



**ASTOR SERVICES FOR CHILDREN & FAMILIES
AND SUBSIDIARY**

**CONSOLIDATED FINANCIAL STATEMENTS
With Supplementary Information
(Together with Independent Auditors' Report)**

YEARS ENDED JUNE 30, 2021 AND 2020

M A R K S P A N E T H

ACCOUNTANTS & ADVISORS

ASTOR SERVICES FOR CHILDREN & FAMILIES AND SUBSIDIARY

**CONSOLIDATED FINANCIAL STATEMENTS
With Supplementary Information
(Together with Independent Auditors' Report)**

YEARS ENDED JUNE 30, 2021 AND 2020

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Astor Services for Children & Families ("Astor"), and The Children's Foundation of Astor, Inc. (the "Foundation") (collectively, the "Organization"), which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Astor Services for Children & Families and The Children's Foundation of Astor, Inc. as of June 30, 2021 and 2020, and the consolidated changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As explained in Note 2M to the consolidated financial statements, the Organization reported a change in reporting entity as both Astor Services for Children & Families and The Children's Foundation of Astor, Inc.'s financial statements are consolidated as of and for the year ended June 30, 2021 and, retroactively, as of and for the year ended June 30, 2020. Our opinion is not modified with respect to this matter.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements of Astor Services for Children & Families and The Children's Foundation of Astor, Inc. as a whole. The supplementary information (included on pages 21-23) is presented for the purpose of additional analysis, rather than to present the financial position and changes in net assets of Astor and the Foundation individually and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated 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.

Marks Paneth LLP

New York, NY
December 23, 2021

ASTOR SERVICES FOR CHILDREN & FAMILIES AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2021 AND 2020

	2021	2020
ASSETS		
Cash and cash equivalents (Notes 2D and 11)	\$ 3,468,325	\$ 162,749
Investments (Notes 2L, 13 and 14)	8,131,652	2,019,822
Accounts receivable, net (Note 2G)	8,143,571	12,326,959
Contribution in-kind - rent receivable, current, net (Notes 2F, 2J and 4)	514,944	514,944
Prepaid expenses, deposits and other assets	512,891	366,105
Total current assets	20,771,383	15,390,579
Contribution in-kind - rent receivable, non-current, net (Notes 2F, 2J and 4)	5,620,780	5,849,117
Property and equipment, net (Notes 2I, 5 and 6)	9,663,206	10,486,936
Investments - perpetual in nature (Notes 2B, 2L, 12, 13, 14 and 15)	500,000	500,000
TOTAL ASSETS	\$ 36,555,369	\$ 32,226,632
LIABILITIES		
Accounts payable and accrued expenses	\$ 1,591,941	\$ 3,986,575
Accrued salaries, vacation and benefits	3,571,001	2,394,472
Due to funding sources and deferred revenue (Note 2E)	667,213	1,091,479
Bank line of credit (Note 6)	-	2,648,024
Pension withdrawal liability (Note 9)	-	253,893
Debt, current (Note 6)	568,174	633,956
Total current liabilities	6,398,329	11,008,399
Paycheck Protection Program loan payable (Note 7)	1,800,000	-
Debt, non-current (Note 6)	6,430,598	7,283,900
TOTAL LIABILITIES	14,628,927	18,292,299
COMMITMENTS AND CONTINGENCIES (Note 10)		
NET ASSETS (Note 2B)		
Net assets without donor restrictions:		
Invested in property and equipment	2,664,434	2,569,080
Pension withdrawal liability (Note 9)	-	(253,893)
Paycheck Protection Program loan payable (Note 7)	(1,800,000)	-
Operations	14,075,452	4,447,769
Total net assets without donor restrictions	14,939,886	6,762,956
Net assets with donor restrictions (Note 15):		
Restricted for time and purpose	6,486,556	6,671,377
Restrictions perpetual in nature	500,000	500,000
Total net assets with donor restrictions	6,986,556	7,171,377
TOTAL NET ASSETS	21,926,442	13,934,333
TOTAL LIABILITIES AND NET ASSETS	\$ 36,555,369	\$ 32,226,632

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

**ASTOR SERVICES FOR CHILDREN & FAMILIES AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	For the Year Ended June 30, 2021			For the Year Ended June 30, 2020		
	Without Donor Restrictions	With Donor Restrictions	Total 2021	Total 2020	Without Donor Restrictions	With Donor Restrictions
REVENUE AND SUPPORT:						
Revenue						
Government contracts and grants (Note 2E)	\$ 30,173,040	\$ -	\$ 30,173,040	\$ 30,205,277	\$ 30,205,277	\$ -
Contracts with non-governmental entities	1,740,189	-	1,740,189	1,917,686	1,917,686	-
Medicaid (Note 2E)	15,536,557	-	15,536,557	14,745,718	14,745,718	-
Managed care, private and commercial insurance fees	18,209,792	-	18,209,792	11,870,052	11,870,052	-
Support						
Donated services and facilities (Notes 2F, 2J and 4)	462,434	286,607	749,041	875,476	578,203	297,273
Contributions and other	1,576,466	-	1,576,466	494,742	494,292	450
Grants						
Other grants	580,727	28,292	609,019	897,934	800,816	97,118
Investment activity (Note 13)	451,078	95,484	546,562	(4,805)	3,718	(8,523)
Net assets released from restrictions (Note 2B)	595,204	(595,204)	-	-	643,777	(643,777)
TOTAL REVENUE AND SUPPORT	<u>69,325,487</u>	<u>(184,821)</u>	<u>69,140,666</u>	<u>61,002,080</u>	<u>61,259,539</u>	<u>(257,459)</u>
EXPENSES (Note 2H):						
Program services:						
Care Management	6,703,489	-	6,703,489	5,677,858	5,677,858	-
Early Childhood	9,992,288	-	9,992,288	9,699,750	9,699,750	-
Enhanced Schools	8,070,296	-	8,070,296	8,448,256	8,448,256	-
Out of Home Placement	12,344,384	-	12,344,384	12,415,947	12,415,947	-
Outpatient	11,611,189	-	11,611,189	10,718,515	10,718,515	-
Other Clinical Programs	3,528,606	-	3,528,606	3,781,300	3,781,300	-
Program services - Subsidiary	64,620	-	64,620	64,620	64,620	-
Total program services	<u>52,314,872</u>	<u>-</u>	<u>52,314,872</u>	<u>50,806,246</u>	<u>50,806,246</u>	<u>-</u>
Support services:						
Management and administration	7,904,934	-	7,904,934	8,688,252	8,688,252	-
Fundraising	928,751	-	928,751	458,140	458,140	-
Total support services	<u>8,833,685</u>	<u>-</u>	<u>8,833,685</u>	<u>9,146,392</u>	<u>9,146,392</u>	<u>-</u>
TOTAL EXPENSES	<u>61,148,557</u>	<u>-</u>	<u>61,148,557</u>	<u>59,952,638</u>	<u>59,952,638</u>	<u>-</u>
CHANGE IN NET ASSETS	8,176,930	(184,821)	7,992,109	1,049,442	1,306,901	(257,459)
Net assets - beginning of year	<u>6,762,956</u>	<u>7,171,377</u>	<u>13,934,333</u>	<u>12,884,891</u>	<u>5,456,055</u>	<u>7,428,836</u>
NET ASSETS - END OF YEAR	<u>\$ 14,939,886</u>	<u>\$ 6,986,556</u>	<u>\$ 21,926,442</u>	<u>\$ 13,934,333</u>	<u>\$ 6,762,956</u>	<u>\$ 7,171,377</u>

