NORTHERN RIVERS FAMILY SERVICES, INC. AND SUBSIDIARIES

Consolidated Financial Statements as of
June 30, 2025
Together with
Independent Auditor's Report

Bonadio & Co., LLP
Accounting, Consulting & More

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INDEPENDENT AUDITOR'S REPORT

November 25, 2025

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

Opinion
We have audited the accompanying consolidated financial statements of Northern Rivers Family Services, Inc. and Subsidiaries (nonprofit organizations), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Northern Rivers Family Services, Inc. and Subsidiaries as of June 30, 2025, 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 Subsidiaries 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 consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Northern Rivers Family Services, Inc. and Subsidiaries' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 Northern Rivers Family Services, Inc. and Subsidiaries 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. and Subsidiaries' 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. and Subsidiaries' 2024 consolidated financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 26, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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INDEPENDENT AUDITOR'S REPORT
(Continued)

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information in Schedule I and II is presented for purposes of additional analysis and is not a required part of the consolidated financial statements, rather than to present the financial position and change in net assets of the individual companies, and it 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 consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Bonadio & Co., LLP

NORTHERN RIVERS FAMILY SERVICES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2025
(With Comparative Totals for 2024)

	2025	2024
ASSETS		
CURRENT ASSETS:		
Cash	$ 19,037,437	$ 11,112,522
Accounts receivable, net allowance for credit losses of $561,006 and $404,139 at June 30, 2025 and 2024, respectively	15,605,594	14,477,301
Accounts receivable from grants and contributions	1,299,752	1,595,715
Accounts receivable, other	414,700	93,346
Due from funding sources	2,463,309	2,542,788
Current pledges receivable	20,677	42,425
Mortgage note receivable, net	199,992	199,992
Investments	13,397,427	16,685,110
Prepaid expenses and inventory	575,081	736,755
Total current assets	53,013,969	47,485,954
INVESTMENTS, restricted	6,908,266	6,265,119
PROPERTY AND EQUIPMENT, net	31,240,860	27,005,993
OTHER ASSETS:		
Mortgage note receivable, net of current portion	916,198	966,190
Operating right of use asset	2,355,985	1,999,230
Financing right of use asset	-	800,951
Other assets	25,792	25,792
Beneficial interest in trusts	1,948,046	1,837,492
Long-term pledges receivable	106,583	140,117
Investment in CHHUNY and UPP	138,202	1,094,908
Total other assets	5,490,806	6,864,680
	$ 96,653,901	$ 87,621,746
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	$ 1,419,546	$ 1,207,717
Accrued salaries and expenses	10,346,101	8,562,416
Refundable advances	5,656,657	4,110,658
Operating lease liability, current	577,172	551,089
Finance lease liability, current	-	197,987
Deferred revenue	690,487	1,607,416
Long-term debt, current	1,564,906	1,430,236
Total current liabilities	20,254,869	17,667,519
LONG-TERM LIABILITIES:		
Operating lease liability, net of current portion	1,802,271	1,467,111
Finance lease liability, net of current portion	-	630,453
Long-term debt	21,257,192	22,566,577
Accrued post-retirement benefits	722,408	814,752
Total long-term liabilities	23,781,871	25,478,893
Total liabilities	44,036,740	43,146,412
NET ASSETS		
Without donor restrictions	44,145,052	36,792,893
With donor restrictions	8,472,109	7,682,441
Total net assets	52,617,161	44,475,334
	$ 96,653,901	$ 87,621,746

The accompanying notes are an integral part of these statements.

NORTHERN RIVERS FAMILY SERVICES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF ACTIVITIES
JUNE 30, 2025
(With Comparative Totals for 2024)

	2025			2024
	Without Donor Restrictions	With Donor Restrictions	Total	Total
SUPPORT AND REVENUE:				
Program service fees	$ 102,726,552	$ -	$ 102,726,552	$ 95,284,645
Grant and contribution income	3,719,031	-	3,719,031	704,808
Fundraising	580,218	10,000	590,218	657,041
Contributed nonfinancial assets	233,710	-	233,710	225,625
Change in value of beneficial interests in trusts	-	110,553	110,553	108,235
Rental income	50,721	-	50,721	46,857
Miscellaneous	444,218	-	444,218	486,891
Fringe benefit recovery	698,261	-	698,261	817,057
Net assets released from restrictions	4,297	(4,297)	-	-
Total support and revenue	108,457,008	116,256	108,573,264	98,331,159
EXPENSES:				
Program services	90,669,328	-	90,669,328	84,307,240
Management and general	11,752,323	-	11,752,323	12,200,718
Fundraising and non-operating	388,785	-	388,785	329,818
Total expenses	102,810,436	-	102,810,436	96,837,776
OPERATING GAIN (LOSS)	5,646,572	116,256	5,762,828	1,493,383
NON-OPERATING GAIN (LOSS):				
Investment income (loss), net	1,961,275	673,412	2,634,687	2,277,277
Gain (loss) on sale of property and equipment	14,973	-	14,973	1,395
State paid depreciation	(270,661)	-	(270,661)	(168,000)
Total non-operating gain (loss)	1,705,587	673,412	2,378,999	2,110,672
CHANGE IN NET ASSETS	7,352,159	789,668	8,141,827	3,604,055
NET ASSETS - beginning of year	36,792,893	7,682,441	44,475,334	40,871,279
NET ASSETS - end of year	$ 44,145,052	$ 8,472,109	$ 52,617,161	$ 44,475,334

The accompanying notes are an integral part of these statements.

