



**ASTOR SERVICES FOR CHILDREN & FAMILIES**

**FINANCIAL STATEMENTS  
(Together with Independent Auditors' Report)**

**YEARS ENDED JUNE 30, 2019 AND 2018**

**M A R K S P A N E T H**

ACCOUNTANTS & ADVISORS

**ASTOR SERVICES FOR CHILDREN & FAMILIES**

**FINANCIAL STATEMENTS  
(Together with Independent Auditors' Report)**

**YEARS ENDED JUNE 30, 2019 AND 2018**

**CONTENTS**

|                                         | <b><u>Page</u></b> |
|-----------------------------------------|--------------------|
| Independent Auditors' Report.....       | 1                  |
| <b>Financial Statements:</b>            |                    |
| Statements of Financial Position .....  | 2                  |
| Statements of Activities.....           | 3                  |
| Statements of Functional Expenses ..... | 4-5                |
| Statements of Cash Flows .....          | 6                  |
| Notes to Financial Statements .....     | 7-14               |

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Astor Services for Children & Families

We have audited the accompanying financial statements of Astor Services for Children & Families ("Astor"), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Astor Services for Children & Families as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of a Matter***

As discussed in Note 2L to the financial statements, during the year ended June 30, 2019, Astor adopted Accounting Standards Update 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

*Marks Paneth LLP*

New York, NY  
January 24, 2020

**ASTOR SERVICES FOR CHILDREN & FAMILIES**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS OF JUNE 30, 2019 AND 2018**

|                                                                           | <u>2019</u>          | <u>2018</u>          |
|---------------------------------------------------------------------------|----------------------|----------------------|
| <b>ASSETS</b>                                                             |                      |                      |
| Cash and cash equivalents (Notes 2D and 10)                               | \$ 341,190           | \$ 62,575            |
| Accounts receivable, net (Note 2G)                                        | 11,328,995           | 10,055,508           |
| Contribution in-kind - rent receivable, current, net (Notes 2F, 2J and 4) | 514,944              | 514,944              |
| Prepaid expenses, deposits and other assets                               | 412,087              | 407,577              |
| Due from Foundation (Note 7)                                              | <u>142,119</u>       | <u>591,123</u>       |
| <b>Total current assets</b>                                               | 12,739,335           | 11,631,727           |
| Contribution in-kind - rent, non-current, net (Notes 2F, 2J and 4)        | 6,066,788            | 6,274,292            |
| Property and equipment, net (Notes 2I, 4 and 5)                           | 10,068,098           | 10,951,829           |
| Beneficial interest in Foundation (Note 11)                               | <u>500,000</u>       | <u>500,000</u>       |
| <b>TOTAL ASSETS</b>                                                       | <u>\$ 29,374,221</u> | <u>\$ 29,357,848</u> |
| <b>LIABILITIES</b>                                                        |                      |                      |
| Accounts payable and accrued expenses                                     | \$ 3,942,621         | \$ 4,191,567         |
| Accrued salaries, vacation and benefits                                   | 1,779,003            | 1,929,946            |
| Due to funding sources and deferred revenue (Note 2E)                     | 2,059,177            | 2,837,540            |
| Bank line of credit (Note 6)                                              | 2,423,024            | 1,323,024            |
| Pension withdrawal liability, current (Note 8)                            | 1,460,737            | 1,358,825            |
| Debt, current - net (Note 6)                                              | <u>525,170</u>       | <u>539,916</u>       |
| <b>Total current liabilities</b>                                          | 12,189,732           | 12,180,818           |
| Pension withdrawal liability, noncurrent (Note 8)                         | 253,893              | 1,714,630            |
| Debt, noncurrent - net (Note 6)                                           | <u>7,988,068</u>     | <u>8,000,845</u>     |
| <b>TOTAL LIABILITIES</b>                                                  | <u>20,431,693</u>    | <u>21,896,293</u>    |
| <b>COMMITMENTS AND CONTINGENCIES (Note 9)</b>                             |                      |                      |
| <b>NET ASSETS (Note 2B)</b>                                               |                      |                      |
| Net assets without donor restrictions:                                    |                      |                      |
| Net investment in property and equipment                                  | 1,554,860            | 2,411,068            |
| Pension liability (Note 8)                                                | (1,714,630)          | (3,073,455)          |
| Operations                                                                | <u>1,909,262</u>     | <u>783,507</u>       |
| Total net assets without donor restrictions                               | <u>1,749,492</u>     | <u>121,120</u>       |
| Net assets with donor restrictions (Note 12):                             |                      |                      |
| Restricted for time and purpose                                           | 6,693,036            | 6,840,435            |
| Restrictions perpetual in nature                                          | <u>500,000</u>       | <u>500,000</u>       |
| Total net assets with donor restrictions                                  | <u>7,193,036</u>     | <u>7,340,435</u>     |
| <b>TOTAL NET ASSETS</b>                                                   | <u>8,942,528</u>     | <u>7,461,555</u>     |
| <b>TOTAL LIABILITIES AND NET ASSETS</b>                                   | <u>\$ 29,374,221</u> | <u>\$ 29,357,848</u> |

