827 | $ 28,907,293 |
| Assets under capital lease | 3,804,420 | $ 3,804,420 |
| Less: accumulated amortization | (1,786,858) | (1,373,002) |
| | $ 28,767,389 | $ 31,338,711 |

Depreciation expense, excluding state paid depreciation of $168,000 for the years ended June 30, 2022 and 2021, was $2,460,545 and $2,165,843 for the years ended June 30, 2022 and 2021, respectively.

## 8. LINE OF CREDIT

The Organization has a revolving line-of-credit with KeyBank, totaling $500,000, which expires on May 31, 2023. The line bears interest at the adjusted daily Secured Overnight Financing Rate (SOFR) index plus 0.10% index adjustment plus 2.15% of margin (3.77% at June 30, 2022). There was no outstanding balance as of June 30, 2022 and 2021.

The Organization, the Center and the Society, each has a revolving equipment line-of-credit with KeyBank, in amount of $500,000 each, which expires on May 31, 2026. The line bears interest at 3.33% on June 30, 2022. There was no outstanding balance as of June 30, 2022. .

The Society has a revolving line-of-credit with Key Bank, totaling approximately $3,000,000, which expires May 31, 2023. The line bears interest at the adjusted daily Secured Overnight Financing Rate (SOFR) index plus 0.10% index adjustment plus 2.15% of margin (3.77% at June 30, 2022). There was a balance of $0 at June 30, 2022 and 2021, respectively. In accordance with the terms of the security agreement, the Society is required to provide their financial statements within 120 days from year end. As of June 30, 2022, the Society determined the covenant was met.

## 8. LINE OF CREDIT (Continued)

The Center has a revolving line-of-credit with KeyBank, totaling $3,500,000, which expires on May 31, 2023. The line bears interest at the adjusted daily Secured Overnight Financing Rate (SOFR) index plus 0.10% index adjustment plus 2.15% of margin (3.77% at June 30, 2022). There was no outstanding balance as of June 30, 2022 and 2021. In accordance with the terms of the security agreement, the Center is required to provide their financial statements within 120 days from year end. As of June 30, 2022, the Center determined the covenant was met.

UP has an on-demand line-of-credit from Key Bank for $250,000, with interest at prime (2.75% at June 30, 2022). All borrowings under this line-of-credit are secured by a first security interest in all inventory, accounts receivable, and furniture and equipment. There was an outstanding balance of $134,125 and $67,564 at June 30, 2022 and 2021.

## 9. PAYCHECK PROTECTION PROGRAM

In April 2020, the Organization entered into an agreement with a bank under the Paycheck Protection Program (PPP) and received $13,055,261. This arrangement is evidenced by a loan agreement that includes provisions whereby the loan balance can be fully or partially forgiven based on the Organization's use of the funds, maintenance of its personnel complement, and compliance with certain reporting elements in accordance with the requirements of the PPP Program.

The Organization has elected to account for the PPP arrangement as a conditional contribution, and income is recorded as the conditions meeting the requirements for forgiveness are substantially met. In 2022, the Organization applied for forgiveness of their Paycheck Protection Program loan and was approved in full by the SBA. The Organization determined that it administered the proceeds of its PPP arrangement and managed its staff complement in a manner that met the conditions for forgiveness resulting in recognition of $9,746,212 and $1,682,389 for the years ending June 30, 2022 and 2021, respectively.

This amount is included in support and revenue under Paycheck Protection Program, net of estimated rate mitigation on the accompanying Statement of Activities.

These estimates, while considered reasonable as of the date the financial statements were available to be issued, are subject to change based on the Organization's administration of its PPP arrangement and future review.

## 10. LONG-TERM DEBT

Long-term debt at June 30 consists of the following:

| | 2022 | 2021 |
|---|---|---|
| ***Parsons Child and Family Center:*** | | |
| Mortgage payable - Miriam House, New York State Dormitory Authority, due in annual installments on December 1 of $69,160 including interest at 5.28%, secured by real property at 64 Academy Road, Albany, NY. Final payment due June 2026. | 259,285 | 312,706 |
| Mortgage payable with Saratoga National Bank, with regular monthly payments of $29,411 including interest at 4.99%, began on April 2021, secured by real property at 56 Academy Road, Albany, N.Y. Final payment due December 2033. The Center must maintain a debt service coverage ratio of not less than 1.20:1.00. The Center determined the covenant was met as of June 30, 2022. | 4,826,038 | 4,931,865 |
| Mortgage payable with SEFCU, with regular monthly payments of $25,565, including interest equal to the Prime Rate minus 1.5%, with a floor of 2.75%, began on February 2021, secured by real property at 58 Academy Road, Albany, N.Y. Final payment due Janurary 2031. The Center must maintain a debt service coverage ratio of not less than 1.20:1.00. The Center determined the covenant was met as of June 30, 2022. | 5,296,471 | 5,453,191 |
| Total Parsons Child and Family Center | 10,381,794 | 10,697,762 |

## 10. LONG-TERM DEBT (Continued)

Long-term debt at June 30 consists of the following:

***Northeast Parent and Child Society, Inc.:***

| | | |
|---|---|---|
| Present value of net minimum principal lease payments under a capital lease held by the Society, with an unrelated third party, interest at 2.50%. | 2,017,562 | 2,431,418 |
| Mortgage agreement with Citizens Bank secured by property at Genium Plaza, Schenectady, NY. The rate of interest was computed at the floating one-month LIBOR plus 1.91% (2.60% at June 30, 2021). Principal payments in the amount of $3,327 was paid in addition to interest at the aforesaid rate. The mortgage was paid off March 2022. | - | 172,986 |
| Mortgage note payable with Citizens Bank secured by real estate, due July 2022. Principal payments were due monthly with interest based on a 30 day LIBOR rate plus 1.65% (3.99% at June 30, 2021). Certain financial covenants applied to this note. These covenants were met as of June 30, 2021. Secured by property at Abbottsford Road, Schenectady, NY. This mortgage was paid off March 2022. | - | 356,254 |
| Bonds payable, Dormitory Authority of the State of New York, Series 2008 A-1 Bonds, varying interest ranging from 3.5% to 5.00% through June 1, 2038. See "Tax Exempt Bonds Payable" below. | 8,292,499 | 8,622,996 |
| Total Northeast Parent and Child Society, Inc. | 10,310,061 | 11,583,654 |
| Total long-term debt | 20,691,855 | 22,281,416 |
| Less: Unamortized debt issuance costs | 434,832 | 451,311 |
| | 20,257,023 | 21,830,105 |
| Less: Current portion of long-term debt | 1,069,404 | 1,117,544 |
| Long-term debt, net of current installments | $ 19,187,619 | $ 20,712,561 |

## 10. LONG-TERM DEBT (Continued)

Future minimum payments on long term debt are due as follows for the years ending June 30:

| | Mortgages and Loans Payable | Capital Lease Obligations | Total |
|---|---|---|---|
| 2023 | 759,526 | 509,600 | 1,269,126 |
| 2024 | 790,181 | 509,600 | 1,299,781 |
| 2025 | 811,931 | 509,600 | 1,321,531 |
| 2026 | 763,802 | 509,600 | 1,273,402 |
| 2027 | 731,798 | 509,600 | |
| Thereafter | 15,346,580 | (297,267) | 15,049,313 |
| Total | 19,203,818 | 2,250,733 | 20,213,153 |
| Less: Amount representing interest | - | (328,915) | (328,915) |
| | $ 19,203,818 | $ 1,921,818 | $ 19,884,238 |

The Organization incurred interest expense on all obligations of $874,894 and $748,206 for the years ended June 30, 2022 and 2021, respectively, including amortization of debt issuance costs.

**Tax Exempt Bonds Payable**
In June of 2008, DASNY issued Series Bonds for a total of $11,150,000. These bonds were issued as part Serial and part Term Bonds. The funds were used for the construction of a new Children's Home used by the Society. Payment of principal and interest of these bonds is guaranteed by a municipal bond insurance policy issued by the State of New York Mortgage Agency (SONYMA).

The Series 2008 Bonds require an account control agreement by and among the residential provider, DASNY, the Trustee and the residential provider's bank. The agreement requires that allotments received from any school district, social service district or any other payor on accounts for residential services provided must be deposited into this account immediately upon receipt of such amounts. In addition, the provider is required to grant DASNY a security interest in the respective account. Each month an amount necessary to satisfy the provider's next due payment obligation will be automatically transferred to the Trustee to be utilized per the agreement. Monies on deposit in the account are available to the provider only after payment of amounts then due DASNY.

## 10. LONG-TERM DEBT (Continued)

### Tax Exempt Bonds Payable (Continued)

The following summarizes the outstanding bonds at June 30:

| | 2022 | 2021 |
|---|---|---|
| Series Bonds: Maturing through June 1, 2028 with interest rates varying during these years beginning at 3.50% and ending at 5.00%. | $ 2,305,497 | $ 2,625,000 |
| Term Bond: 5.00% due June 1, 2038 | 2,560,000 | 2,560,000 |
| Term Bond: 5.00% due June 1, 2038 | 3,345,000 | 3,345,000 |
| Total Dormitory Authority Bonds | 8,210,497 | 8,530,000 |
| Premium on Issuance of Bonds | 82,002 | 92,996 |
| Total Tax Exempt Bonds Payable | 8,292,499 | 8,622,996 |
| Less: Unamortized debt issuance costs | 178,142 | 193,091 |
| Bonds Payable, net | $ 8,114,357 | $ 8,429,905 |

## 11. RETIREMENT PLANS

### Defined Contribution Plan

The Organization sponsors a 401(K) plan, the Northern Rivers Family Service's 401(K) Plan. The plan covers substantially all full-time employees of the Organization that are 18 years of age and older with no years of service requirement. Employees who contribute to the plan and have met eligibility requirements are eligible for the Organization's matching contribution that is discretionary up to 2% of an employee's compensation. The Organization may also provide a discretionary contribution on behalf of employees meeting eligibility requirements after fiscal year-end. The Organization's contribution to the plan for the years ended June 30, 2022 and 2021 were $1,337,636 and $2,670,453, respectively.

### Defined Benefit Plan

The Center also has a defined benefit pension plan covering substantially all employees hired before July 1, 2012. The benefits are based on years of service and employees' compensation. Contributions to the Plan are intended to provide for benefits attributed to service to date and those expected to be earned in the future. The Plan was amended in 2013 to close the Plan to new entrants and to discontinue benefit accruals effective June 30, 2013. As noted in Note 18, subsequent to year end the Center approved a resolution to terminate the plan.