NORTHERN RIVERS FAMILY SERVICES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
JUNE 30, 2025
(With Comparative Totals for 2024)

	2025	2024
CASH FLOW FROM OPERATING ACTIVITIES:		
Change in net assets	$ 8,141,827	$ 3,604,055
Adjustments to reconcile change in net assets to		
net cash provided (used) by operating activities		
Depreciation and amortization	2,462,715	2,509,237
Amortization of bond premium	(5,497)	-
Amortization of finance lease obligation	69,648	206,039
Amortization of closing costs	5,808	-
Interest expense - bond issuance costs and bond premium	17,853	18,165
Noncash operating lease expense	666,615	659,653
(Gain) loss on sale of property and equipment	45,173	(1,395)
Loss (gain) loss on investments	(1,537,421)	(1,401,374)
Credit loss expense	159,641	383,627
Loss (gain) on termination of finance lease	(29,544)	-
Change in value of beneficial interest in trusts	(110,553)	(108,235)
Equity transfer	-	-
Changes in:		
Accounts receivable	(1,313,325)	(1,079,567)
Due from funding sources	79,479	(2,210,239)
Prepaid expenses and inventory	161,674	(8,538)
Pledges receivable	55,282	(131,293)
Operating leases	(662,127)	(651,192)
Accounts payable	273,089	(285,323)
Accrued salaries and expenses	1,783,685	(171,584)
Deferred revenue	26,109	-
Deferred grant revenue	(953,619)	332,216
Refundable advances	1,545,999	434,779
Liability for pension and post retirement benefits	(92,344)	(154,630)
Net cash flow from operating activities	10,790,167	1,944,401
CASH FLOW FROM INVESTING ACTIVITIES:		
Payments received on mortgage note receivable	49,992	54,158
Purchases of property and equipment	(5,663,880)	(1,448,091)
Proceeds from sale of property and equipment	37,388	2,000
Proceeds from sale of investments	7,560,470	1,486,896
Purchase of investments	(3,378,514)	(5,610,285)
Cash obtained from merger	70,516	-
Investment in CHHUNY and UP	(16,166)	(532,950)
Net cash flow from investing activities	(1,340,194)	(6,048,272)
CASH FLOW FROM FINANCING ACTIVITIES:		
Payments on finance lease obligations	(63,116)	(195,083)
Repayment of bonds payable	(1,020,102)	(968,680)
Repayment of loans payable	(85,961)	(49,094)
Repayment of mortgages payable	(355,879)	(340,988)
Net cash flow from financing activities	(1,525,058)	(1,553,845)
CHANGE IN CASH	7,924,915	(5,657,716)
CASH - beginning of year	11,112,522	16,770,238
CASH - end of year	$ 19,037,437	$ 11,112,522
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Interest Paid	$ 1,234,569	$ 1,436,430
SUPPLEMENTAL DISCLOSURE OF NON-CASH TRANSACTIONS:		
Purchase of property and equipment included in accounts payable	$ 107,454	$ 36,612

The accompanying notes are an integral part of these statements.

NORTHERN RIVERS FAMILY SERVICES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
JUNE 30, 2025
(With Comparative Totals for 2024)

	Program	Management & General	Fundraising	2025 Total	2024 Total
Salaries	$ 58,729,179	$ 6,394,027	$ 218,634	$ 65,341,840	$ 59,853,800
Employee health and retirement benefits	6,908,988	1,307,582	45,186	8,261,756	8,029,913
Payroll taxes	5,322,345	14,920	-	5,337,265	4,770,264
Total compensation and benefits	70,960,512	7,716,529	263,820	78,940,861	72,653,977
Purchases of services	3,903,857	485,842	1,451	4,391,150	4,032,948
Boarding home	3,666,358	-	-	3,666,358	3,700,169
Depreciation and amortization	1,841,111	489,482	-	2,330,593	2,652,960
Credit loss	2,774	156,867	-	159,641	383,627
Rent	575,650	697,350	-	1,273,000	1,401,287
Supplies and equipment	1,039,440	71,273	10,223	1,120,936	1,029,460
Insurance	1,452,606	202,968	-	1,655,574	1,603,054
Systems and software	394,385	1,107,031	32,713	1,534,129	1,917,036
Interest	1,131,364	7,941	-	1,139,305	1,189,966
Food	857,080	132	-	857,212	852,386
Utilities and property taxes	617,206	77,123	-	694,329	794,153
Telecommunications	444,045	103,377	1,637	549,059	521,439
Publicity	79,074	3,332	-	82,406	249,592
Auto and transportation	1,393,919	18,027	443	1,412,389	1,356,400
Conferences and administrative expense	449,160	15,696	46,301	511,157	477,377
Legal and professional fees	106,308	216,677	-	322,985	274,903
Repair and maintenance	186,938	12,555	209	199,702	165,420
Staff recruitment	-	133,514	-	133,514	126,830
Staff development	211,626	32,189	100	243,915	279,585
Dues, licenses and permits	65,437	111,462	400	177,299	173,369
Scholarship awards	-	2,650	-	2,650	9,154
Recreation	398,544	1,270	40	399,854	321,227
Miscellaneous	408,908	2,307	-	411,215	118,771
Contributed nonfinancial assets	233,710	-	-	233,710	225,625
Office supplies and expense	101,851	11,593	735	114,179	97,969
Allowances- children & parents	61,188	-	-	61,188	62,931
Postage and shipping	(9,315)	22,796	5,550	19,031	12,571
Clothing	58,563	-	-	58,563	59,205
Background checks	-	42,588	-	42,588	42,266
Printing	-	7,640	24,957	32,597	11,306
Bedding	29,617	1,078	36	30,731	26,673
Subscription and publications	4,471	1,034	170	5,675	6,581
School	2,942	-	-	2,942	7,559
	$ 90,669,328	$ 11,752,323	$ 388,785	$ 102,810,436	$ 96,837,776