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

**ASTOR SERVICES FOR CHILDREN & FAMILIES  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

|                                                         | For the Year Ended June 30, 2019 |                            |                     | For the Year Ended June 30, 2018 |                               |                            |
|---------------------------------------------------------|----------------------------------|----------------------------|---------------------|----------------------------------|-------------------------------|----------------------------|
|                                                         | Without Donor<br>Restrictions    | With Donor<br>Restrictions | Total<br>2019       | Total<br>2018                    | Without Donor<br>Restrictions | With Donor<br>Restrictions |
| <b>REVENUE AND SUPPORT:</b>                             |                                  |                            |                     |                                  |                               |                            |
| Revenue                                                 |                                  |                            |                     |                                  |                               |                            |
| Government contracts and grants (Note 2E)               | \$ 32,638,599                    | \$ -                       | \$ 32,638,599       | \$ 34,770,226                    | \$ 34,770,226                 | \$ -                       |
| Contracts with non-governmental entities                | 1,991,095                        | -                          | 1,991,095           | 1,707,741                        | 1,707,741                     | -                          |
| Medicaid (Note 2E)                                      | 19,161,427                       | -                          | 19,161,427          | 19,122,202                       | 19,122,202                    | -                          |
| Private and insurance fees                              | 6,056,687                        | -                          | 6,056,687           | 5,531,195                        | 5,531,195                     | -                          |
| Support                                                 |                                  |                            |                     |                                  |                               |                            |
| Donated services and facilities (Notes 2F, 2J, 3 and 7) | 552,788                          | 307,440                    | 860,228             | 1,017,834                        | 700,701                       | 317,133                    |
| Management fees from related party (Note 7)             | 297,444                          | -                          | 297,444             | 346,022                          | 346,022                       | -                          |
| Other                                                   | 75,897                           | -                          | 75,897              | 173,810                          | 173,810                       | -                          |
| Other grants (Note 7)                                   | 879,166                          | 79,034                     | 958,200             | 804,723                          | 662,168                       | 142,555                    |
| Net assets released from restrictions (Note 2B)         | 533,873                          | (533,873)                  | -                   | -                                | 727,686                       | (727,686)                  |
| <b>TOTAL REVENUE AND SUPPORT</b>                        | <u>62,186,976</u>                | <u>(147,399)</u>           | <u>62,039,577</u>   | <u>63,473,753</u>                | <u>63,741,751</u>             | <u>(267,998)</u>           |
| <b>EXPENSES (Note 2H):</b>                              |                                  |                            |                     |                                  |                               |                            |
| <b>Program services:</b>                                |                                  |                            |                     |                                  |                               |                            |
| Care Management                                         | 3,700,020                        | -                          | 3,700,020           | 4,408,098                        | 4,408,098                     | -                          |
| Crisis Response                                         | 1,081,031                        | -                          | 1,081,031           | 1,198,647                        | 1,198,647                     | -                          |
| Early Childhood                                         | 11,847,691                       | -                          | 11,847,691          | 11,873,280                       | 11,873,280                    | -                          |
| Education/ School Based Programs                        | 8,256,622                        | -                          | 8,256,622           | 10,552,308                       | 10,552,308                    | -                          |
| Out of Home Placement                                   | 13,084,341                       | -                          | 13,084,341          | 13,752,276                       | 13,752,276                    | -                          |
| Outpatient                                              | 11,622,311                       | -                          | 11,622,311          | 11,592,631                       | 11,592,631                    | -                          |
| Placement Prevention                                    | 2,987,849                        | -                          | 2,987,849           | 1,928,640                        | 1,928,640                     | -                          |
| Total program services                                  | <u>52,579,865</u>                | <u>-</u>                   | <u>52,579,865</u>   | <u>55,305,880</u>                | <u>55,305,880</u>             | <u>-</u>                   |
| <b>Support services:</b>                                |                                  |                            |                     |                                  |                               |                            |
| Management and administration                           | 7,763,654                        | -                          | 7,763,654           | 6,787,688                        | 6,787,688                     | -                          |
| Fundraising                                             | 215,085                          | -                          | 215,085             | 186,989                          | 186,989                       | -                          |
| Total support services                                  | <u>7,978,739</u>                 | <u>-</u>                   | <u>7,978,739</u>    | <u>6,974,677</u>                 | <u>6,974,677</u>              | <u>-</u>                   |
| <b>TOTAL EXPENSES (Note 2H)</b>                         | <u>60,558,604</u>                | <u>-</u>                   | <u>60,558,604</u>   | <u>62,280,557</u>                | <u>62,280,557</u>             | <u>-</u>                   |
| <b>CHANGE IN NET ASSETS</b>                             | 1,628,372                        | (147,399)                  | 1,480,973           | 1,193,196                        | 1,461,194                     | (267,998)                  |
| Net assets (deficit) - beginning of year                | <u>121,120</u>                   | <u>7,340,435</u>           | <u>7,461,555</u>    | <u>6,268,359</u>                 | <u>(1,340,074)</u>            | <u>7,608,433</u>           |
| <b>NET ASSETS - END OF YEAR</b>                         | <u>\$ 1,749,492</u>              | <u>\$ 7,193,036</u>        | <u>\$ 8,942,528</u> | <u>\$ 7,461,555</u>              | <u>\$ 121,120</u>             | <u>\$ 7,340,435</u>        |

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

**ASTOR SERVICES FOR CHILDREN & FAMILIES**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2019**  
**(With Comparative Totals for June 30, 2018)**