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

ASTOR SERVICES FOR CHILDREN & FAMILIES AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Totals for June 30, 2020)

	Program Services							Supporting Services			Eliminations	Consolidated Total 2021	Consolidated Total 2020	
	Care Management	Early Childhood	Enhanced Schools	Out of Home Placement	Outpatient	Other Clinical Programs	Subsidiary	Total Program Services	Management and Administration	Fundraising				Total Supporting Services
Salaries and related expenses:														
Salaries	\$ 4,508,212	\$ 5,567,356	\$ 5,224,468	\$ 6,457,464	\$ 7,998,175	\$ 2,346,148	\$ -	\$ 32,101,823	\$ 4,194,346	\$ 459,103	\$ 4,653,449	\$ -	\$ 36,755,272	\$ 36,025,334
Employee health and retirement benefits (Note 9)	854,935	1,288,700	1,023,240	1,205,634	1,527,052	460,095	-	6,359,656	835,836	90,952	926,788	-	7,286,444	6,888,591
Payroll taxes and other benefits	539,970	658,193	607,514	773,964	971,378	255,386	-	3,806,405	480,956	64,052	545,008	-	4,351,413	3,751,733
Total salaries and related expenses	5,903,117	7,514,249	6,855,222	8,437,062	10,496,605	3,061,629	-	42,267,884	5,511,138	614,107	6,125,245	-	48,393,129	46,665,658
Professional services	68,779	290,410	285,195	449,182	180,633	100,583	-	1,374,782	602,771	158,826	761,597	-	2,136,379	2,704,098
Supplies	27,918	288,609	54,534	250,654	26,986	4,248	-	652,949	208,922	918	209,840	-	862,789	701,956
Telephone	164,627	234,448	132,687	195,939	332,078	98,471	-	1,158,250	956,519	-	956,519	-	2,114,769	1,756,481
Occupancy (Note 10A)	165,527	279,513	172,032	329,485	202,288	120,290	-	1,269,135	91,848	-	91,848	-	1,360,983	1,422,723
Travel and related expenses	83,040	102,147	13,570	97,682	36,381	42,521	-	375,341	56,135	-	56,135	-	431,476	501,685
Training and conferences	7,218	79,796	5,617	5,031	8,794	10,366	-	116,822	23,103	-	23,103	-	139,925	210,872
Specific assistance	86,236	1,805	-	13,760	940	5,513	-	108,254	-	-	-	-	108,254	104,884
Client expenses - Foster boarding home	-	-	-	1,065,346	-	-	-	1,065,346	-	-	-	-	1,065,346	1,022,826
Children's activities	46	662	2,140	30,300	-	85	-	33,233	-	-	-	-	33,233	52,706
Insurance	103,219	142,311	120,963	171,289	180,328	52,500	-	770,610	-	-	-	-	770,610	758,747
Food	-	167,868	1,797	169,983	-	-	-	339,648	1,270	-	1,270	-	340,918	432,817
Furniture and equipment	15,405	57,079	62,098	77,422	34,111	7,456	-	253,571	34,027	-	34,027	-	287,598	271,629
Interest	-	-	42,172	361,763	-	-	-	403,935	44,514	-	44,514	-	448,449	583,336
Depreciation and amortization (Note 5)	17,038	104,832	158,369	522,167	31,755	5,657	64,620	904,438	88,205	-	88,205	-	992,643	1,080,892
Donated services and facilities	20,506	690,647	114,855	105,114	35,826	10,427	-	977,375	-	-	-	-	977,375	1,093,141
Other administrative expense	-	-	-	-	-	-	-	-	25,671	-	25,671	-	25,671	26,521
Publicity	-	-	-	-	-	-	-	-	-	154,900	154,900	-	154,900	66,194
Miscellaneous	40,813	36,312	45,312	42,210	44,464	8,860	-	217,971	256,811	-	256,811	-	474,782	388,930
Other grants expense	-	1,600	3,733	19,995	-	-	-	25,328	4,000	-	4,000	-	29,328	106,542
Administrative charge to Subsidiary (Note 8)	-	-	-	-	-	-	-	-	187,869	-	187,869	(187,869)	-	-
Fundraising charge to Subsidiary (Note 8)	-	-	-	-	-	-	-	-	-	370,234	370,234	(370,234)	-	-
Grant expense to Subsidiary (Note 8)	-	-	-	-	-	-	-	-	-	5,000,000	5,000,000	(5,000,000)	-	-
TOTAL EXPENSES - BEFORE ELIMINATIONS	6,703,489	9,992,288	8,070,296	12,344,384	11,611,189	3,528,606	64,620	52,314,872	8,092,803	6,298,985	14,391,788	(5,558,103)	61,148,557	59,952,638
Allocation of eliminations	-	-	-	-	-	-	-	-	(187,869)	(5,370,234)	(5,558,103)	5,558,103	-	-
TOTAL EXPENSES	\$ 6,703,489	\$ 9,992,288	\$ 8,070,296	\$ 12,344,384	\$ 11,611,189	\$ 3,528,606	\$ 64,620	\$ 52,314,872	\$ 7,904,934	\$ 928,751	\$ 8,833,685	\$ -	\$ 61,148,557	\$ 59,952,638