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 subsidiaries 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) was a non-profit organization operating under the laws of the State of New York. The Organization provided vocational and rehabilitation programs which address the population of adult mentally ill, and those having developmental and physical disabilities in Saratoga County, New York. On January 1, 2025, Unlimited Possibilities, Inc. merged their operations into Northeast Parent and Child Society, Inc.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Principles 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 U.S. GAAP 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash

Cash includes bank account 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.

Accounts Receivable and Allowance for Credit Losses

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 Organization's accounts receivables are primarily derived from New York State (the State). The Organization recognizes an expected allowance for credit losses that is updated to reflect any changes in credit risk since the receivable was initially recorded. This estimate is calculated on a pooled basis where similar risk characteristics exist, and receivables are evaluated individually when specific customer balances no longer share those risk characteristics and are considered at risk or uncollectible.

The estimated allowance for credit losses is based on historical, current, and expected future conditions. The historical component is derived from a review of the Organization's historical losses based on the aging of receivables. The current and expected future economic conditions have not changed as compared with the economic conditions included in the historical information. As a result, the allowance for credit losses percentage was not changed to adjust for the impact of current and expected future conditions on historical losses.

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, 2025 and 2024.

Mortgage Note Receivable

Mortgage note receivable consists of a non-interest bearing mortgage secured by real estate and payable in monthly installments over the life of the mortgage. The mortgage is 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. The mortgage note receivable is considered impaired when contractual payments are greater than 90 days past due and it is probable the Organization will be unable to collect the scheduled principal payments.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Mortgage Note Receivable (Continued)

The mortgage note receivable is periodically reviewed for collectability based on past history and current economic conditions to determine if there is a need for an allowance for credit loss. Management recognizes an expected allowance for credit losses that is updated to reflect any deemed changes in credit risk since the receivable was initially recorded.

The estimated allowance for credit loss is based on historical, current, and expected future conditions, including inflation, interest rates, or indications of a potential recession. These factors are evaluated and if they are expected to deteriorate or improve, this is also included in the calculation. The mortgage is considered delinquent if no contractual payments have been received for a period of time and customary collection efforts commence. After all collection efforts are exhausted, any amounts deemed uncollectible based upon an assessment of the debtor's financial condition are written off. Given no write-off history and an evaluation of current and expected future economic conditions, no allowance has been recorded as of June 30, 2025 and 2024.

Investments

The Organization records investments in equities, mutual funds and debt securities at their fair value. Realized and unrealized gains and losses, net of investment fees, are included in the change in net assets in the accompanying statements of activities.

Investments also include certificates of deposit. Due to the nature and maturity dates of the certificates of deposit, the values of investments are stated at cost plus accrued interest, which approximates fair value. All investments are available to be liquidated prior to their respective maturity.

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 least 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 (determined on first in, first out method) or net realizable value.

Investments, Restricted - DASNY (Dormitory Authority of the State of New York) Bond Funds

Investments, restricted contain DASNY 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 are held by a Trustee and payments were made only upon proper authorization. These funds are maintained in two separate funds:

Debt Service Funds – Payments of principal and interest on the bonds.

Debt Service Reserve Funds – Are 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

All expenditures for land, buildings and equipment in excess of $5,000 with a useful life in excess of one year are capitalized and recorded at cost. Depreciation is recorded utilizing the straight-line method. 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

Maintenance and repairs are charged to operations when incurred. Betterments and renewals are capitalized if they significantly extend the lives of the related assets. 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 reported on the statement of activities.

Leases

Lessee

The Organization determines if an arrangement is a lease at inception. In evaluating contracts to determine if they qualify as a lease, the Organization considers factors such as if the Organization obtained substantially all of the rights to the underlying asset through exclusivity, if it can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

Right-of-use (ROU) assets represent the Organization’s right to use an underlying asset for the lease term and lease liabilities represent an obligation to make lease payments arising from the lease. Lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The lease may include renewal and termination options, which are included in the lease term when the Organization is reasonably certain to exercise these options.

For all underlying classes of assets, the Organization has elected to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that the Organization is reasonably certain to exercise. The Organization recognizes fixed short-term lease cost on a straight-line basis over the lease term and variable lease cost in the period in which the obligation is incurred.

The Organization elected for all classes of underlying assets, to use the risk-free rate as the discount rate if the implicit rate in the lease contract is not readily determinable and to not separate the lease and non-lease components of a contract and to account for as a single lease component.

Lessor

The Organization determines if an arrangement is a lease at inception. The Organization reassesses the determination of whether an arrangement is a lease if the terms and condition of the contract are changed.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

Lessor (Continued)

The Organization recognizes revenue on a straight-line basis over the lease term which is representative of the pattern in which the benefit is expected to be derived for use of the underlying asset. Variable lease payments are generally immaterial and consist of items such as late fees, which are charged to tenants in certain circumstances. The Organization recognizes variable lease payments as revenue in the period incurred.