|                                                  | Program Services    |                     |                      |                                        |                          |                      |                         | Supporting Services          |                   |                                  |                      |                      |
|--------------------------------------------------|---------------------|---------------------|----------------------|----------------------------------------|--------------------------|----------------------|-------------------------|------------------------------|-------------------|----------------------------------|----------------------|----------------------|
|                                                  | Care<br>Management  | Crisis<br>Response  | Early<br>Childhood   | Education/<br>School Based<br>Programs | Out of Home<br>Placement | Outpatient           | Placement<br>Prevention | Total<br>Program<br>Services | Fundraising       | Management and<br>Administration | Total<br>2019        | Total<br>2018        |
| <b>Salaries and related expenses:</b>            |                     |                     |                      |                                        |                          |                      |                         |                              |                   |                                  |                      |                      |
| Salaries                                         | \$ 2,297,335        | \$ 704,066          | \$ 6,570,924         | \$ 5,208,652                           | \$ 6,564,806             | \$ 7,744,112         | \$ 1,976,045            | \$ 31,065,940                | \$ 60,685         | \$ 3,955,617                     | \$ 35,082,242        | \$ 35,950,696        |
| Employee health and retirement benefits (Note 8) | 597,100             | 134,694             | 1,498,066            | 1,191,131                              | 1,445,485                | 1,412,418            | 405,526                 | 6,684,420                    | 13,073            | 859,822                          | 7,557,315            | 7,428,695            |
| Payroll taxes and other benefits                 | 229,491             | 69,319              | 667,324              | 523,803                                | 641,820                  | 783,458              | 194,318                 | 3,109,533                    | 5,750             | 209,196                          | 3,324,479            | 3,696,612            |
| <b>Total salaries and related expenses</b>       | <b>3,123,926</b>    | <b>908,079</b>      | <b>8,736,314</b>     | <b>6,923,586</b>                       | <b>8,652,111</b>         | <b>9,939,988</b>     | <b>2,575,889</b>        | <b>40,859,893</b>            | <b>79,508</b>     | <b>5,024,635</b>                 | <b>45,964,036</b>    | <b>47,076,003</b>    |
| Professional services                            | 48,591              | 6,227               | 603,384              | 356,061                                | 877,419                  | 647,148              | 87,350                  | 2,626,180                    | 500               | 717,354                          | 3,344,034            | 3,861,489            |
| Supplies                                         | 15,539              | 4,202               | 272,547              | 54,339                                 | 345,983                  | 63,937               | 14,314                  | 770,861                      | -                 | 47,968                           | 818,829              | 1,096,705            |
| Telephone                                        | 58,355              | 41,472              | 105,558              | 27,742                                 | 107,812                  | 218,745              | 48,363                  | 608,047                      | -                 | 955,133                          | 1,563,180            | 1,130,594            |
| Occupancy (Notes 6, 7 and 9)                     | 131,826             | 73,176              | 351,849              | 301,866                                | 300,592                  | 306,874              | 82,192                  | 1,548,375                    | -                 | 106,619                          | 1,654,994            | 1,717,327            |
| Travel & related expenses                        | 81,134              | 18,323              | 109,127              | 22,873                                 | 106,056                  | 62,850               | 79,028                  | 479,391                      | -                 | 105,572                          | 584,963              | 597,603              |
| Training & conferences                           | 7,454               | 5,663               | 87,484               | 20,236                                 | 46,343                   | 55,897               | 17,019                  | 240,096                      | -                 | 79,808                           | 319,904              | 322,284              |
| Specific assistance                              | 94,909              | 31                  | 1,924                | 61                                     | 19,258                   | 1,864                | 6,719                   | 124,766                      | 1,188             | -                                | 125,954              | 140,568              |
| Foster boarding home                             | -                   | -                   | -                    | -                                      | 1,034,464                | -                    | -                       | 1,034,464                    | -                 | -                                | 1,034,464            | 1,092,953            |
| Children's activities                            | 227                 | 251                 | 44,963               | 12,236                                 | 52,846                   | 188                  | 3,006                   | 113,717                      | 3,653             | -                                | 117,370              | 98,208               |
| Insurance                                        | 48,771              | 13,678              | 146,259              | 105,852                                | 161,722                  | 155,028              | 38,939                  | 670,249                      | -                 | -                                | 670,249              | 718,068              |
| Food                                             | 64                  | 740                 | 302,803              | 11,455                                 | 215,086                  | 132                  | 291                     | 530,571                      | -                 | 6,253                            | 536,824              | 560,415              |
| Furniture and equipment                          | 35,381              | 1,412               | 90,025               | 71,936                                 | 80,793                   | 59,282               | 7,981                   | 346,810                      | -                 | 50,773                           | 397,583              | 390,474              |
| Grant expense                                    | -                   | -                   | -                    | -                                      | -                        | -                    | -                       | -                            | 23,412            | -                                | 23,412               | 42,576               |
| Interest (Note 6)                                | -                   | -                   | -                    | 61,735                                 | 399,950                  | -                    | -                       | 461,685                      | -                 | 152,056                          | 613,741              | 580,884              |
| Depreciation and amortization (Note 5)           | 8,386               | 3,696               | 178,042              | 126,201                                | 523,621                  | 34,817               | 10,303                  | 885,066                      | 104,018           | 105,220                          | 1,094,304            | 1,181,357            |
| Donated services and facilities (Note 2F)        | 11,140              | 3,123               | 786,135              | 115,004                                | 108,022                  | 35,413               | 8,896                   | 1,067,733                    | -                 | -                                | 1,067,733            | 1,215,640            |
| Miscellaneous                                    | 34,317              | 958                 | 31,277               | 45,439                                 | 52,263                   | 40,148               | 7,559                   | 211,961                      | 2,806             | 412,263                          | 627,030              | 457,409              |
| <b>Total expenses</b>                            | <b>\$ 3,700,020</b> | <b>\$ 1,081,031</b> | <b>\$ 11,847,691</b> | <b>\$ 8,256,622</b>                    | <b>\$ 13,084,341</b>     | <b>\$ 11,622,311</b> | <b>\$ 2,987,849</b>     | <b>\$ 52,579,865</b>         | <b>\$ 215,085</b> | <b>\$ 7,763,654</b>              | <b>\$ 60,558,604</b> | <b>\$ 62,280,557</b> |