The Plan's measurement date is June 30. Amounts are estimated based on actuarial assumptions. It is at least reasonably possible that these estimates could change in the near term.

## 11. RETIREMENT PLANS (Continued)

**Defined Benefit Plan (Continued)**
The following sets forth the funded status of the Plan:

| | 2022 | 2021 |
|---|---|---|
| Change in benefit obligations: | | |
| Benefit obligation at beginning of year | $ 40,033,105 | $ 42,775,341 |
| Service cost | - | - |
| Interest cost | 1,059,492 | 1,092,918 |
| Actuarial gains | (7,957,003) | (967,288) |
| Benefits paid | (2,809,517) | (2,867,866) |
| Benefit obligation at end of year | $ 30,326,077 | $ 40,033,105 |
| Change in plan assets: | | |
| Fair value of plan assets at beginning of year | $ 31,326,177 | $ 27,045,418 |
| Actual return on plan assets | (3,721,100) | 5,698,625 |
| Employer contributions | 300,000 | 1,450,000 |
| Benefits paid | (2,809,517) | (2,867,866) |
| Fair value of plan assets at end of year | $ 25,095,560 | $ 31,326,177 |
| Funded status: | | |
| (Under) funded status of the plan | $ 5,230,517 | $ 8,706,928 |

Financial Statement Recognition

As of June 30, 2022 and 2021, the following amounts were recognized in the statement of financial position:

| | 2022 | 2021 |
|---|---|---|
| As a non-current liability | $ 5,230,517 | $ 8,706,928 |

As of June 30, 2022 and 2021, the following amounts were recognized in the statement of activities:

| | 2022 | 2021 |
|---|---|---|
| Net periodic pension costs | $ 150,514 | $ 787,274 |
| Gains other than net periodic pension costs | $ 3,326,925 | $ 6,360,269 |

## 11. RETIREMENT PLANS (Continued)

**Defined Benefit Plan (Continued)**
Unamortized Items

As of June 30, 2022 and 2021, the following items included in plan net assets had not yet been recognized as a component of benefit expense:

| | 2022 | 2021 |
|---|---|---|
| Transition obligation/(asset) | $ - | $ - |
| Prior service cost | - | - |
| Gains/(Losses) | (5,354,974) | (8,681,899) |
| Total unamortized items | $ (5,354,974) | $ (8,681,899) |

The expected effect of unamortized items on net assets without donor restriction in the next fiscal year is as follows:

| | |
|---|---|
| Transition obligation/(asset) | $ - |
| Prior service cost | - |
| (Gains)/Losses | 600,000 |
| Total unamortized items | $ 600,000 |

Assumptions

The following table summarizes the assumptions used by the consulting actuaries and the related benefit cost information. The weighted – average assumptions used as of June 30, 2022 and 2021:

| | 2022 | 2021 |
|---|---|---|
| Discount rate | 4.58% | 2.74% |
| Expected long-term return on plan assets | 6.00% | 6.00% |
| Rate of compensation increase | N/A | N/A |

Determination of Investment Policy

The Plan's investment policy is designed for a moderate risk tolerance with a long-term investment horizon. The allowable investments are considered to be cash and equivalents, mutual funds, commingled funds, collective trusts and exchange traded funds. The asset mix will be actively managed and, therefore, will vary from time to time depending primarily on investment conditions and outlook.

The Plan will diversify its investment portfolio to avoid incurring unreasonable risks. Investment maturities should be scheduled to coincide with projected cash flow requirements.

## 11. RETIREMENT PLANS (Continued)

### Defined Benefit Plan (Continued)

The Plan uses a benchmark comprised of a weighted average of several publicly published indexes with performance criteria that the total portfolio's investment returns are expected to outperform the Plan's benchmark over a complete market cycle (generally considered three to five years).

Plan Assets

The pension plan's weighted-average asset allocations as of June 30, 2022 and 2021, by asset category are as follows:

| | 2022 | | 2021 | |
|---|---|---|---|---|
| Money market funds | $ 522,133 | 1.10% | $ 344,473 | 1.90% |
| Bond funds | 8,408,649 | 32.80% | 10,275,150 | 31.59% |
| Equity funds | 16,164,778 | 66.10% | 20,706,554 | 66.51% |
| Total | $ 25,095,560 | 100% | $ 31,326,177 | 100% |

The fair value of the Plan's assets at June 30, 2022 and 2021 was as follows:

| June 30, 2022 | Level 1 Inputs | Level 2 Inputs | Level 3 Inputs | Total |
|---|---|---|---|---|
| Money markets | $ 522,133 | $ - | $ - | $ 522,133 |
| Equity funds | 16,164,778 | - | - | 16,164,778 |
| Bond funds | - | 8,408,649 | - | 8,408,649 |
| Total Investments | $ 16,686,911 | $ 8,408,649 | $ - | $ 25,095,560 |

| June 30, 2021 | Level 1 Inputs | Level 2 Inputs | Level 3 Inputs | Total |
|---|---|---|---|---|
| Money markets | $ 344,473 | $ - | $ - | $ 344,473 |
| Equity funds | 20,706,554 | - | - | 20,706,554 |
| Bond funds | - | 10,275,150 | - | 10,275,150 |
| Total Investments | $ 21,051,027 | $ 10,275,150 | $ - | $ 31,326,177 |

Contributions

The Center contributed $300,000 and $1,450,000 during the years ending June 30, 2022 and 2021, respectively.