The Organization elected for all classes of underlying assets to not separate the lease and nonlease components of a contract and to account for as a single lease component. The single lease component is accounted for under US GAAP.

At lease commencement, the Organization estimates the residual value of the leased asset at the end of the lease term, considering the asset's remaining useful life, expected market condition, and expected use (e.g., sell or lease). The Organizatin's ability to realize the residual value at the end of the lease term could be adversely affected by unusual wear and tear. This risk is managed through periodic inspection for condition and possible misuse. In addition, the Organization monitors the assets for market value decline, which also assists in the estimation process for future leases.

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. Management determined there was no impairment of long-lived assets, therefore no impairment was recognized in 2025 and 2024.

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. 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 as net assets with donor restrictions.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Revenue

Deferred revenue primarily consists of contract funds received in advance of the service period for which the performance obligation has not been met. Deferred revenue is recognized at a point in time and as such, the liabilities are satisfied at the time of the performance obligations are met. Deferred revenue at June 30, 2023 was $1,275,200. Deferred revenue also consists of grants and contribution revenues received but not yet spent consistent with the conditions set forth in the grant and are either expected to be earned in future periods and/or owed back to the corresponding funding source.

Debt Issuance Costs

Debt issuance costs are recognized as interest expense on a straight-line basis over the periods of the related debt.

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.

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. 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 statement of activities as net assets released from restrictions. If net assets with donor restrictions are received and earned in the same year, they are reported as net assets without donor restriction.

The Organization reports gifts of property 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.

Contributed Nonfinancial Assets

Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions depending on the nature of the restriction. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

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, the New York State 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, mental health, 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, mental health and therapeutic services. Contracts include a unilateral right to terminate by the client after each day without penalty. Therefore, each day a client receives service is treated as a separate contract and performance obligation. Additionally, the Organization has a separate, distinct performance obligation for certain services such as educational, mental health, 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 considered 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 organizations other than a private foundation.

Reclassifications
Certain reclassifications have been made to the 2024 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 or functional expense category. Such information does not include sufficient detail to constitute a presentation in accordance with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements as of and for the year ended June 30, 2024, from which the summarized information was derived.

3. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization is substantially supported by grants and support from New York State funding sources. The following reflects the Organization's financial assets as of the 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:

	2025	2024
Cash	$ 19,037,437	$ 11,112,522
Accounts receivable, net	17,320,046	16,166,362
Pledges receivable	20,677	42,425
Mortgage receivable	199,992	199,992
Due from funding sources	2,463,309	2,542,788
Investments	13,397,427	16,685,110
Investments, restricted	6,908,266	6,265,119
Beneficial interest in trusts	1,948,046	1,837,492
	61,295,200	54,851,810
Less: Financial assets unavailable for general expenditures within one year, due to:		
Net assets with donor restrictions	(8,472,109)	(7,682,441)
	$ 52,823,091	$ 47,169,369

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. The Organization also has several lines of credit accessible to them.

4. ACCOUNTS RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES

Accounts receivable consisted of the following at June 30:

	2025	2024
School districts	$ 2,709,328	$ 2,179,525
Federal	142,907	263,653
State	61,559	95,816
County	8,649,375	8,161,321
Medicaid/MCO	3,996,377	3,576,373
Private Pay	267,135	166,861
Other	339,819	437,891
	16,166,500	14,881,440
Less: Allowance for credit losses	(561,006)	(404,139)
	$ 15,605,494	$ 14,477,301

Accounts receivable was $13,693,079 at June 30, 2023.

Changes in the allowance for credit losses by portfolio segment to include private pay, commercial, and other payors were as follows for the year ended June 30:

	2025	2024
Beginning balance	$ 404,139	$ 330,954
Provision for credit losses	156,867	383,627
Write-offs	-	(310,442)
	$ 561,006	$ 404,139

At June 30, 2025, the Organization's aging of accounts receivable used to estimate expected credit losses were as follows:

Past-Due Status	Amortized Cost Basis	Credit Loss Rate	Expected Credit Loss Estimate
Current	$ 9,684,086	0.08%	$ 7,837
1-30 days past due	913,858	3.16%	28,880
31-60 days past due	1,049,726	12.38%	129,987
61-90 days past due	482,142	16.30%	78,594
More than 90 days past due	4,036,688	7.82%	315,708
	$ 16,166,500		$ 561,006

4. ACCOUNTS RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES (Continued)

At June 30, 2024, the Organization's aging of accounts receivable used to estimate expected credit losses were as follows:

Past-Due Status	Amortized Cost Basis	Credit Loss Rate	Expected Credit Loss Estimate
Current	$ 10,566,860	0.08%	$ 8,455
1-30 days past due	382,791	2.76%	10,570
31-60 days past due	625,861	12.42%	77,741
61-90 days past due	501,305	16.49%	82,641
More than 90 days past due	2,804,623	8.01%	224,732
	$ 14,881,440		$ 404,139

5. PLEDGES RECEIVABLE

Total unconditional promises to give were as follows at June 30:

	2025	2024
Amounts due in		
Less than one year	$ 20,677	42,425
One to five years	117,150	165,000
	137,827	207,425
Less: Discount to present value	(10,567)	(24,883)
Pledges receivable, net	$ 127,260	$ 182,542

6. 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, which was extended to November of 2025, 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.