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

ASTOR SERVICES FOR CHILDREN & FAMILIES AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020

	Program Services							Supporting Services			Eliminations	Consolidated Total 2020	
	Care Management	Early Childhood	Enhanced Schools	Out of Home Placement	Outpatient	Other Clinical Programs	Subsidiary	Total Program Services	Management and Administration	Fundraising			Total Supporting Services
Salaries and related expenses:													
Salaries	\$ 3,745,448	\$ 5,601,783	\$ 5,505,551	\$ 6,436,351	\$ 7,445,815	\$ 2,474,057	\$ -	\$ 31,209,005	\$ 4,809,285	\$ 7,044	\$ 4,816,329	\$ -	\$ 36,025,334
Employee health and retirement benefits (Note 9)	762,434	1,237,489	1,021,761	1,228,348	1,329,358	458,774	-	6,038,164	843,195	7,232	850,427	-	6,888,591
Payroll taxes and other benefits	382,993	587,350	568,129	659,327	752,414	265,205	-	3,215,418	477,373	58,942	536,315	-	3,751,733
Total salaries and related expenses	4,890,875	7,426,622	7,095,441	8,324,026	9,527,587	3,198,036	-	40,462,587	6,129,853	73,218	6,203,071	-	46,665,658
Professional services	94,831	248,415	437,622	677,771	237,094	167,592	-	1,863,325	731,782	108,991	840,773	-	2,704,098
Supplies	35,580	211,902	54,183	214,521	37,390	16,842	-	570,418	131,538	-	131,538	-	701,956
Telephone	118,321	33,338	65,707	179,957	285,183	68,587	-	751,093	1,005,388	-	1,005,388	-	1,756,481
Occupancy (Note 10A)	187,901	284,622	179,899	277,455	251,473	147,030	-	1,328,380	94,343	-	94,343	-	1,422,723
Travel and related expenses	83,453	97,533	19,752	106,602	53,610	78,344	-	439,294	57,940	4,451	62,391	-	501,685
Training and conferences	3,860	32,077	15,118	85,352	9,894	10,263	-	156,564	54,308	-	54,308	-	210,872
Specific assistance	84,576	616	-	13,034	1,144	5,014	-	104,384	-	500	500	-	104,884
Client expenses - Foster boarding home	-	-	-	1,022,826	-	-	-	1,022,826	-	-	-	-	1,022,826
Children's activities	-	406	15,568	30,924	-	800	-	47,698	-	5,008	5,008	-	52,706
Insurance	88,821	126,034	132,369	182,088	170,585	58,850	-	758,747	-	-	-	-	758,747
Food	150	231,903	1,381	196,273	204	94	-	430,005	2,812	-	2,812	-	432,817
Furniture and equipment	19,567	56,521	53,942	60,945	38,213	7,415	-	236,603	35,026	-	35,026	-	271,629
Interest	-	-	51,164	382,403	-	-	-	433,567	149,769	-	149,769	-	583,336
Depreciation and amortization (Note 5)	16,595	127,408	165,746	522,885	35,560	5,576	64,620	938,390	60,275	82,227	142,502	-	1,080,892
Donated services and facilities	17,921	803,570	117,533	107,824	34,419	11,874	-	1,093,141	-	-	-	-	1,093,141
Other administrative expense	-	-	-	-	-	-	-	-	26,521	-	26,521	-	26,521
Publicity	-	-	-	-	-	-	-	-	-	66,194	66,194	-	66,194
Miscellaneous	35,407	18,783	42,831	31,061	36,159	4,983	-	169,224	208,697	11,009	219,706	-	388,930
Other grants expense	-	-	-	-	-	-	-	-	-	106,542	106,542	-	106,542
Administrative charge to Subsidiary (Note 8)	-	-	-	-	-	-	-	-	239,685	-	239,685	(239,685)	-
Fundraising charge to Subsidiary (Note 8)	-	-	-	-	-	-	-	-	-	364,563	364,563	(364,563)	-
TOTAL EXPENSES - BEFORE ELIMINATIONS	5,677,858	9,699,750	8,448,256	12,415,947	10,718,515	3,781,300	64,620	50,806,246	8,927,937	822,703	9,750,640	(604,248)	59,952,638
Allocation of eliminations	-	-	-	-	-	-	-	-	(239,685)	(364,563)	(604,248)	604,248	-
TOTAL EXPENSES	\$ 5,677,858	\$ 9,699,750	\$ 8,448,256	\$ 12,415,947	\$ 10,718,515	\$ 3,781,300	\$ 64,620	\$ 50,806,246	\$ 8,688,252	\$ 458,140	\$ 9,146,392	\$ -	\$ 59,952,638