## 11. RETIREMENT PLANS (Continued)

### Defined Benefit Plan (Continued)

Expected Future Benefit Payments

The following are the expected future benefit payments:

| | |
|---|---|
| 2023 | $ 1,918,527 |
| 2024 | 1,892,472 |
| 2025 | 1,528,748 |
| 2026 | 1,253,064 |
| 2027 | 1,917,117 |
| 2028-2032 | 10,029,905 |
| | $ 18,539,833 |

Expected Long-Term Rate of Return on Plan Assets Assumption

The expected long-term rate of return on plan assets assumption of 6.00% was selected using the "building block" approach described by the Actuarial Standards Board in Actuarial Standards of Practice No. 27 – Selection of Economic Assumptions for Measuring Pension Obligations. Based on the Center's investment policy for the pension plan in effect as of the beginning of the fiscal year, a best estimate range was determined for both the real rate of return (net of inflation) and for inflation based on historical 30-year period rolling averages.

## 12. POST-RETIREMENT BENEFIT

During the year ended June 30, 2002, the Society approved a lifetime post-retirement benefit for its former Executive Director and spouse. The Society will provide a benefit for health and dental insurance equal to 50% of the cost. These benefits will be coordinated with Medicare benefits and any other federal health care. The benefits commenced July 1, 2003. An accrual of $31,695 was made at June 30, 2003 to establish the estimated present value of these future benefit obligations. For accrual measurement purposes, a 10% annual rate of increase in the per capita cost of health care was assumed for the benefit period. In addition, an 8% projected discount factor was utilized for the present value computation. The benefit is unfunded. During the year ended June 30, 2022 and 2021, the Society amortized $1,114 and $1,084, respectively, of benefit, resulting in a balance of $10,732 and $11,846 at June 30, 2022 and 2021, respectively for the present value of this future benefit obligation, which has been recorded as a liability in these consolidated financial statements.

The Center provides a post-retirement benefit to all retirees hired before April 1, 1995 who reach retirement with unused sick leave. The Center converts the amount of the employee's sick bank at the time of retirement multiplied by their rate of pay to determine the amount of the benefit the employee is eligible for. Eligible retirees are provided a quarterly cash payment of $1,500 and payment will continue until the exhaustion of the employee's calculated maximum post retirement benefit. The benefit cannot be paid to spouses or beneficiaries. The plan is unfunded. The Plan's measurement date is June 30. Prior to July 1, 2018, eligible retirees also had the option to take health insurance provided by the Center. This is no longer an available option.

## 12. POST-RETIREMENT BENEFIT (Continued)

Amounts are estimated on a maximum calculation of 130 sick days multiplied by the frozen pay rate at June 30, 2018. The liability will be adjusted down as staff leave the Center prior to retirement or receive a benefit that is less than the maximum calculation. Amounts are estimated based on actuarial assumptions for the year ended June 30, 2018. Since the maximum benefit as of July 1, 2018 does not allow insurance coverage, an actuarial report is no longer required.

The following table sets forth the change in accumulated postretirement benefit obligation recorded for the Center in the consolidated statement of financial position at June 30, 2022 and 2021:

| | 2022 | 2021 |
|---|---|---|
| Accumulated postretirement benefit obligation at beginning of year | $ 1,253,032 | $ 1,388,309 |
| Benefits paid / employer contributions | (157,888) | (135,277) |
| Loss due to benefit change | - | - |
| Accumulated postretirement benefit obligation at end of year | $ 1,095,144 | $ 1,253,032 |

## 13. ENDOWMENT

The Center has received both net assts with time and purpose restrictions and net assets with perpetuity restriction consisting of various funds set up to support the Center's long-term strategic needs. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The following is an abstract of the Center's Board of Directors' Endowment Fiscal Policies:

**Interpretation of Relevant Law**
Management has interpreted the applicable provisions of the New York Prudent Management of Institutional Funds Act (NYPMIFA) to mean that the classification of appreciation of endowment gifts beyond the original gift amount follows the donor's restrictions regarding the use of the related income; i.e. interest and dividends.

**Return Objectives and Risk Parameters**
The primary purpose of endowment investment and spending policies at Parsons Child and Family Center is to preserve the real (inflation adjusted) purchasing power of endowment assets while providing a prudent, predictable, stable and constant (in real terms) stream of spendable revenues for current use. The policies, if successfully implemented, should result in endowment growth and enhancement of financial resources. The goal of the investment program is to obtain a long-term average annual total return equal to or greater than the sum of the long-term rate of inflation as measured by the Consumer Price Index plus the long-term average annual endowment spending rate. Total return is defined as the sum of dividends, interest, realized and unrealized gains or losses less investment management fees and expenses. The investment policies assume endowment gifts will be used to increase rather than maintain the real purchasing power of endowment assets.