**ASTOR SERVICES FOR CHILDREN & FAMILIES  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2018**

For the Year Ended June 30, 2018

|                                                  | Program services    |                     |                      |                                        |                          |                      |                         | Supporting Services          |                   | Total<br>2018       |                                  |
|--------------------------------------------------|---------------------|---------------------|----------------------|----------------------------------------|--------------------------|----------------------|-------------------------|------------------------------|-------------------|---------------------|----------------------------------|
|                                                  | Care<br>Management  | Crisis<br>Response  | Early<br>Childhood   | Education/<br>School Based<br>Programs | Out of Home<br>Placement | Outpatient           | Placement<br>Prevention | Total<br>Program<br>Services | Fundraising       |                     | Management and<br>Administration |
| <b>Salaries and related expenses:</b>            |                     |                     |                      |                                        |                          |                      |                         |                              |                   |                     |                                  |
| Salaries                                         | \$ 2,722,219        | \$ 766,885          | \$ 6,683,758         | \$ 6,667,176                           | \$ 7,091,765             | \$ 7,361,496         | \$ 1,263,100            | \$ 32,556,399                | \$ -              | \$ 3,394,297        | \$ 35,950,696                    |
| Employee health and retirement benefits (Note 8) | 689,349             | 144,354             | 1,424,540            | 1,546,498                              | 1,409,738                | 1,337,600            | 220,521                 | 6,772,600                    | -                 | 656,095             | 7,428,695                        |
| Payroll taxes and other benefits                 | 281,743             | 77,117              | 686,063              | 667,396                                | 715,490                  | 779,486              | 138,746                 | 3,346,041                    | -                 | 350,571             | 3,696,612                        |
| <b>Total salaries and related expenses</b>       | <b>3,693,311</b>    | <b>988,356</b>      | <b>8,794,361</b>     | <b>8,881,070</b>                       | <b>9,216,993</b>         | <b>9,478,582</b>     | <b>1,622,367</b>        | <b>42,675,040</b>            | <b>-</b>          | <b>4,400,963</b>    | <b>47,076,003</b>                |
| Professional services                            | 73,402              | 30,638              | 575,307              | 468,073                                | 788,878                  | 1,040,948            | 111,293                 | 3,088,539                    | 6,900             | 766,050             | 3,861,489                        |
| Supplies                                         | 23,960              | 4,067               | 356,985              | 107,056                                | 473,405                  | 69,773               | 9,358                   | 1,044,604                    | -                 | 52,101              | 1,096,705                        |
| Telephone                                        | 53,525              | 34,829              | (22,344)             | (15,082)                               | 38,532                   | 241,957              | 24,865                  | 356,282                      | 17,508            | 756,804             | 1,130,594                        |
| Occupancy (Notes 6, 7 and 9)                     | 172,368             | 73,450              | 326,685              | 406,480                                | 321,270                  | 283,845              | 41,836                  | 1,625,934                    | 14,607            | 76,786              | 1,717,327                        |
| Travel & related expenses                        | 114,051             | 29,372              | 102,449              | 23,009                                 | 121,036                  | 55,542               | 49,455                  | 494,914                      | -                 | 102,689             | 597,603                          |
| Training & conferences                           | 8,386               | 8,435               | 70,068               | 26,240                                 | 56,841                   | 77,686               | 7,597                   | 255,253                      | 4,297             | 62,734              | 322,284                          |
| Specific assistance                              | 119,604             | -                   | 3,711                | 26                                     | 9,685                    | 15                   | 7,527                   | 140,568                      | -                 | -                   | 140,568                          |
| Foster boarding home                             | -                   | -                   | -                    | -                                      | 1,092,953                | -                    | -                       | 1,092,953                    | -                 | -                   | 1,092,953                        |
| Children's activities                            | 787                 | 453                 | 20,906               | 17,008                                 | 54,034                   | 233                  | 1,067                   | 94,488                       | 3,720             | -                   | 98,208                           |
| Insurance                                        | 58,490              | 15,362              | 147,330              | 138,824                                | 174,037                  | 157,710              | 26,315                  | 718,068                      | -                 | -                   | 718,068                          |
| Food                                             | -                   | 346                 | 264,933              | 52,691                                 | 233,729                  | 137                  | -                       | 551,836                      | -                 | 8,579               | 560,415                          |
| Furniture and equipment                          | 34,679              | 4,616               | 87,756               | 80,343                                 | 75,857                   | 58,025               | 4,108                   | 345,384                      | -                 | 45,090              | 390,474                          |
| Grant expense                                    | -                   | -                   | 4,360                | -                                      | -                        | -                    | -                       | 4,360                        | 38,216            | -                   | 42,576                           |
| Interest (Note 6)                                | -                   | -                   | -                    | 72,442                                 | 421,348                  | -                    | -                       | 493,790                      | -                 | 87,094              | 580,884                          |
| Depreciation and amortization (Note 5)           | 8,289               | 4,021               | 189,047              | 126,127                                | 523,907                  | 37,257               | 10,275                  | 898,923                      | 98,453            | 183,981             | 1,181,357                        |
| Donated services and facilities (Note 2F)        | 12,470              | 3,275               | 932,051              | 120,422                                | 108,189                  | 33,623               | 5,610                   | 1,215,640                    | -                 | -                   | 1,215,640                        |
| Miscellaneous                                    | 34,776              | 1,427               | 19,675               | 47,579                                 | 41,582                   | 57,298               | 6,967                   | 209,304                      | 3,288             | 244,817             | 457,409                          |
| <b>Total expenses</b>                            | <b>\$ 4,408,098</b> | <b>\$ 1,198,647</b> | <b>\$ 11,873,280</b> | <b>\$ 10,552,308</b>                   | <b>\$ 13,752,276</b>     | <b>\$ 11,592,631</b> | <b>\$ 1,928,640</b>     | <b>\$ 55,305,880</b>         | <b>\$ 186,989</b> | <b>\$ 6,787,688</b> | <b>\$ 62,280,557</b>             |

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

**ASTOR SERVICES FOR CHILDREN & FAMILIES  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

|                                                                                                       | <b>2019</b>       | <b>2018</b>      |
|-------------------------------------------------------------------------------------------------------|-------------------|------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                                                          |                   |                  |
| Change in net assets                                                                                  | \$ 1,480,973      | \$ 1,193,196     |
| Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities: |                   |                  |
| Depreciation and amortization                                                                         | 1,094,304         | 1,181,357        |
| Reduction of contribution in-kind - rent receivable                                                   | 514,944           | 514,944          |
| Amortization of deferred financing costs                                                              | 13,431            | 13,431           |
| Amortization of discount on contribution in-kind receivable                                           | (307,440)         | (317,133)        |
| Subtotal                                                                                              | 2,796,212         | 2,585,795        |
| Changes in operating assets and liabilities:                                                          |                   |                  |
| (Increase) decrease in assets:                                                                        |                   |                  |
| Accounts receivable                                                                                   | (1,273,487)       | (410,192)        |
| Prepaid expenses, deposits and other assets                                                           | (4,510)           | (145,953)        |
| Due from the Foundation                                                                               | 449,004           | (346,034)        |
| Increase (decrease) in liabilities:                                                                   |                   |                  |
| Accounts payable and accrued expenses                                                                 | (248,946)         | 989,930          |
| Accrued salaries, vacation and benefits                                                               | (150,943)         | 49,945           |
| Due to funding sources and deferred revenue                                                           | (778,363)         | (729,928)        |
| Pension withdrawal liability                                                                          | (1,358,825)       | (1,264,024)      |
| <b>Net Cash (Used in) Provided by Operating Activities</b>                                            | <b>(569,858)</b>  | <b>729,539</b>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>                                                          |                   |                  |
| Purchases of property and equipment                                                                   | (210,573)         | (369,161)        |
| <b>Net Cash Used in Investing Activities</b>                                                          | <b>(210,573)</b>  | <b>(369,161)</b> |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>                                                          |                   |                  |
| Principal payments of debt                                                                            | (40,954)          | (505,064)        |
| Principal payments of line of credit                                                                  | 1,100,000         | (125,000)        |
| <b>Net Cash Provided by (Used in) Financing Activities</b>                                            | <b>1,059,046</b>  | <b>(630,064)</b> |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>                                           | 278,615           | (269,686)        |
| Cash and cash equivalents - beginning of year                                                         | 62,575            | 332,261          |
| <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>                                                        | <b>\$ 341,190</b> | <b>\$ 62,575</b> |
| <b>Supplemental Disclosure of Cash Flow Information:</b>                                              |                   |                  |
| Cash paid during the year for interest                                                                | \$ 600,310        | \$ 567,453       |