Maturities of the mortgage note receivable are as follows for the years ending June 30:

2026	$ 199,992
2027	49,992
2028	866,206
Total	$ 1,116,190

7. INVESTMENTS

Investments consisted of the following at June 30:

	2025	2024
Cash equivalents	$ 793,490	$ 462,460
Certificates of deposit	805,432	4,903,879
Debt securities	953,334	956,806
Equities	15,513,768	14,485,309
Mutual funds	2,239,669	2,141,775
	$ 20,305,693	$ 22,950,229

8. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

	2025	2024
Land	$ 1,351,632	$ 140,530
Building and improvements	61,727,904	56,402,071
Furniture, vehicles and equipment	10,932,644	9,800,301
Less: Accumulated depreciation	(43,132,220)	(39,937,537)
Plus: Construction in progress	360,900	600,628
	$ 31,240,860	$ 27,005,993

9. LEASES

The Organization has several leases for buildings and equipment. The operating leases expire at various times through December 2034.

The components of total lease cost for the year ended June 30, were as follows:

	2025	2024
Amortization of ROU assets	$ 69,648	$ 208,944
Interest on lease liabilities	9,407	33,013
Operating lease cost	696,096	662,503
Total lease cost	$ 775,151	$ 904,460

9. LEASES (Continued)

Supplemental cash flow information related to leases for the year ended June 30 was as follows:

	2025	2024
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from finance leases	$ 11,885	$ 33,605
Financing cash flows from finance leases	$ 65,115	$ 197,395
Operating cash flows from operating leases	$ 682,873	$ 651,789
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	$ 956,454	$ 870,289

	2025	2024
Weighted-average remaining lease term:		
Finance leases	-	3.83
Operating leases	5.68	4.92
Weighted-average discount rate:		
Finance leases	0%	4.00%
Operating leases	4.39%	4.20%

Maturities of lease liabilities were as follows as of June 30:

	Operating Leases
2026	$ 667,707
2027	455,232
2028	417,754
2029	350,345
2030	337,205
Thereafter	466,686
Total lease payments	2,694,929
Less: present value discount	(315,486)
Long-term lease liability	2,379,443
Less: current portion	(577,172)
Long-term lease liability	$ 1,802,271

10. LINES OF CREDIT

The Organization has a revolving line of credit with a bank, totaling $500,000, which expires on May 31, 2026. The line bears interest at the adjusted daily SOFR index plus 0.10% index adjustment plus 2.15% of margin (4.41% and 7.56% at June 30, 2025 and 2024, respectively). There was no outstanding balance as of June 30, 2025 and 2024.

The Society has a revolving line-of-credit with a bank, totaling approximately $3,000,000, which expires May 31, 2026. The line bears interest at the adjusted daily Secured Overnight Financing Rate (SOFR) index plus 0.10% index adjustment plus 2.15% of margin (4.41% and 7.56% at June 30, 2025 and 2024, respectively). There was no outstanding balance at June 30, 2025 and 2024.

The Center has a revolving line-of-credit with a bank, totaling $3,500,000, which expires on May 31, 2026. The line bears interest at the adjusted daily Secured Overnight Financing Rate (SOFR) index plus 0.10% index adjustment plus 2.15% of margin (4.41% and 7.56% at June 30, 2025 and 2024, respectively). There was no outstanding balance as of June 30, 2025 and 2024. 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, 2025, the Center determined the covenant was met.

11. LONG-TERM DEBT

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

	2025	2024
Parsons Child and Family Center:		
Loan Payable with a bank, with regular monthly payments of $71,452 through 5/2/2030 including interest at a fixed 5.25%, secured by investment balances, for the termination of the defined benefit plan.	$ 3,701,581	4,343,282
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.	81,346	143,761
Mortgage payable with a 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, 2025.	4,475,215	4,598,313
Mortgage payable with a bank, 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 January 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, 2025.	4,799,650	4,970,016
Total Parsons Child and Family Center	13,057,792	14,055,372

11. LONG-TERM DEBT (Continued)

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

Northeast Parent and Child Society, Inc.:

	2025	2024
Loan agreement with a bank with the rate of interest of 6.75%. Principal payments in the amount of $4,602 was paid in addition to interest at 6.75%. This loan will be amortized through 6/1/2038.	639,667	650,698
Loan agreement with a bank with the rate of interest computed at 5.15%. Principal payments in the amount of $13,153 was paid in addition to interest at 5.15%. This loan will be amortized through July 1, 2038.	2,114,079	2,160,208
Mortgage note payable with a bank in monthly installments of $5,696 including interest at 5.5% through November 30, 2023 followed by 63 monthly installments of principal and interest at 1% above the bank's base lending rate of 7.25% through March 30, 2029. This note is secured by a first mortgage on property and improvements at 36 Cady Hill Boulevard, Saratoga Springs, NY, as well as all accounts, accounts receivable, furniture, and equipment.	233,814	-
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.	7,211,007	7,586,504
Total Northeast Parent and Child Society, Inc.	10,200,592	10,399,434
Total long-term debt	23,258,384	24,454,806
Less: Unamortized debt issuance costs	434,261	455,969
	22,824,123	23,998,837
Less: Current portion of long-term debt	1,564,906	1,430,236
Long-term debt, net of current installments	$ 21,259,217	$ 22,568,601

The unamortized issuance costs were $361,994 and $386,273 at June 30, 2025 and 2024, respectively, and are netted against long-term debt on the consolidated statements of financial position. There were $24,280 of amortization expense for the years ended June 30, 2025 and 2024.