## 13. ENDOWMENT (Continued)

### Strategies Employed for Achieving Objectives

The investment policies aimed to generate maximum total return from endowment assets should be balanced against acceptable levels of risk to avoid significant short-term losses. Funds invested in individual fixed income securities shall be rated no less than investment grade, "BBB" by Moody's and/or Standard and Poor's. Split ratings shall be considered the lower of the two ratings. Funds in below investment grade issues must be held in mutual funds with an average rating of no less than "BB" and shall not exceed more than 10% of the portfolio. Individual equity investments shall be limited to no more than 5% in any one name and be limited to generally large cap names. Up to 15% of the portfolio may be invested in international mutual funds.

The long-term asset mix goal of the endowment fund can range from 50% to 70% in equity investments and 50% to 30% in fixed income and/or cash equivalent investments. This range should provide certain flexibility to over or underweight investment categories while still maintaining quantifiable guidelines. The asset mix will be actively managed and, therefore, will vary from time to time depending primarily on investment conditions and outlook.

The investment goals require discipline and prudent management and can be accomplished effectively utilizing independent professionals selected and monitored by the Finance Committee in conjunction with the Board of Directors.

### Allocation of Investment Returns

For those endowment funds which are invested in their own individually identified cash, securities, or other assets, changes in the current value of the cash, securities or other assets, are applied directly to the identified endowment fund. For those endowment funds which are pooled together and invested in identified pools of cash, securities, or other assets, changes in the current value of the cash, securities or other assets, are allocated proportionately amongst the identified endowment funds, based on the current value of each endowment fund as a percentage of the total of all of the funds invested in the pool.

### Spending Policy and How the Investment Objectives Relate to Spending Policy

Beginning with each fiscal year, the annual endowment income to be budgeted for current operations should not exceed 5% of the weighted average market value of the unrestricted endowment assets at the end of each of the three preceding calendar years. The most recent year should be weighted three times; the second year, two times; and third year, once.

Endowment income used to meet the requirements of the spending plan can come from any combination of income generated and capital gains realized. Income earned beyond the spending plan and not utilized for current operations will become a part of the corpus of the endowment. In periods where total yield is less than the 5% necessary to meet a spending plan, it may be necessary to liquidate investments to meet the 5% requirement. Disbursements of the spending plan should be made in monthly installments.

### Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or law requires the fund to retain as a fund of perpetual duration. There were no deficiencies of this nature as of June 30, 2022 and 2021.

## 13. ENDOWMENT (Continued)

**Funds with Deficiencies (Continued)**
For fiscal year ended June 30, 2022, the Center had the following endowment-related activities:

| | |
|---|---|
| Endowment Net Assets, Beginning of year | $ 5,375,100 |
| Interest and dividend income | 120,160 |
| Net realized and unrealized loss on investments | (767,918) |
| Contributions, legacies, and bequests | 5,840 |
| Amounts appropriated for expenditure | (58,557) |
| Endowment Net Assets, End of Year | $ 4,674,625 |

For fiscal year ended June 30, 2021, the Center had the following endowment-related activities:

| | |
|---|---|
| Endowment Net Assets, Beginning of year | $ 4,340,939 |
| Interest and dividend income | 79,730 |
| Net realized and unrealized gains (losses) on investments | 976,564 |
| Contributions, legacies, and bequests | - |
| Amounts appropriated for expenditure | (22,133) |
| Endowment Net Assets, End of Year | $ 5,375,100 |

## 14. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restriction consist of various purpose restrictions. At June 30, 2022 and 2021, the purpose restrictions are primarily for building or the maintenance of various buildings and programs as described by the investment fund titles noted below. These net assets will be released from restriction when the funds have been spent in accordance with donor restrictions.

## 14. NET ASSETS WITH DONOR RESTRICTIONS (Continued)

The following summarizes restricted net assets at June 30:

| | 2022 | 2021 |
|---|---|---|
| Restricted by purpose or time: | | |
| Greenhouse Fund | $ 442,353 | $ 572,244 |
| Jacob Fund | 1,416 | 626 |
| Bryant Fund | 82,505 | 79,589 |
| Lathrop Fund | 1,473,507 | 1,703,874 |
| Stein Library Fund | 40,191 | 48,337 |
| J.K. Miller Fund | 372,871 | 440,971 |
| Sidney Albert Institute | 578,004 | 689,603 |
| Joanne Malick Fund | 108,329 | 130,975 |
| Charbonneau Fund | 4,929 | 6,743 |
| Puels Fund | 377,707 | 431,797 |
| Margaret D. Griffel Trust | 120,640 | 198,168 |
| Capital campaign | - | - |
| Other Miscellaneous donor imposed restrictions | 25,467 | 44,099 |
| Total | $ 3,627,919 | $ 4,347,026 |

| | 2022 | 2022 |
|---|---|---|
| Restricted Corpus: | | |
| Parsons Fund | $ 139,826 | $ 139,826 |
| Lathrop Fund | 135,000 | 135,000 |
| Stein Library Fund | 16,831 | 16,831 |
| J.K. Miller Fund | 102,515 | 102,515 |
| Sidney Albert Institute | 201,520 | 201,520 |
| Joanne Malick Fund | 50,000 | 50,000 |
| Charbonneau Fund | 6,107 | 6,107 |
| Margaret D. Griffel Trust | 420,374 | 420,374 |
| Beneficial Interest in Perpetual Trusts | 1,660,746 | 2,026,124 |
| Scholarship and Other | 127,820 | 127,820 |
| Total | $ 2,860,739 | $ 3,226,117 |