**ASTOR SERVICES FOR CHILDREN & FAMILIES AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 7,992,109	\$ 1,049,442
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	992,643	1,080,892
Amortization of discount on contribution in-kind receivable	(286,607)	(297,273)
Reduction of contribution in-kind - rent receivable	514,944	514,944
Interest expense on deferred financing costs	13,431	13,431
Unrealized (gain) loss on investments	(485,366)	80,258
Subtotal	8,741,154	2,441,694
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	4,183,388	(997,964)
Prepaid expenses, deposits and other assets	(146,786)	52,563
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(2,394,634)	40,487
Accrued salaries, vacation and benefits	1,176,529	615,469
Pension withdrawal liability	(253,893)	(1,460,737)
Due to funding sources and deferred revenue	(424,266)	(967,698)
Net Cash Provided by (Used in) Operating Activities	10,881,492	(276,186)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(6,050,541)	(251,036)
Proceeds from sales of investments	424,077	826,140
Purchases of property and equipment	(168,913)	(153,142)
Net Cash (Used in) Provided by Investing Activities	(5,795,377)	421,962
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on debt	(932,515)	(608,813)
Proceeds from Paycheck Protection Program loan payable	1,800,000	-
(Payments on) proceeds from line of credit	(2,648,024)	225,000
Net Cash Used in Financing Activities	(1,780,539)	(383,813)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,305,576	(238,037)
Cash and cash equivalents - beginning of year	162,749	400,786
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 3,468,325	\$ 162,749
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for interest	\$ 435,018	\$ 569,905

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

**ASTOR SERVICES FOR CHILDREN & FAMILIES AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1—ORGANIZATION, NATURE OF ACTIVITIES AND BASIS OF PRESENTATION

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 has certain reserve powers associated with Astor, 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 child care 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 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 are from federal, New York State and local agencies.

The Children's Foundation of Astor, Inc. ("Foundation") is a not-for-profit corporation. The Foundation was formed to raise funds and provide grants as well as support the activities of Astor. Astor is the sole member of the Foundation. Astor and the Foundation have a "Parent" and "Subsidiary" relationship through common Board membership, substantially identical management and the sole member relationship.

These financial statements present the consolidated statements of financial position, activities, functional expenses and cash flows of Astor and the Foundation (collectively, the "Organization").

Astor and the Foundation are qualified as tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code and similar New York State Laws and, accordingly, are not subject to federal and state income taxes.

Programs operated by the Organization are summarized below.

- **Care Management:** The provision of support and linkages to programs/services in the home, school, and community. These include individualized programs to prevent residential placement and innovative cross-systems integration to serve children who are at high risk.
- **Early Childhood:** Head Start, special education and early intervention programs for young children ages 3-5 years.
- **Enhanced Schools:** 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 and in schools. This includes therapy services using evidence-based practices, psychiatry, and tele-psychiatry services.
- **Other Clinical Programs:** Astor provides a series of specialized services not listed in its main service lines, including: immediate home and school response in times of crisis; partial hospitalization for adolescents needing the highest level of clinical support; and specialized services for children at risk of more restrictive placements including Functional Family Therapy, juvenile justice prevention, Children and Family Treatment and Support and Home and Community Based Services, COVID-19 mental health support, and a 24-hour Stabilization Center.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Organization prepares its consolidated financial statements using the accrual basis of accounting. The Organization adheres to accounting principles generally accepted in the United States of America ("U.S. GAAP"). All significant inter-company balances and transactions have been eliminated in the consolidation.

ASTOR SERVICES FOR CHILDREN & FAMILIES AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- B. Revenue and support are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:
- Net Assets Without Donor Restrictions – Represents resources available for support of the Organization’s operations, over which the Board of Directors has discretionary control.
 - Net Assets With Donor Restrictions – The Organization reports contributions of cash and other assets as without donor restrictions 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 consolidated 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, the Organization reports the contribution as net assets without donor restrictions. In addition, net assets with donor restrictions represent assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. The donor of these assets permits the Organization to use the income earned from related investments for general purposes. Earnings would normally be accounted for in the net assets without donor restrictions class to benefit the Organization, but as further described in Note 15, such funds are restricted by law until appropriated by the Board. The Organization has net assets with donor restrictions, which are perpetual in nature, of \$500,000 as of both June 30, 2021 and 2020.
- C. The preparation of consolidated 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 consolidated 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 funds and accounts 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. The Organization 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, the Organization establishes refundable advances from governmental sources. Any revenue for contracts that has not yet been earned is reclassified as deferred revenue in the consolidated statements of financial position.

Government grants and contracts are nonexchange transactions and accounted for under ASU 2018-08 *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made* (Topic 958). Government grants and contracts are recognized as revenue when barriers within the contract are overcome and there is no right of return. Government grants and contracts amounted to \$30,173,040 and \$30,205,277 for the years ended June 30, 2021 and 2020, respectively, and are included in the consolidated statements of activities.

As of June 30, 2021 and 2020, Astor received conditional grants and contracts from government agencies in the aggregate amounts of approximately \$15,922,000 and \$17,296,000, respectively. Such grants have not been recognized in the accompanying consolidated financial statements as they are for future periods and will be recognized when contract barriers are overcome. Such barriers include expending these funds in accordance with their agreements. If such services are not provided, the governmental entities are not obligated to expend the funds allotted under the grants and contracts and the Organization may be required to return the funds already remitted.

ASTOR SERVICES FOR CHILDREN & FAMILIES AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Primary support for the programs operated by Astor is also derived directly from services provided to approved clients from third-party reimbursement sources. Laws and regulations governing Medicaid programs are subject to interpretation. Noncompliance with such laws and regulations could result in fines, penalties and exclusion from Medicaid programs. There are occasions when funding source reimbursements for prior years are adjusted in the current period. Astor records receivables and revenue when earned based on established rates or contracts for services provided. Revenue is reported at the amount that reflects the consideration to which Astor expects to be entitled in exchange for providing the contracted services. Generally, Astor bills the government entities, third-party payors and individuals after the services are performed or when Astor has completed its portion of the contract. Medicaid is accounted for under Accounting Standards Update (“ASU”) 2014-09 “*Revenue from Contracts with Customers*” (Topic 606).