11. 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
2025	$ 1,564,906
2026	1,585,032
2027	1,645,969
2028	1,719,539
2029	1,680,481
Thereafter	15,062,457
Total	23,258,384
Amount representing interest	1,147,238
	$ 24,405,622

The Organization incurred interest expense on all obligations of $1,139,305 and $1,189,966 for the years ended June 30, 2025 and 2024, respectively, including amortization of debt issuance costs.

Tax Exempt Bonds Payable
In June of 2008, the Dormitory Authority of the State of New York (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 Society, 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 Society'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 Society only after payment of amounts then due DASNY.

11. LONG-TERM DEBT (Continued)

Tax Exempt Bonds Payable (Continued)

The following summarizes the outstanding bonds at June 30:

	2025	2024
Series Bonds: Maturing through June 1, 2028 with interest rates varying during these years beginning at 3.50% and ending at 5.00%.	$ 1,172,712	$ 1,533,260
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	7,077,712	7,438,260
Premium on Issuance of Bonds	65,510	71,007
Total Tax Exempt Bonds Payable	7,143,222	7,509,267
Less: Unamortized debt issuance costs	133,295	148,244
Bonds Payable, net	$ 7,009,927	$ 7,361,023

12. CONTRIBUTIONS OF NONFINANCIAL ASSETS

The Organization recognized contributed nonfinancial assets as follows for the year ended June 30:

	2025	2024
Books	$ 7,044	$ 507
Consulting	100,615	76,720
Meetings	6,929	4,854
Volunteer hours	53,370	89,767
Parking	11,160	8,850
Mileage	3,960	3,600
COVID testing kits	-	4,256
Child allowance	17,400	17,400
Supplies	16,451	6,597
Tickets	16,781	13,074
	$ 233,710	$ 225,625

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 under GAAP.

12. CONTRIBUTIONS OF NONFINANCIAL ASSETS (Continued)

Donated items and hours are recognized as contributions in accordance with GAAP if the services or items create or enhance nonfinancial assets or require specialized skills and are performed by people with those skills that would otherwise be purchased. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions. Contributions of nonfinancial assets are used to support programs for the Center.

Donated materials and services are recorded as contributions at estimated fair value at the date of gift. In valuing contributed materials, the Center estimated the fair value on the basis of estimates of wholesale values that would be received for selling similar products in the Capital Region of New York State. In valuing contributed services, the Center estimated the fair value based on current market rates for similar services or established contract hourly rates in the Capital Region of New York State. The Center receives a significant amount of donated services from unpaid volunteers who assist in fundraising and special projects.

13. 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, 2025 and 2024 were $3,036,826 and $3,280,011, respectively.

14. 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 years ended June 30, 2025 and 2024, the Society amortized $933 and $1,123, respectively, of benefit, resulting in a balance of $7,523 and $8,456 at June 30, 2025 and 2024, respectively for the present value of this future benefit obligation, which has been recorded as a liability in these 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.

14. 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 post-retirement benefit obligation recorded for the Center in the statement of financial position at June 30:

	2025	2024
Accumulated post-retirement benefit obligation at beginning of year	$ 814,752	$ 969,382
Benefits paid / employer contributions	(92,344)	(154,630)
Accumulated post-retirement benefit obligation at end of year	$ 722,408	$ 814,752

15. ENDOWMENT

The Center has received net assets with donor restrictions consisting of various funds set up to meet 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 of Parsons Child and Family Center has interpreted the applicable provisions of the New York Prudent Management of Institutional Funds Act (NYPMIFA) to mean that the classification of appreciation of net assets with donor restrictions 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.

15. ENDOWMENT (Continued)

Strategies Employed for Achieving Objectives

The investment policy will seek long-term capital appreciation while maintaining prudent, strategic, and systematic risk controls. This includes a weighted average total return in line with market indices; real (inflation-adjusted) growth in assets. In accordance with NYPMIFA, appropriate factors will be considered in relation to asset allocation.

The investment objectives are expected to be achieved through a diversified portfolio, with an asset allocation guideline of 35% of the fund's assets being actively managed, 65% a combination of passive and indexed. The target strategic allocation is 65% Equity/Real Assets – 35% Fixed Income and Cash.

Individual equity investments shall be limited to no more than 7% in any one issuer, no more than 20% in any one industry, and no more than 55 of the outstanding shares of any single corporation.

The long-term asset mix goal of the endowment fund can range from 50% to 80% in equity investments and 20% to 50% 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 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 Center will have the ability to draw cash of up to 2.5% annually, based on the three-year weighted average of the portfolio value as of March 31 prior to each fiscal year of the potential draw.

Endowment income used to meet the requirements of the spending plan can come from any combination of income generated and capital gains realized. In periods where total yield is less than the 2.5% necessary to meet a spending plan, it may be necessary to liquidate investments to meet the 2.5% 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, 2025.

15. ENDOWMENT (Continued)

For fiscal year ended June 30, 2025, the Center had the following endowment-related activities:

Endowment, Beginning of year	$ 5,664,410
Interest and dividend income	259,270
Net realized and unrealized loss on investments	396,585
Contributions, legacies, and bequests	10,000
Amounts appropriated for expenditure	(4,297)
Endowment, End of Year	$ 6,325,968

For fiscal year ended June 30, 2024, the Center had the following endowment-related activities:

Endowment, Beginning of year	$ 5,079,574
Interest and dividend income	149,760
Net realized and unrealized gains (losses) on investments	426,625
Contributions, legacies, and bequests	10,000
Amounts appropriated for expenditure	(1,549)
Endowment, End of Year	$ 5,664,410

16. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restriction consist of various purpose restrictions. At June 30, 2025 and 2024, 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.