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



**ASTOR SERVICES FOR CHILDREN & FAMILIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

**NOTE 1—ORGANIZATION AND NATURE OF ACTIVITIES**

Astor Services for Children & Families ("Astor") is a not-for-profit membership corporation whose sole member is the Catholic Charities Alliance (the "Alliance"). The Alliance oversees the Board of Directors, including the election of the Board, determination of the size of the Board, approval of the Board's choice of Executive Director and approval of certain transactions, such as large loans. Astor is a childcare agency serving emotionally disturbed and mentally ill young people from throughout New York State through various sites in Dutchess County, Orange County and the Bronx. Astor provides residential, educational and clinical services to these people and provides community-based, family-oriented services for those persons who are experiencing difficulty at home, in school or in the community. In addition, other programs are provided in preventive, day care, special education programs for children with learning disabilities and educational formats. Astor's major sources of revenue come from federal, New York State and local agencies.

Astor is qualified as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and accordingly is not subject to federal and state income taxes.

Astor is the sole member of The Children's Foundation of Astor ("Foundation") which was incorporated in 1990 under the Not-For-Profit Corporation Law of the State of New York. The Foundation has been granted exemption from federal income tax pursuant to Section 501(c)(3) of the Internal Revenue Code. The Foundation was formed to raise funds and provide grants as well as support the activities of Astor. The financial statements for Astor do not consolidate the Foundation since the Foundation is controlled by the Alliance.

Programs operated by Astor are summarized below.

- **Care Management:** The provision of support and linkages to programs/services in the home, school and community.
- **Crisis Response:** Immediate home and school response in times of crisis for the purpose of stabilizing a situation and minimizing the child's disruption. Partial Hospitalization program is for adolescents needing the highest level of clinical support without a residential component.
- **Early Childhood:** Head Start education programs, and Clinical Day-Treatment programs (Day Treatment) for young children ages 3-5 years.
- **Education/School Based Programs:** Schools and Day Treatment programs in a variety of educational settings with any combination of education, behavioral and clinical support including direct clinical care and classroom consultative arrangements.
- **Out of Home Placement:** Therapeutic foster families, and congregate residential care for young children in a Residential Treatment Center. Specialized, high-level clinically based residential care in a Residential Treatment Facility.
- **Outpatient:** An array of outpatient clinics for children, adolescents and young adults in the community. This includes therapy services using evidence-based practices, psychiatry, and tele-psychiatry services.
- **Placement Prevention:** Individualized services provided at home, school and community for children at risk of residential placement including the Prevention programs, Functional Family Therapy, juvenile justice prevention, and more. The program also includes innovative cross-systems integration to serve children who are at high risk in the community.

**NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- A. Astor prepares its financial statements using the accrual basis of accounting. Astor adheres to accounting principles generally accepted in the United States of America ("U.S. GAAP").
- B. Revenue and support are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of Astor and changes therein are classified and reported as follows:
  - Net Assets Without Donor Restrictions – Represents resources available for support of Astor's operations, over which the Board of Directors has discretionary control.

**ASTOR SERVICES FOR CHILDREN & FAMILIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

**NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- Net Assets With Donor Restrictions – Astor reports contributions of cash and other assets as net assets without donor restrictions support unless they are received with donor stipulations that limit the use of the donated asset; such assets are considered net assets with donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying statements of activities as net assets released from restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, Astor reports the contribution as net assets without donor restrictions. In addition, net assets with donor restrictions represent those resources subject to donor-imposed stipulations that they be maintained intact in perpetuity by Astor. Astor has net assets with permanent donor restrictions of \$500,000 as of June 30, 2019 and 2018.
- C. The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
- D. Cash and cash equivalents consist of: cash, money market accounts and securities backed by the U.S. Government with maturities, when purchased, of three months or less.
- E. Contracts and grants consist of revenue received through various federal, state and local governmental agencies. Astor also receives residential, day treatment, medical and tuition support from various New York State counties and school districts. Reimbursement rates are preliminarily based upon prior years' actual cost data provided to the Department of Social Services (“DSS”), the State Education Department (“SED”) and the Office of Mental Health (“OMH”). Final determination of rates is based upon DSS, SED and OMH’s review and audit of actual expenditures for the applicable year. Government contracts and grants are recorded as revenues to the extent that expenses have been incurred for the purposes specified by the grantors. To the extent amounts received exceed amounts spent, Astor establishes refundable advances from governmental sources. Any revenue for contracts that have not yet been earned are reclassified as deferred revenue in the statements of financial position. Revenue from fees for service programs are recognized as they are earned (services are provided daily and/or monthly).

Due to funding sources and deferred revenue includes advances paid from Medicaid programs in excess of allowable amounts. Such amounts may be required to be repaid to funding sources through the Medicaid recoupment process. Provisions for amounts due to or from funding sources based on estimated financial rates have been made in the financial statements. Differences between estimated and actual financial rates will be reflected in the statements of activities in the year the final rates are approved. In the opinion of management, no material adjustments are expected from these audits. Due to funding sources also includes excess reimbursements made to Astor by the funding sources for the educational program. Most of these amounts will be recovered by the funding sources over time as future services are billed.