Performance obligations are determined based on the nature of the services provided by Astor in accordance with the contract. Revenues for performance obligations are satisfied at a point in time at which services are provided. Astor believes this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Astor measures the performance obligation from the beginning of the next month or day to the point when it is no longer required to provide services under the contract or has met the requirements to bill for the services provided, which is generally at the end of each month or period of time allowed based on the government agencies' stipulations.

Because all of its performance obligations relate to contracts with a duration of less than one year, Astor has elected to apply the optional exemption provided in Financial Accounting Standards Board (“FASB”) ASC 606-10-50-1 4(a) and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. The performance obligations for these contracts are generally completed when the service is completed and upon submission of required documentation.

Astor determines the transaction price based on established rates and contracts for services provided. The initial estimate of the transaction price is determined by reducing the established rates for services provided by any implicit price concessions based on historical collection experience with each government agency. Astor has determined that the nature, amount, timing and uncertainty of revenue and cash flows are affected by the payors and service lines. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to revenue in the period of the change.

Due to funding sources and deferred revenue include 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 consolidated financial statements. Differences between estimated and actual financial rates will be reflected in the consolidated 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 66% and 73% of the Organization’s revenues without donor restrictions were provided by Medicaid reimbursement and government contracts and grants during the years ended June 30, 2021 and 2020, 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, 2021 and 2020 was approximately \$3,827,000 and (\$798,000), respectively, of prior year increases (decreases), relating to such adjustments.

ASTOR SERVICES FOR CHILDREN & FAMILIES AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Organization 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, 2021 and 2020, Astor recognized an estimated increase (decrease) of \$67,309 and (\$10,980) for tuition revenue based on SED's reconciliation process. These amounts are reflected in government contracts and grants and accounts receivable.

- F. The Organization receives donated services, equipment, supplies and other items which supplement the efforts of the Organization's professional staff in providing services. The Organization records these contributions in the accompanying consolidated 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, 2021 and 2020, the Organization 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 Organization 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 among the program and supporting services benefited.
- I. Property and equipment is stated at cost less accumulated depreciation and amortization. These amounts do not purport to represent replacement or realizable values. The Organization 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. The Organization considers these pledges scheduled to be received in future periods as implicitly time restricted. The Organization 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. As of June 30, 2021 and 2020, the discount on contributions in-kind receivable amounted to \$2,618,324 and \$2,904,931, respectively.
- K. Pledges are recorded as income when the Organization is formally notified of the grants or contributions by the respective donors. Unless material to the consolidated financial statements, the Organization does not discount multi-year pledges.
- L. Investments are measured at fair value. Fair value measurements are based on 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. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three levels, as described in Note 14.
- M. Change in Reporting Entity – The accompanying consolidated financial statements include both Astor and the Foundation. Astor is the sole member of the Foundation and controls the Foundation. In the past, the financial statements for both Astor and the Foundation were not consolidated owing to the fact of Astor being controlled by the Alliance. During the year ended June 30, 2021, Astor's by-laws were amended to emphasize Astor's definition as the sole member of the Foundation. As a result, the Organization has concluded that the circumstances, which in the past had not required consolidation, no longer exist. Accordingly, both Astor and the Foundation are now included in the accompanying consolidated financial statements. The change in the Organization's consolidation policy is applicable as of and for the year ended June 30, 2021 and, retroactively, as of and for the year ended June 30, 2020.

ASTOR SERVICES FOR CHILDREN & FAMILIES AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 3—LIQUIDITY AND AVAILABILITY OF RESOURCES

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

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization 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.

In addition to financial assets available to meet general expenditures over the next 12 months, the Organization 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, the Organization could also draw upon \$6,000,000 of its available bank line of credit of which \$6,000,000 is available as of June 30, 2021. See Note 6.

The following financial assets could readily be made available immediately from the consolidated statements of financial position date to meet general expenditures as of June 30:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 3,468,325	\$ 162,749
Investments	8,631,652	2,519,822
Accounts receivable, net	<u>8,143,571</u>	<u>12,326,959</u>
Total financial assets	20,243,548	15,009,530
Less: Investments, perpetual in nature	(500,000)	(500,000)
Less: Unappropriated earnings from endowment	<u>(45,484)</u>	<u>-</u>
	<u>\$ 19,698,064</u>	<u>\$ 14,509,530</u>

NOTE 4—CONTRIBUTION IN-KIND - RENT RECEIVABLE

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

	<u>2021</u>	<u>2020</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>6,179,328</u>	<u>6,694,272</u>
	8,754,048	9,268,992
Less: Unamortized discount to present value	<u>(2,618,324)</u>	<u>(2,904,931)</u>
	<u>\$ 6,135,724</u>	<u>\$ 6,364,061</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, NY 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 \$286,607 and \$297,273 for the years ended June 30, 2021 and 2020, respectively.

**ASTOR SERVICES FOR CHILDREN & FAMILIES AND SUBSIDIARY
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NOTE 5—PROPERTY AND EQUIPMENT

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

	<u>2021</u>	<u>2020</u>	Estimated Useful Lives
Land	\$ 505,358	\$ 505,358	
Buildings	18,480,424	18,480,424	40 years
Furniture and equipment	2,880,154	2,706,398	3-10 years
Leasehold improvements	4,757,035	4,757,035	Remaining lease term
Construction in progress (see below)	<u>191,906</u>	<u>196,749</u>	
Total cost	26,814,877	26,645,964	
Accumulated depreciation and amortization	<u>(17,151,671)</u>	<u>(16,159,028)</u>	
Net book value	<u>\$ 9,663,206</u>	<u>\$ 10,486,936</u>	

Depreciation and amortization expense for the years ended June 30, 2020 and 2019 amounted to \$992,643 and \$1,080,892, respectively.