## 15. FAIR VALUE MEASUREMENTS

The following are measured at fair value on a recurring basis at June 30, 2022:

| | Level 1 Inputs | Level 2 Inputs | Level 3 Inputs | Total |
|---|---|---|---|---|
| Money Markets | $ 299,232 | $ - | $ - | $ 299,232 |
| Equities | 11,896,144 | - | - | 11,896,144 |
| Mutual Funds | 1,869,940 | - | - | 1,869,940 |
| Government Debt Securities | - | 828,942 | - | 828,942 |
| Beneficial Interests in Trusts | - | 1,660,746 | - | 1,660,746 |
| Total Investments | $ 14,065,316 | $ 2,489,688 | $ - | $ 16,555,004 |

The following are measured at fair value on a recurring basis at June 30, 2021:

| | Inputs | Inputs | Inputs | Total |
|---|---|---|---|---|
| Money Markets | $ 380,809 | $ - | $ - | $ 380,809 |
| Equities | 13,638,751 | - | - | 13,638,751 |
| Mutual Funds | 2,102,180 | - | - | 2,102,180 |
| Government Debt Securities | - | 904,094 | - | 904,094 |
| Beneficial Interests in Trusts | - | 2,026,124 | - | 2,026,124 |
| Total Investments | $ 16,121,740 | $ 2,930,218 | $ - | $ 19,051,958 |

## 16. COMMITMENTS AND CONTINGENCIES

**Self-Funded Unemployment Insurance**

The Organization's Unemployment Compensation Insurance program is self-funded. Unemployment benefits that separated employees receive are determined by New York State statute and are administered by New York State Department of Labor (NYSDOL). The Organization is billed quarterly by NYSDOL for benefits paid to former employees. Unemployment is budgeted annually based on prior year results. The Organization incurred costs of $36,694 and $3,723 for the years ended June 30, 2022 and 2021, respectively.

**Reimbursement Rates**

The Center and the Society file financial reports annually with various New York State departments to report operating revenues, costs, statistical and other operating data. This information is utilized by the rate setting units to evaluate and adjust historical rates and to set future reimbursement rates. In addition, reimbursement rates are subject to audit by the New York State departments which provide funding. The potential financial impact of this process cannot be readily determined; therefore, no future obligation has been recognized in the consolidated financial statements.

## 16. COMMITMENTS AND CONTINGENCIES (Continued)

### Operating Leases

The Center and Society leases various equipment, vehicles and space under non-cancellable operating leases. At June 30, 2022 the minimum rental commitment under these operating leases have remaining terms in excess of one year is as follows:

| | |
|---|---|
| 2023 | $ 971,144 |
| 2024 | 893,684 |
| 2025 | 857,538 |
| 2026 | 823,734 |
| 2027 | 635,942 |
| Thereafter | - |
| Total | $ 4,182,042 |

Rental expense for the years ending June 30, 2022 and 2021 was $1,718,478 and $2,025,295, respectively.

### COVID-19

The United States is presently in the midst of a national health emergency related to a virus, commonly known as Novel Coronavirus (COVID-19). The overall consequences of COVID – 19 on national, regional and local level are unknown, but it has the potential to result in a significant economic impact. The impact of this situation on the Organization and its future results and financial position is not presently determinable.

### Child Victims Act

On February 14, 2019, New York State signed into law the Child Victims Act (CVA), which became effective August 14, 2019. This legislation provides for the following:

- extends New York State's statute of limitations for child abuse claims,
- allows for criminal charges against sexual abusers of children until their victims turn 28 years of age, vs. the previous law which provided that right up to age 23,
- allows for civil actions against abusers, and institutions where they were abused, until their victims turn 55, and
- opens window beginning on the effective date of August 14, 2019, permitting any victim of child abuse to take civil action, regardless of when the abuse occurred.

As a result of the passage of the CVA, through the date of this report, the Organization has been notified or become aware of abuse related claims that have been or are likely to be filed against it. Aggregate demands for damages from these claims cannot be estimated at this time. During the timeframe of the alleged abuses the Organization had a combination of commercial insurance coverage and self-insurance programs.

At present, the Organization is not certain as to the amount of commercial coverage available to assist it in meeting its obligations for these matters. Accordingly, it is possible that the ultimate resolution of any litigation could have a material adverse impact on the Organization's results of operations, liquidity, and financial position. In addition, it is reasonably possible that the ultimate number of lawsuits and/or claims could increase, and therefore any additional exposure cannot be predicted at this time.

## 17. INVESTMENT IN CHHUNY, LLC

As of June 30, 2022 and 2021, the Organization had a 5.3 percent interest in CHHUNY, LLC, a New York limited liability company, which it accounts for using the equity method. CHHUNY, LLC is a NYS DOH approved children's health home whose mission is to provide quality and coordinated health care management to children and youth in upstate New York.

Under the terms of the operating agreement, the Organization was allocated 5.3% of the company's June 30, 2022 and 2021, net gain (loss).