The following summarizes net assets with donor restrictions at June 30:

	2025	2024
Restricted by purpose or time:		
Greenhouse Fund	$ 485,562	$ 524,433
Jacob Fund	1,532	1,477
Bryant Fund	119,407	108,571
Lathrop Fund	2,165,721	1,826,782
Stein Library Fund	61,007	52,703
J.K. Miller Fund	546,890	477,470
Sidney Albert Institute	863,179	749,417
Joanne Malick Fund	166,197	143,112
Charbonneau Fund	9,639	7,790
Puels Fund	515,924	460,787
Margaret D. Griffel Trust	318,737	239,695
Other Miscellaneous donor imposed restrictions	-	52,719
Total	$ 5,253,795	$ 4,644,956

	2025	2024
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	1,948,046	1,837,492
Scholarship and Other	198,095	127,820
Total	$ 3,218,314	$ 3,037,485
Total net assets with donor restrictions	$ 8,472,109	$ 7,682,441

17. FAIR VALUE MEASUREMENTS

The following assets are measured at fair value on a recurring basis at June 30, 2025:

	Level 1	Level 2	Level 3	Total
Money Markets	$ 793,490	$ -	$ -	$ 793,490
Equities	15,513,768	-	-	15,513,768
Mutual Funds	2,239,669	-	-	2,239,669
Government Debt Securities	-	953,334	-	953,334
Beneficial Interests in Trusts	-	-	1,948,046	1,948,046
Total Investments	$ 18,546,927	$ 953,334	$ 1,948,046	$ 21,448,307

The following are measured at fair value on a recurring basis at June 30, 2024:

	Level 1	Level 2	Level 3	Total
Money Markets	$ 462,460	$ -	$ -	$ 462,460
Equities	14,485,309	-	-	14,485,309
Mutual Funds	2,141,775	-	-	2,141,775
Government Debt Securities	-	956,806	-	956,806
Beneficial Interests in Trusts	-	-	1,837,492	1,837,492
Total Investments	$ 17,089,544	$ 956,806	$ 1,837,492	$ 19,883,842

Money markets, common stock, and mutual funds were valued based on quoted market prices of the investments on the last business day of the fiscal year. Investments in government debt securities are estimated based on quoted market prices of securities with similar characteristics. There were no changes to the valuation techniques during 2025 and 2024.

18. 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 $50,241 and $43,215 for the years ended June 30, 2025 and 2024, 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.

18. COMMITMENTS AND CONTINGENCIES (Continued)

Reimbursement Rates (Continued)

During 2025, the Center and the Society received notice of changes to prior year tuition rates as part of the New York State Education Department's reconciliation process. The final impact of certain rate changes is currently being evaluated, and any adjustments resulting from the finalization of these rates will be recognized and recorded in the period in which they are determined.

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 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.

19. INVESTMENT IN CHHUNY, LLC

As of June 30, 2025 and 2024, the Organization had 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 4.2% and 6.3% of the company's June 30, 2025 and 2024, net gain (loss), respectively.

19. INVESTMENT IN CHHUNY, LLC (Continued)

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:

	2025	2024
Total Assets	$ 8,762,686	$ 6,275,163
Total Liabilities	(6,515,616)	(4,205,103)
Partners' Capital	$ 2,247,070	$ 2,070,060
Revenue	$ 2,481,470	$ 2,204,110
Expenses	(2,304,460)	(2,062,711)
Net Gain (Loss)	$ 177,010	$ 141,399

20. SUBSEQUENT EVENTS

Subsequent events have been evaluated through November 25, 2025, which is the date the financial statements were available to be issued.

NORTHERN RIVERS FAMILY SERVICES, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2025

	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	$ 2,950,199	$ 6,780,074	$ 9,307,164	$ -	$ 19,037,437	$ -	$ 19,037,437
Accounts receivable, net allowance for credit losses of $561,006 and $404,139 at June 30, 2025 and 2024, respectively	100	7,709,168	7,896,326	-	15,605,594	-	15,605,594
Accounts receivable from grants and contributions	-	121,623	1,178,129	-	1,299,752	-	1,299,752
Accounts receivable, other	-	414,700	-	-	414,700	-	414,700
Due from funding sources	-	-	2,463,309	-	2,463,309	-	2,463,309
Current pledges receivable	20,677	-	-	-	20,677	-	20,677
Mortgage note receivable, net	-	199,992	-	-	199,992	-	199,992
Prepaid expenses and inventory	463,928	53,644	57,509	-	575,081	-	575,081
Due from affiliates	90,374	202,008	417,282	-	709,664	(709,664)	-
Investments	-	4,281,865	9,115,562	-	13,397,427	-	13,397,427
Total current assets	3,525,278	19,763,074	30,435,281	-	53,723,633	(709,664)	53,013,969
					-		
INVESTMENTS, restricted	-	695,502	6,212,764	-	6,908,266	-	6,908,266
PROPERTY AND EQUIPMENT	704,486	10,777,752	19,758,622	-	31,240,860	-	31,240,860
OTHER ASSETS							
Mortgage note receivable, net of current	-	916,198	-	-	916,198	-	916,198
Operating right of use asset	14,307	941,439	1,400,239	-	2,355,985	-	2,355,985
Escrow account	-	-	17,615	-	17,615	-	17,615
Deposits	-	8,177	-	-	8,177	-	8,177
Beneficial interests in trusts	-	1,948,046	-	-	1,948,046	-	1,948,046
Long-term pledges receivable	106,583	-	-	-	106,583	-	106,583
Investment in CHHUNY and UPP	138,202	-	-	-	138,202	-	138,202
					-		
Total other assets	259,092	3,813,860	1,417,854	-	5,490,806	-	5,490,806
TOTAL ASSETS	$ 4,488,856	$ 35,050,188	$ 57,824,521	$ -	$ 97,363,565	$ (709,664)	$ 96,653,901

(Continued)

The accompanying notes are an integral part of these schedules.