Approximately 86% and 85% of Astor’s revenues without donor restrictions were provided by Medicaid reimbursement and government contracts and grants during each of the years ended June 30, 2019 and 2018, respectively.

There are occasions when funding source reimbursements received in prior years are adjusted in the current year. Such adjustments may be due to funding source audit findings, additional monies available over and above original contract amounts, rate appeal results, etc. Included in the change in net assets for the years ended June 30, 2019 and 2018 was approximately \$552,000 and \$918,000, respectively, of prior year increases, relating to such adjustments.

Astor estimates the effect of SED’s reconciliation process and records increases or decreases in tuition revenue for that year. The purpose is to more closely match reimbursable expenses with tuition revenue. For the years ended June 30, 2019 and 2018, Astor recognized estimated increases of \$94,695 and \$249,477, respectively, for tuition revenue based on SED’s reconciliation process. These amounts are reflected in service fees and grants from governmental agencies and accounts receivable.

**ASTOR SERVICES FOR CHILDREN & FAMILIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

**NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- F. Astor receives donated services, equipment, supplies and other items which supplement the efforts of Astor's professional staff in providing services. Astor records these contributions in the accompanying financial statements as support and expenses at the estimated value of the donated goods and services. In addition, Astor receives contributed space as further described in Note 4.
- G. As of June 30, 2019 and 2018, Astor determined that an allowance for doubtful accounts of approximately \$250,000 was necessary for accounts receivable. Such estimates are based on a combination of factors, such as management's assessment of the aged basis of its government funding sources, creditworthiness of funders and its donors, current economic conditions and historical experience. A significant portion of accounts receivable consists of amounts due from federal and New York State sources.
- H. The cost of providing the various program and supporting services has been summarized on a functional basis in the accompanying statements of functional expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited.

Astor allocates certain expenses among the various program and supporting services categories. The expense allocated to a particular category is based on a number of factors. Salary expense is based on the estimated time spent on each program and certain other expenses are allocated based on the ratio-value method (a NYS government accepted allocation method) for each program.

- I. Property and equipment is stated at cost less accumulated depreciation and amortization. These amounts do not purport to represent replacement or realizable values. Astor capitalizes property and equipment with a cost of \$1,000 or more and a useful life of greater than one year. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. Leasehold improvements are amortized over the lesser of the useful lives of the improvements or the term of the applicable lease.
- J. Pledges of contributions-in-kind rent are recorded as revenue when made. Astor considers these pledges scheduled to be received in future periods as implicitly time restricted. Astor discounts long-term pledges using a risk-free adjusted interest rate for the expected term of the promise to give applicable to the years in which the pledges are received.
- K. Pledges are recorded as income when Astor is formally notified of the grants or contributions by the respective donors. Unless material to the financial statements, Astor does not discount multiyear pledges.
- L. Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2016-14, "Not-for-Profit Entities" was adopted for the year ended June 30, 2019. ASU 2016-14 provides for a number of changes, including the presentation of two classes of net assets, a statement of functional expenses, enhanced disclosure on liquid resources and expense allocation methodologies. These changes had no impact on the change in net assets for the year ended June 30, 2019. Net assets as of June 30, 2018 were renamed to conform to the new presentation.
- M. Certain line items in the June 30, 2019 financial statements have been reclassified to conform to the June 30, 2018 presentation.

**NOTE 3 — LIQUIDITY AND AVAILABILITY OF RESOURCES**

Astor regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. Astor has various sources of liquidity at its disposal, including cash and cash equivalents and a line of credit.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, Astor considers all expenditures related to its ongoing activities of care management, crisis response, early childhood, education, out of home placement, outpatient, and placement prevention services as well as the conduct of services undertaken to support those activities to be general expenditures.

**ASTOR SERVICES FOR CHILDREN & FAMILIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

**NOTE 3 — LIQUIDITY AND AVAILABILITY OF RESOURCES (Continued)**

In addition to financial assets available to meet general expenditures over the next 12 months, Astor operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. In the event of an unanticipated liquidity need, Astor could also draw upon \$4,000,000 of its available line of credit of which \$1,576,976 is available as of June 30, 2019. See Note 6.

As of June 30, 2019, the following financial assets could readily be made available immediately from the statement of financial position date to meet general expenditures:

|                             |    |                      |
|-----------------------------|----|----------------------|
| Cash and cash equivalents   | \$ | 341,190              |
| Accounts receivable, net    |    | 11,328,995           |
| Accounts receivable, net    |    | <u>142,119</u>       |
| Total financial assets      |    | 11,812,304           |
| Less: endowment investments |    | <u>(500,000)</u>     |
|                             |    | <u>\$ 11,312,304</u> |

**NOTE 4—CONTRIBUTION IN-KIND RECEIVABLE**

The contribution in-kind rent receivable consists of the following as of June 30:

|                                             | <u>2019</u>         | <u>2018</u>         |
|---------------------------------------------|---------------------|---------------------|
| Amount due in less than one year            | \$ 514,944          | \$ 514,944          |
| Amount due from one to five years           | 2,059,776           | 2,059,776           |
| Amount due in greater than five years       | <u>7,209,216</u>    | <u>7,724,160</u>    |
|                                             | 9,783,936           | 10,298,880          |
| Less: Unamortized discount to present value | <u>(3,202,204)</u>  | <u>(3,509,644)</u>  |
|                                             | <u>\$ 6,581,732</u> | <u>\$ 6,789,236</u> |

Astor has a 40-year lease agreement, effective October 1, 1998, with the Archbishop of New York for the use of the land and improvements at the Rhinebeck location. Astor is required to pay a nominal rent of \$1 per year. Astor has estimated the fair value of the annual lease payment to be approximately \$515,000. The fair value associated with the use of the property is amortized over the term of the lease.

Amortization of the discount on the contribution-in-kind amounted to \$307,440 and \$317,133 for the years ended June 30, 2019 and 2018, respectively.