As of June 30, 2021, construction in progress primarily consists of the real estate advisory costs for rezoning feasibility and development options for the property owned at 750 Tilden Avenue, Bronx, New York. The project is expected to be completed within 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:

	<u>2021</u>	<u>2020</u>
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%. This loan was paid in full in FY2021.	\$ -	\$ 401,004
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; collateralized by certain property and equipment.	672,788	838,013
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; collateralized by certain property and equipment.	<u>6,346,283</u>	<u>6,712,569</u>
Total	7,019,071	7,951,586
Less: Unamortized debt issuance costs	(20,299)	(33,730)
Less: Current portion	<u>(568,174)</u>	<u>(633,956)</u>
Debt, net of current portion	<u>\$ 6,430,598</u>	<u>\$ 7,283,900</u>

**ASTOR SERVICES FOR CHILDREN & FAMILIES AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 6—DEBT (Continued)

Future principal payments (net of issuance costs) for each of the five years subsequent to June 30, 2021 are as follows:

2022	\$ 568,174
2023	599,925
2024	633,450
2025	579,510
2026	488,352
Thereafter (expiring January 2033)	<u>4,149,660</u>
	<u>\$ 7,019,071</u>

Astor has an unsecured line of credit (“LOC”) with a bank capped at \$6,000,000, of which \$0 and \$2,648,024 was outstanding at June 30, 2021 and 2020, 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 3.1005% and 2.86% as of June 30, 2021 and 2020, respectively). It should be noted that LIBOR is being phased out world-wide and the LOC will be modified. The replacement for LIBOR will be a term Secured Overnight Financing Rate (“SOFR”), daily simple SOFR, or an alternative benchmark rate that has been selected by the bank as the replacement. The LOC is payable on demand. As of December 23, 2021, there was \$1,000,000 borrowed.

As of June 30, 2021, \$7,019,071 of the long-term debt and the unsecured line of credit of \$6,000,000 is 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 met.

Interest expense related to debt for the years ended June 30, 2021 and 2020 amounted to \$448,449 and \$583,336, respectively.

NOTE 7—PAYCHECK PROTECTION PROGRAM LOAN PAYABLE

On March 27, 2020, in response to COVID-19, the federal government passed the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”). Among many other provisions, to help businesses retain employees, the CARES Act provides relief to qualifying businesses through a program called the Paycheck Protection Program (“PPP”). Participating in the PPP enables the business to obtain a loan from the Small Business Administration (“SBA”) sector of the government. If the proceeds from the loan are used for specified purposes, some or all of the loan can be forgiven.

Astor applied for this loan through an SBA authorized lender and received \$1,800,000 in August 2020. Management has opted to account for the PPP loan under FASB ASC 470 and expects to recognize the gain resulting from the forgiveness upon legal release of its obligation from the SBA. If the loan is not forgiven, Astor must repay the loan on or before the due date in August 2025 with interest at 1% per annum. For the year ended June 30, 2021, no amount was recorded for interest expense as this was deemed immaterial to the financial statements. In addition, Astor has elected to present the full balance of the loan as long-term since it believes that the loan will be forgiven.

NOTE 8—TRANSACTIONS WITH THE FOUNDATION AND RELATED PARTIES

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 the years ended June 30, 2021 and 2020. See Note 4.

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, 2021 and 2020, the insurance brokerage commissions paid to the Board member’s firm amounted to \$356,314 and \$320,338, 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, 2021 and 2020, Astor paid legal fees to the Board member’s law firm amounting to \$3,775 and \$4,357, respectively. In addition, Astor maintains certain cash accounts and loans with a bank that employs an Astor Board member. The Foundation has a Board member who is a partner in a firm that manages the investments of the Foundation. For the years ended June 30, 2021 and 2020, the Foundation did not pay any investment fees to the Board member or his firm.

ASTOR SERVICES FOR CHILDREN & FAMILIES AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 8—TRANSACTIONS WITH THE FOUNDATION AND RELATED PARTIES (Continued)

Astor and the Foundation both have conflict of interest policies and disclosures that are regularly reviewed by the Board. In addition, it is the policy of the Organization 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. The Organization routinely evaluates the pricing of the services rendered for purposes of determining that they are at or below fair market value.

During the year ended June 30, 2021, Astor granted the Foundation \$5,000,000. This amount was eliminated in the accompanying consolidated financial statements.

Astor charges the Foundation certain administrative and fundraising expenses, which amounted to \$558,103 and \$604,248 for the years ended June 30, 2021 and 2020, respectively. These amounts were eliminated in the accompanying consolidated financial statements.

NOTE 9—RETIREMENT PLANS

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, 2021 and 2020, the accrued pension withdrawal liability for the Plan was \$0 and \$253,893, respectively. Payments made by Astor to reduce the liability amounted to \$1,921,485 and \$512,396 for the years ended June 30, 2021 and 2020, respectively.

Effective January 1, 2015, Astor implemented a defined contribution 403(b) Thrift Plan (“403(b) Plan”) covering all eligible employees. 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, 2021 and 2020 amounted to \$1,741,708 and \$1,424,666, respectively.

NOTE 10—COMMITMENTS AND CONTINGENCIES

A. The Organization has operating lease commitments for certain facilities, vehicles and equipment expiring on various dates through 2026. Aggregate minimum rentals for each of the fiscal years ending after June 30, 2021 are as follows:

		Facilities		Vehicles		Equipment		Total
2022	\$	580,014	\$	219,064	\$	174,671	\$	973,749
2023		417,523		186,151		164,216		767,890
2024		201,600		136,374		162,079		500,053
2025		32,037		138,962		159,986		330,985
2026		-		75,022		156,298		231,320
	\$	1,231,174	\$	755,573	\$	817,250	\$	2,803,997

Rent expense for the facilities, vehicles and equipment amounted to \$641,928, \$180,070 and \$298,970, respectively, for the year ended June 30, 2021 and \$749,341, \$198,658 and \$276,764, respectively, for the year ended June 30, 2020.