NORTHERN RIVERS FAMILY SERVICES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)
JUNE 30, 2025

	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							
Accounts payable	$ 214,793	$ 572,030	$ 632,723	$ -	$ 1,419,546	$ -	$ 1,419,546
Accrued salaries and expenses	922,042	3,388,126	6,035,933	-	10,346,101	-	10,346,101
Due to affiliate	448,306	75,363	185,995	-	709,664	(709,664)	-
Refundable advances	-	1,510,887	4,145,770	-	5,656,657	-	5,656,657
Deferred revenue	207,934	425,417	57,136	-	690,487	-	690,487
Operating lease liability, current	8,427	205,328	363,417	-	577,172	-	577,172
Loans payable, current	-	117,319	676,704	-	794,023	-	794,023
Mortgages payable, current	-	-	370,386	-	370,386	-	370,386
Bonds payable, current	-	400,497	-	-	400,497	-	400,497
Total current liabilities	1,801,502	6,694,967	12,468,064	-	20,964,533	(709,664)	20,254,869
LONG-TERM LIABILITIES							
Operating lease liability, net of current portion	5,880	744,187	1,052,204	-	1,802,271	-	1,802,271
Mortgages payable	-	-	8,757,126	-	8,757,126	-	8,757,126
Loans payable	-	2,797,974	3,024,877	-	5,822,851	-	5,822,851
Bonds payable	-	6,677,215	-	-	6,677,215	-	6,677,215
Accrued post-retirement benefits	-	-	722,408	-	722,408	-	722,408
Total long-term liabilities	5,880	10,219,376	13,556,615	-	23,781,871	-	23,781,871
TOTAL LIABILITIES	1,807,382	16,914,343	26,024,679	-	44,746,404	(709,664)	44,036,740
NET ASSETS							
Without donor restrictions	2,681,474	15,989,704	25,473,874	-	44,145,052	-	44,145,052
With donor restrictions	-	2,146,141	6,325,968	-	8,472,109	-	8,472,109
TOTAL NET ASSETS	2,681,474	18,135,845	31,799,842	-	52,617,161	-	52,617,161
	$ 4,488,856	$ 35,050,188	$ 57,824,521	$ -	$ 97,363,565	$ (709,664)	$ 96,653,901

The accompanying notes are an integral part of these schedules.

NORTHERN RIVERS FAMILY SERVICES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Schedule II

	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	$ 10,638,150	39,335,050	$ 62,819,065	$ 447,433	$ 113,239,698	$ (10,513,146)	$ 102,726,552
Grant and contribution income	20,000	461,199	3,237,832	-	3,719,031	-	3,719,031
Fundraising	458,537	141,018	101,303	-	700,858	(110,640)	590,218
Contributions of nonfinancial assets	-	-	233,710	-	233,710	-	233,710
Change in value of beneficial interests in trusts	-	110,553	-	-	110,553	-	110,553
Rental income	-	195,725	222,770	24,843	443,338	(392,617)	50,721
Fringe benefit recovery	29,677	232,054	431,844	4,686	698,261	-	698,261
Miscellaneous	6,787	37,798	524,637	-	569,222	(125,004)	444,218
Total Support and Revenue	11,153,151	40,513,397	67,571,161	476,962	119,714,671	(11,141,407)	108,573,264
EXPENSES							
Program services	35,894	36,415,641	56,539,557	422,467	93,413,559	(2,744,231)	90,669,328
Management and general	10,666,687	3,370,250	5,914,315	76,200	20,027,452	(8,275,129)	11,752,323
Fundraising and non-operating	510,832	-	-	-	510,832	(122,047)	388,785
Total Expenses	11,213,413	39,785,891	62,453,872	498,667	113,951,843	(11,141,407)	102,810,436
Operating gain (loss)	(60,262)	727,506	5,117,289	(21,705)	5,762,828	-	5,762,828
NON-OPERATING GAIN (LOSS)							
Investment income, net	50,525	680,720	1,868,635	34,807	2,634,687	-	2,634,687
Equity transfer	(170,022)	972,872	170,022	(972,872)	-	-	-
Gain (loss) on sale of property and equipment	-	(915)	15,888	-	14,973	-	14,973
State paid depreciation	-	(18,092)	(252,569)	-	(270,661)	-	(270,661)
Total non-operating gain (loss)	(119,497)	1,634,585	1,801,976	(938,065)	2,378,999	-	2,378,999
CHANGE IN NET ASSETS	(179,759)	2,362,091	6,919,265	(959,770)	8,141,827	-	8,141,827
NET ASSETS - beginning of year	2,861,233	15,773,754	24,880,577	959,770	44,475,334	-	44,475,334
NET ASSETS - end of year	$ 2,681,474	$ 18,135,845	$ 31,799,842	$ -	$ 52,617,161	$ -	$ 52,617,161

The accompanying notes are an integral part of these schedules.