**NOTE 5—PROPERTY AND EQUIPMENT**

Property and equipment consist of the following as of June 30:

|                                           | <u>2019</u>          | <u>2018</u>          |                        |
|-------------------------------------------|----------------------|----------------------|------------------------|
| Land                                      | \$ 117,993           | \$ 117,993           | Estimated Useful Lives |
| Buildings                                 | 16,289,862           | 16,289,862           | -                      |
| Furniture and equipment                   | 2,688,269            | 2,644,673            | 40 years               |
| Leasehold improvements                    | 4,686,476            | 4,538,962            | 3-10 years             |
| Construction in progress (see below)      | <u>132,295</u>       | <u>112,832</u>       | Lease term             |
| Total cost                                | 23,914,895           | 23,704,322           | -                      |
| Accumulated depreciation and amortization | <u>(13,846,797)</u>  | <u>(12,752,493)</u>  |                        |
| Net book value                            | <u>\$ 10,068,098</u> | <u>\$ 10,951,829</u> |                        |

**ASTOR SERVICES FOR CHILDREN & FAMILIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

**NOTE 5—PROPERTY AND EQUIPMENT (Continued)**

Depreciation and amortization expense for the years ended June 30, 2019 and 2018 amounted to \$1,094,304 and \$1,181,357, respectively. During the years ended June 30, 2019 and 2018, Astor wrote-off fully depreciated/amortized property and equipment amounting to \$0 and \$4,890,594 respectively. This write-off reflected such equipment and leasehold improvements no longer in service.

As of June 30, 2019, construction in progress primarily consists of the real estate advisory costs for rezoning feasibility and development options for property owned at 750 Tilden Avenue, Bronx, New York. The project is expected to be completed between 4-5 years with expected future costs of approximately \$9.8 million. Astor is in discussions with various third parties regarding funding and/or financing these costs.

**NOTE 6—DEBT**

Debt consists of the following as of June 30:

|                                                                                                                                                                                                                                                                                                                                                     | 2019         | 2018         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|--------------|
| Note payable to a bank, due June 2019, payable in monthly installments of \$4,981 (principal and interest). The interest rate is fixed at 4.89%; collateralized by certain property and equipment.                                                                                                                                                  | \$ 15,442    | \$ 72,808    |
| Note payable to a bank, due May 2024, payable in monthly installments of \$9,309 (principal and interest). The interest rate is fixed at 4.38%; collateralized by certain property and equipment.                                                                                                                                                   | 492,494      | -            |
| Note payable to a bank, due January 2025, payable in monthly installments of \$17,283 (principal and interest). The interest rate is fixed at 5.45% for the first ten years (ending January 2022), after which the rate is reset based on M&T Bank's 3-year cost of funds, plus 325 basis points; collateralized by certain property and equipment. | 994,247      | 1,142,229    |
| Note payable to a bank, due January 2033, payable in monthly installments of principal and interest. The interest rate is fixed at 5.45% for the first ten years (ending January 2022), after which the rate is reset based on M&T Bank's 3-year cost of funds, plus 325 basis points; collateralized by certain property and equipment.            | 7,058,216    | 7,386,316    |
| Total Debt                                                                                                                                                                                                                                                                                                                                          | 8,560,399    | 8,601,353    |
| Less: Unamortized debt issue costs                                                                                                                                                                                                                                                                                                                  | (47,161)     | (60,592)     |
| Less: Current portion                                                                                                                                                                                                                                                                                                                               | (525,170)    | (539,916)    |
| Debt, net of current portion                                                                                                                                                                                                                                                                                                                        | \$ 7,988,068 | \$ 8,000,845 |

Future principal payments for the fiscal years subsequent to June 30, 2019 are as follows:

|                                    |              |
|------------------------------------|--------------|
| 2020                               | \$ 525,170   |
| 2021                               | 633,956      |
| 2022                               | 668,365      |
| 2023                               | 704,652      |
| 2024                               | 733,524      |
| Thereafter (expiring January 2033) | 5,294,732    |
|                                    | \$ 8,560,399 |

**ASTOR SERVICES FOR CHILDREN & FAMILIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

**NOTE 6—DEBT (Continued)**

Astor has a line of credit with a bank capped at \$4,000,000, of which \$2,423,024 and \$1,323,024 was outstanding as of June 30, 2019 and 2018, respectively. The line of credit is secured by Astor's receivables and carries interest at the overnight LIBOR rate plus a spread of 225 basis points, adjusting daily (amounting to an interest rate of 5.40% and 5.09% as of June 30, 2019 and 2018, respectively). The line is payable on demand. As of January 24, 2020, there was \$3,173,024 borrowed.

As of June 30, 2019, \$8,560,399 of the long-term debt and the line of credit of \$4,000,000 are held with one bank with cross default clauses whereby default on one obligation will trigger default on the other obligation. Astor must comply with certain administrative and financial covenants, which it has done.

Interest expense related to debt for the years ended June 30, 2019 and 2018 amounted to \$613,741 and \$580,884, respectively.

**NOTE 7—TRANSACTIONS WITH THE FOUNDATION AND RELATED PARTIES**

- A. Astor conducts its residential programs and has its administrative offices in facilities owned by the Archdiocese of New York. No rent is paid for the use of these facilities. The estimated value of such contributed rent was \$515,000 for each of the years ended June 30, 2019 and 2018. See Note 4.

Astor is the sole member of the Foundation. Astor is a tenant in buildings owned by the Foundation. Rental expense paid to the Foundation amounted to \$0 and \$5,400 for the years ended June 30, 2019 and 2018, respectively. Astor charges the Foundation for certain administrative expenses incurred, which amounted to \$297,444 and \$346,022 for the years ended June 30, 2019 and 2018, respectively. Such amounts are included in other support in the accompanying statements of activities. Astor has a receivable from the Foundation amounting to \$142,119 and \$591,123 as of June 30, 2019 and 2018, respectively. For the years ended June 30, 2019 and 2018, the Foundation contributed \$0 and \$40,000 to Astor, which is reflected as a grant from the Foundation in the accompanying financial statements.