The following is a summary of selected financial information from the financial statements of CHHUNY, LLC as of and for the years ended June 30, 2022 and 2021:

| | 2022 | 2021 |
|---|---|---|
| Total Assets | $ 6,942,593 | $ 2,734,471 |
| Total Liabilities | (5,408,145) | (1,561,895) |
| Partners' Capital | $ 1,534,448 | $ 1,172,576 |
| Revenue | $ 2,210,395 | $ 2,646,020 |
| Expenses | (1,850,074) | (1,696,379) |
| Net Gain (Loss) | $ 360,321 | $ 949,641 |

## 18. SUBSEQUENT EVENTS

Subsequent events have been evaluated through November 18, 2022, which is the date the financial statements were available to be issued.

**Termination of Defined Benefit Pension Plan**
In October of 2022, the Center approved a resolution to terminate the plan and payout participants. The funded status at the time of resolution was a liability of approximately $7.2 million, for which the Center expects to payout through a combination of investment liquidation and financing.

**Sale of 353 New Scotland Avenue, Albany, NY Group Home**
In October of 2022, the Center closed on the sale of property in Albany, NY to an unrelated third party. Sale of the property was approximately $350,000 before closing costs of approximately $30,000.

# NORTHERN RIVERS FAMILY SERVICES, INC.



**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**

**JUNE 30, 2022**

| | Northern Rivers Family Services, Inc. | Northeast Parent and Child Society, Inc. | Parsons Child And Family Center | Unlimited Potential | Total | Elimination | Total |
|---|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | | |
| CURRENT ASSETS: | | | | | | | |
| Cash | $ 3,586,227 | $ 3,790,696 | $ 9,357,555 | $ 9,239 | $ 16,743,717 | $ - | $ 16,743,717 |
| Accounts receivable, net | - | 7,338,254 | 6,737,071 | 23,046 | 14,098,371 | - | 14,098,371 |
| Current pledges receivable | 36,795 | - | - | - | 36,795 | - | 36,795 |
| Mortgage note receivable, net | - | 179,992 | - | - | 179,992 | - | 179,992 |
| Prepaid expenses and inventory | 300,771 | 54,088 | 30,622 | 11,369 | 396,850 | - | 396,850 |
| Due from affiliates | 123,996 | 172,869 | 123,312 | 2,289 | 422,466 | (422,466) | - |
| Investments | - | 3,141,808 | 6,534,569 | - | 9,676,377 | - | 9,676,377 |
| Total current assets | 4,047,789 | 14,677,707 | 22,783,129 | 45,943 | 41,554,568 | (422,466) | 41,132,102 |
| | | | | | - | | |
| INVESTMENTS, restricted | - | 627,178 | 4,590,703 | - | 5,217,881 | - | 5,217,881 |
| PROPERTY AND EQUIPMENT | 545,009 | 10,633,137 | 17,546,349 | 42,894 | 28,767,389 | - | 28,767,389 |
| OTHER ASSETS | | | | | | | |
| Mortgage note receivable, net of current | - | 1,215,842 | - | - | 1,215,842 | - | 1,215,842 |
| Escrow account | - | - | 17,615 | - | 17,615 | - | 17,615 |
| Deposits | - | 8,177 | - | - | 8,177 | - | 8,177 |
| Beneficial interests in trusts | - | 1,660,746 | - | - | 1,660,746 | - | 1,660,746 |
| Long-term pledges receivable | 62,458 | - | - | - | 62,458 | - | 62,458 |
| Investment in CHHUNY and UPP | 30,000 | - | - | 930,130 | 960,130 | - | 960,130 |
| | | | | | - | | |
| Total other assets | 92,458 | 2,884,765 | 17,615 | 930,130 | 3,924,968 | - | 3,924,968 |
| TOTAL ASSETS | $ 4,685,256 | $ 28,822,787 | $ 44,937,796 | $ 1,018,967 | $ 79,464,806 | $ (422,466) | $ 79,042,340 |

The accompanying notes are an integral part of these statements.

**NORTHERN RIVERS FAMILY SERVICES, INC.** Schedule II
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)**
**JUNE 30, 2022**