B. Pursuant to the Organization’s contractual relationships with certain funding sources, outside governmental agencies have the right to examine the Organization’s books and records involving transactions relating to those contracts. The accompanying consolidated 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 consolidated financial statements.

ASTOR SERVICES FOR CHILDREN & FAMILIES AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 10—COMMITMENTS AND CONTINGENCIES (Continued)

- C. The COVID-19 pandemic remains an evolving situation. The extent of the impact of COVID-19 on the Organization’s business and financial results will depend on future developments, including the duration and spread of the outbreak. Due to the rapidly changing business environment, unprecedented market volatility, and other circumstances resulting from the COVID-19 pandemic, the Organization is currently unable to fully determine the extent of COVID-19’s impact on its business in future periods. The Organization’s performance in future periods will be heavily influenced by the timing, length, and intensity of the economic recoveries in the United States. The Organization continues to monitor evolving economic and general business conditions and the actual and potential impacts on its financial position and results of operations.
- D. Astor and the Foundation believe they have no uncertain income tax positions as of June 30, 2021 and 2020 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 11—CONCENTRATIONS

A. *Concentration of Credit Risk*

Cash and cash equivalents that potentially subject the Organization to a concentration of credit risk include cash accounts with financial institutions that exceed the Federal Deposit Insurance Corporation (“FDIC”) insurance limits of \$250,000 per depositor. Such amounts are at two banks and amounted to approximately \$3,384,000 and \$1,168,000 as of June 30, 2021 and 2020, 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.

NOTE 12—INVESTMENTS – PERPETUAL IN NATURE

In 1997, the Foundation received a grant of \$500,000 for the establishment of an endowment fund for Astor. Prior to the fiscal year ended 2020, Astor recorded its interest in the net assets of the Foundation as net assets with donor restrictions. Astor’s interest in this grant has been eliminated in these consolidated financial statements and the grant received by the Foundation is reflected as net assets with donor restrictions. See Note 15.

NOTE 13—INVESTMENTS

Investments consist of the following as of June 30:

	<u>2021</u>	<u>2020</u>
Mutual funds		
Domestic equity	\$ 142,606	\$ 158,132
Fixed income	593,781	650,683
Exchange traded funds		
Domestic equity	1,034,148	718,266
International equity	479,071	301,949
Fixed income	301,484	293,860
Money market funds	5,017,424	101,799
Certificates of deposit	-	277,309
Common stocks	<u>1,063,138</u>	<u>17,824</u>
Subtotal	8,631,652	2,519,822
Investments – perpetual in nature	<u>(500,000)</u>	<u>(500,000)</u>
Investments, net of restricted amounts	<u>\$ 8,131,652</u>	<u>\$ 2,019,822</u>

See Note 14 for the fair value hierarchy.

The investments that are perpetual in nature are commingled amongst all the categories in the table above.

Investments are subject to market volatility that could change their carrying values in the near term.

**ASTOR SERVICES FOR CHILDREN & FAMILIES AND SUBSIDIARY
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NOTE 13—INVESTMENTS (Continued)

Investment activity consists of the following for the years ended June 30:

	2021	2020	
Interest and dividends	\$ 61,196	\$ 75,453	
Net unrealized gain (loss)	485,366	(80,258)	
	\$ 546,562	\$ (4,805)	

NOTE 14—FAIR VALUE MEASUREMENTS

The framework for measuring fair value 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 three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 – Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the assets or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

In determining fair value, the Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible in its assessment of fair value.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used as of June 30, 2021 and 2020.

Mutual Funds:

Mutual funds are valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

Exchange Traded Funds:

Exchange traded funds are marketable securities that track an index, a commodity, bonds, or a basket of assets like an index fund. Unlike mutual funds, exchange traded funds trade like a common stock on a stock exchange. Exchange traded funds experience price changes throughout the day as they are bought and sold.

Money Market Funds:

Money market funds are valued using market prices in active markets

Certificates of Deposit:

Certificates of deposit (“CDs”) are valued at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the creditworthiness of the issuer. There is little difference between such calculation and cost. Accordingly, the Organization carries its CDs at cost.

Common Stocks:

Common stocks are valued using market prices in active markets.

ASTOR SERVICES FOR CHILDREN & FAMILIES AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 14—FAIR VALUE MEASUREMENTS (Continued)

The Organization's financial assets carried at fair value as of June 30, 2021 are classified in the table as follows:

ASSETS CARRIED AT FAIR VALUE	<u>Level 1</u>	<u>Level 2</u>	<u>Total 2021</u>
Mutual funds:			
Domestic equity	\$ 142,606	\$ -	\$ 142,606
Fixed income	593,781	-	593,781
Exchange traded funds:			
Domestic equity	1,034,148	-	1,034,148
International equity	479,071	-	479,071
Fixed income	301,484	-	301,484
Money market funds	5,017,424	-	5,017,424
Common stocks	<u>1,063,138</u>	<u>-</u>	<u>1,063,138</u>
TOTAL ASSETS CARRIED AT FAIR VALUE	<u>\$ 8,631,652</u>	<u>\$ -</u>	<u>\$ 8,631,652</u>

The Organization's financial assets carried at fair value as of June 30, 2020 are classified in the table as follows:

ASSETS CARRIED AT FAIR VALUE	<u>Level 1</u>	<u>Level 2</u>	<u>Total 2020</u>
Mutual funds:			
Domestic equity	\$ 158,132	\$ -	\$ 158,132
Fixed income	650,683	-	650,683
Exchange traded funds:			
Domestic equity	718,266	-	718,266
International equity	301,949	-	301,949
Fixed income	293,860	-	293,860
Money market funds	101,799	-	101,799
Certificates of deposit	-	277,309	277,309
Common stocks	<u>17,824</u>	<u>-</u>	<u>17,824</u>
TOTAL ASSETS CARRIED AT FAIR VALUE	<u>\$ 2,242,513</u>	<u>\$ 277,309</u>	<u>\$ 2,519,822</u>

NOTE 15—NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2021</u>	<u>2020</u>
Contribution in-kind rent (see Note 4 for details)	\$ 6,135,724	\$ 6,364,061
Perpetual in nature	500,000	500,000
Unappropriated earnings from endowment (see below)	45,484	-
Purpose and time restricted	<u>305,348</u>	<u>307,316</u>
	<u>\$ 6,986,556</u>	<u>\$ 7,171,377</u>

Net assets were released from donor restrictions during the years ended June 30, 2021 and 2020, by incurring expenses satisfying the restricted purpose or occurrence specified by the donors, or Board appropriation of earnings from the assets restricted in perpetuity.