- B. Astor has a Board member whose firm is its insurance broker, which receives commission income from various insurance companies providing coverage to Astor. For the years ended June 30, 2019 and 2018, the insurance brokerage commissions paid to the Board member's firm amounted to \$304,254 and \$307,519, respectively. Also, Astor has a Board member who is a partner in a law firm that provides legal services to Astor. For the years ended June 30, 2019 and 2018, Astor paid legal fees to the Board member's law firm amounting to \$2,570 and \$4,360, respectively. In addition, Astor maintains certain cash accounts and loans with a bank that employs an Astor Board member. Astor has conflict of interest policies and disclosures that are regularly reviewed by the Board. In addition, it is the policy of Astor to ensure that any person in a conflict of interest position recuses themselves from voting on business transactions in which the individual has a conflict of interest. Astor routinely evaluates the pricing of the services rendered for purposes of determining that they are at or below fair market value.

**NOTE 8—RETIREMENT PLANS**

- A. Astor previously participated in the Archdiocesan Pension Plan (the "Plan"), a defined benefit multiemployer plan. All employees who met the age and years of service requirements were noncontributory participants in the Plan. Astor withdrew from the Plan as of December 31, 2014. As a result of withdrawing from the Plan, the Archdiocese required that Astor pay an employer liability and administration charge of approximately \$6,353,000 payable in 60 monthly installments of approximately \$128,000 starting September 1, 2015 and ending August 1, 2020. This amount represented Astor's calculated share as a participant in the plan which was underfunded at the withdrawal date. Under U.S. GAAP, the liability was recorded as of June 30, 2014. As of June 30, 2019 and 2018, the accrued pension withdrawal liability for the Plan was \$1,714,630 and \$3,073,455, respectively. Payments made by Astor to reduce the liability amounted to \$1,358,825 and \$1,264,024 for the years ended June 30, 2019 and 2018, respectively.

**ASTOR SERVICES FOR CHILDREN & FAMILIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

**NOTE 8—RETIREMENT PLANS (Continued)**

Future payments for the years subsequent to June 30, 2019 are as follows:

|      |                     |
|------|---------------------|
| 2020 | \$ 1,460,737        |
| 2021 | <u>253,893</u>      |
|      | <u>\$ 1,714,630</u> |

- B. Effective January 1, 2015, Astor implemented a defined contribution 403(b) Thrift Plan (“403(b) Plan”) covering all eligible employees. The 403(b) Plan is a calendar December 31<sup>st</sup> plan. Astor’s contribution into the 403(b) Plan ranges from 2.75% to 12% of the employee’s salary depending on years of completed service. Pension expense for the years ended June 30, 2019 and 2018 amounted to \$1,466,790 and \$1,479,916, respectively.

**NOTE 9—COMMITMENTS AND CONTINGENCIES**

- A. Astor has operating lease commitments for certain facilities, vehicles and equipment expiring on various dates through 2023. Aggregate minimum rentals for the fiscal years ending after June 30, 2019 are as follows:

|      | <u>Facilities</u> | <u>Vehicles</u>   | <u>Equipment</u>  | <u>Total</u>        |
|------|-------------------|-------------------|-------------------|---------------------|
| 2020 | \$ 298,887        | \$ 230,829        | \$ 151,829        | \$ 681,545          |
| 2021 | -                 | 127,042           | 67,813            | 194,855             |
| 2022 | -                 | 76,789            | 63,765            | 140,554             |
| 2023 | <u>-</u>          | <u>47,054</u>     | <u>-</u>          | <u>47,054</u>       |
|      | <u>\$ 298,887</u> | <u>\$ 481,714</u> | <u>\$ 283,407</u> | <u>\$ 1,064,008</u> |

Rent expense for the facilities, vehicles and equipment amounted to \$906,924, \$276,956 and \$264,593, respectively for the year ended June 30, 2019 and \$967,917, \$288,797 and \$253,164, respectively for the year ended June 30, 2018.

- B. Pursuant to Astor’s contractual relationships with certain funding sources, outside governmental agencies have the right to examine Astor’s books and records involving transactions relating to those contracts. The accompanying financial statements make no provision for possible disallowances, although such possible disallowances could be substantial in amount. In the opinion of management, any actual disallowances would be immaterial to the financial statements.
- C. Astor believes it has no uncertain income tax positions as of June 30, 2019 and 2018 in accordance with Accounting Standards Codification (“ASC”) Topic 740 (“Income Taxes”), which provides standards for establishing and classifying any tax provisions for uncertain tax positions.

**NOTE 10—CONCENTRATIONS**

**A. Concentration of Credit Risk**

Cash and cash equivalents that potentially subject Astor to a concentration of credit risk include cash accounts with financial institutions that exceeded the Federal Deposit Insurance Corporation (“FDIC”) insurance limits of \$250,000 per depositor. Such amounts are at one bank and amount to approximately \$618,000 and \$406,000 as of June 30, 2019 and 2018, respectively.

**B. Concentration of Labor**

Certain of Astor’s employees have formed collective bargaining units. The collective bargaining units are subject to the work rules and policies of Astor.

**ASTOR SERVICES FOR CHILDREN & FAMILIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

**NOTE 11—BENEFICIAL INTEREST IN RELATED PARTY**

In 1997, the Foundation received a grant of \$500,000 for the establishment of an endowment fund for Astor. Astor recorded its interest in the net assets of the Foundation as net assets with donor restrictions.

**NOTE 12— NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are available for the following as of June 30:

|                                                    | <u>2019</u>         | <u>2018</u>         |
|----------------------------------------------------|---------------------|---------------------|
| Contribution in kind rent (see Note 4 for details) | \$ 6,581,732        | \$ 6,789,236        |
| Perpetual in nature                                | 500,000             | 500,000             |
| Purpose and time restricted                        | <u>111,304</u>      | <u>51,199</u>       |
|                                                    | <u>\$ 7,193,036</u> | <u>\$ 7,340,435</u> |

Net assets were released from donor restrictions during the years ended June 30, 2019 and 2018, by incurring expenses satisfying the restricted purpose or occurrence specified by the donors.

**NOTE 13—SUBSEQUENT EVENTS**

Management has evaluated for potential recognition and disclosure, events subsequent to the date of the statement of financial position through January 24, 2020, the date the financial statements were available to be issued.