| | Northern Rivers Family Services, Inc. | Northeast Parent and Child Society, Inc. | Parsons Child And Family Center | Unlimited Potential | Total | Elimination | Total |
|---|---|---|---|---|---|---|---|
| **LIABILITIES AND NET ASSETS** | | | | | | | |
| CURRENT LIABILITIES | | | | | | | |
| Line of credit | $ - | $ - | $ - | $ 134,125 | $ 134,125 | $ - | $ 134,125 |
| Accounts payable | 153,812 | 742,911 | 347,073 | 2,837 | 1,246,633 | - | 1,246,633 |
| Accrued salaries and expenses | 822,208 | 2,466,101 | 3,367,841 | 43,958 | 6,700,108 | - | 6,700,108 |
| Due to affiliate | 145,028 | 85,491 | 184,916 | 7,031 | 422,466 | (422,466) | - |
| Refundable advances | - | 423,170 | 2,025,936 | - | 2,449,106 | - | 2,449,106 |
| Deferred revenue | 313,448 | - | - | - | 313,448 | - | 313,448 |
| Capital lease obligations, current | - | 393,713 | - | - | 393,713 | - | 393,713 |
| Mortgages payable, current | - | - | 330,194 | - | 330,194 | - | 330,194 |
| Bonds payable, current | - | 345,497 | - | - | 345,497 | - | 345,497 |
| Total current liabilities | 1,434,496 | 4,456,883 | 6,255,960 | 187,951 | 12,335,290 | (422,466) | 11,912,824 |
| LONG-TERM LIABILITIES | | | | | | | |
| Due to funding sources | | 362,702 | 1,263,958 | | 1,626,660 | - | 1,626,660 |
| Capitalized lease obligations | - | 1,623,849 | - | - | 1,623,849 | - | 1,623,849 |
| Mortgages payable | - | - | 9,794,910 | - | 9,794,910 | - | 9,794,910 |
| Bonds payable | - | 7,768,860 | - | - | 7,768,860 | - | 7,768,860 |
| Accrued post-retirement benefits | - | - | 1,095,144 | - | 1,095,144 | - | 1,095,144 |
| Liability for pension benefits | - | - | 5,230,517 | - | 5,230,517 | - | 5,230,517 |
| Total long-term liabilities | - | 9,755,411 | 17,384,529 | - | 27,139,940 | - | 27,139,940 |
| | | | | | - | | |
| TOTAL LIABILITIES | 1,434,496 | 14,212,294 | 23,640,489 | 187,951 | 39,475,230 | (422,466) | 39,052,764 |
| **NET ASSETS** | | | | | | | |
| Without donor restrictions | 3,250,760 | 12,796,460 | 16,623,068 | 831,016 | 33,501,304 | - | 33,501,304 |
| With donor restrictions | - | 1,814,033 | 4,674,239 | - | 6,488,272 | - | 6,488,272 |
| TOTAL NET ASSETS | 3,250,760 | 14,610,493 | 21,297,307 | 831,016 | 39,989,576 | - | 39,989,576 |
| TOTAL LIABILITIES AND NET ASSETS | $ 4,685,256 | $ 28,822,787 | $ 44,937,796 | $ 1,018,967 | $ 79,464,806 | $ (422,466) | $ 79,042,340 |

The accompanying notes are an integral part of these statements.

**NORTHERN RIVERS FAMILY SERVICES, INC.**
**CONSOLIDATED STATEMENT OF ACTIVITIES**
**FOR THE YEAR ENDED JUNE 30, 2022**

Schedule III

| | Northern Rivers Family Services, Inc. | Northeast Parent and Child Society, Inc. | Parsons Child And Family Center | Unlimited Potential | Total | Elimination | Total |
|---|---|---|---|---|---|---|---|
| SUPPORT AND REVENUE | | | | | | | |
| Program service fees | $ 8,704,820 | 34,167,327 | $ 49,064,962 | $ 553,220 | $ 92,490,329 | $ (8,697,320) | $ 83,793,009 |
| Fundraising | 497,022 | 83,368 | 283,864 | 6,255 | 870,509 | (147,500) | 723,009 |
| Change in value of beneficial interests in trusts | - | (365,378) | - | - | (365,378) | - | (365,378) |
| Rental income | - | 298,566 | 187,548 | 41,333 | 527,447 | (527,447) | - |
| Paycheck Protection Program | 1,143,964 | 3,872,583 | 4,611,493 | 118,172 | 9,746,212 | - | 9,746,212 |
| Miscellaneous | 49,933 | 125,550 | 225,395 | 6,697 | 407,575 | - | 407,575 |
| Total Support and Revenue | 10,395,739 | 38,182,016 | 54,373,262 | 725,677 | 103,676,694 | (9,372,267) | 94,304,427 |
| EXPENSES | | | | | | | |
| Program services | 71,218 | 32,046,225 | 44,583,029 | 738,548 | 77,439,020 | (2,450,469) | 74,988,551 |
| Management and general | 8,736,328 | 2,776,865 | 4,400,689 | 54,696 | 15,968,578 | (6,774,298) | 9,194,280 |
| Fundraising and non-operating | 471,367 | 314,334 | 2,491 | - | 788,192 | (147,500) | 640,692 |
| Total Expenses | 9,278,913 | 35,137,424 | 48,986,209 | 793,244 | 94,195,790 | (9,372,267) | 84,823,523 |
| Operating gain | 1,116,826 | 3,044,592 | 5,387,053 | (67,567) | 9,480,904 | - | 9,480,904 |
| NON-OPERATING GAIN (LOSS) | | | | | | | |
| Investment income, net | 61 | (454,330) | (1,565,195) | 103,969 | (1,915,495) | - | (1,915,495) |
| (Loss) gain on sale of asset | - | 899,457 | 8,200 | 6,500 | 914,157 | - | 914,157 |
| State paid depreciation | - | - | (168,000) | - | (168,000) | - | (168,000) |
| Actuarial gain (loss) arising during period | - | - | 3,476,411 | - | 3,476,411 | - | 3,476,411 |
| Total non-operating gain (loss) | 61 | 445,127 | 1,751,416 | 110,469 | 2,307,073 | - | 2,307,073 |
| CHANGE IN NET ASSETS | 1,116,887 | 3,489,719 | 7,138,469 | 42,902 | 11,787,977 | - | 11,787,977 |
| NET ASSETS - beginning of year | 2,133,873 | 11,120,774 | 14,158,838 | 788,114 | 28,201,599 | - | 28,201,599 |
| NET ASSETS - end of year | $ 3,250,760 | $ 14,610,493 | $ 21,297,307 | $ 831,016 | $ 39,989,576 | $ - | $ 39,989,576 |

The accompanying notes are an integral part of these statements.