ASTOR SERVICES FOR CHILDREN & FAMILIES AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 15—NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Endowment net assets consist of donor-restricted funds all related to the Foundation. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor imposed restrictions. See Note 2B for how the Foundation maintains its net assets.

The Foundation adheres to the New York Prudent Management of Institutional Funds Act (“NYPMIFA”). The Foundation recognizes that NYPMIFA permits the Board of Directors to appropriate for expenditure all earnings of endowment funds (both realized and unrealized) with a presumption of prudence to a ceiling of 7% annually based on a quarterly rolling five-year average of the fair value of the endowment funds. Any unappropriated earnings that would otherwise be considered without restrictions by the donor will be reflected in net assets with donor restrictions until appropriated.

The Foundation’s Board has interpreted NYPMIFA as allowing the Foundation to appropriate for expenditure or accumulate so much of an endowment fund as the Foundation determines is prudent for the uses, benefits, purposes and duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument.

The Organization’s endowment investment policy is to invest the funds in a mix of mutual funds with the objective of long-term growth. The investment policy provides for an asset allocation model that is designed to achieve this objective. The endowment’s total return performance is reviewed by the Foundation’s Board at each meeting. Any adjustments to the mix or allocation of the endowment based upon performance and market conditions would be approved by the Board at each meeting.

The policy for valuing the Organization’s investments is described in Notes 2L, 12 and 13. In accordance with U.S. GAAP, organizations are required to disclose any deterioration of the fair value of assets associated with donor-restricted endowment funds that fall below the level the donor requires the Organization to retain in perpetuity. As of June 30, 2020, there was a deficiency of \$18,670 which resulted from the unfavorable market fluctuations that occurred in the economy as a whole that affected the donor-restricted endowment fund, where the fair market value was below the amount that is required to be retained perpetuity. This deficiency was eliminated through an offset by the same amount against the Board appropriation for the year. The Organization did not incur such deficiency in its endowment funds through June 30, 2021.

Changes in endowment net assets for the year ended June 30, 2021 are as follows:

	<u>With donor restrictions</u>		
	<u>Endowment Earnings</u>	<u>Endowment Corpus</u>	<u>Total 2021</u>
Investment activity:			
Interest and dividends	\$ 11,261	\$ -	\$ 11,261
Unrealized gain on investment	<u>84,223</u>	<u>-</u>	<u>84,223</u>
Total investment activity	95,484	-	95,484
Board appropriation	<u>(50,000)</u>	<u>-</u>	<u>(50,000)</u>
Subtotal	45,484	-	45,484
Endowment net assets, beginning of year	<u>-</u>	<u>500,000</u>	<u>500,000</u>
Endowment net assets, end of year	<u>\$ 45,484</u>	<u>\$ 500,000</u>	<u>\$ 545,484</u>

ASTOR SERVICES FOR CHILDREN & FAMILIES AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 15—NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Changes in endowment net assets for the year ended June 30, 2020 are as follows:

	<u>With donor restrictions</u>		<u>Total 2020</u>
	<u>Endowment Earnings</u>	<u>Endowment Corpus</u>	
Investment activity:			
Interest and dividends	\$ 15,459	\$ -	\$ 15,459
Unrealized loss on investment	<u>(23,982)</u>	<u>-</u>	<u>(23,982)</u>
Total investment activity	(8,523)	-	(8,523)
Board appropriation	(40,000)	-	(40,000)
Offset to board appropriation for under water endowment	<u>18,670</u>	<u>-</u>	<u>18,670</u>
Subtotal	(29,853)	-	(29,853)
Endowment net assets, beginning of year	<u>29,853</u>	<u>500,000</u>	<u>529,853</u>
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 500,000</u>	<u>\$ 500,000</u>

NOTE 16—SUBSEQUENT EVENTS

Management has evaluated for potential recognition and disclosure events subsequent to the date of the consolidated statement of financial position through December 23, 2021, the date the consolidated financial statements were available to be issued.

ASTOR SERVICES FOR CHILDREN & FAMILIES AND SUBSIDIARY
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2021 AND 2020

	As of June 30, 2021				As of June 30, 2020			
	Astor Services for Children & Families	The Children's Foundation of Astor, Inc.	Eliminations	Total 2021	Astor Services for Children & Families	The Children's Foundation of Astor, Inc.	Eliminations	Total 2020
ASSETS								
Cash and cash equivalents	\$ 3,423,026	\$ 45,299	\$ -	\$ 3,468,325	\$ 119,832	\$ 42,917	\$ -	\$ 162,749
Investments	-	8,131,652	-	8,131,652	-	2,019,822	-	2,019,822
Accounts receivable, net	8,143,571	-	-	8,143,571	12,326,959	-	-	12,326,959
Contribution in-kind - rent receivable, current, net	514,944	-	-	514,944	514,944	-	-	514,944
Prepaid expenses, deposits and other assets	512,891	-	-	512,891	363,105	3,000	-	366,105
Due from Subsidiary	21,572	-	(21,572)	-	40,199	-	(40,199)	-
Total current assets	12,616,004	8,176,951	(21,572)	20,771,383	13,365,039	2,065,739	(40,199)	15,390,579
Contribution in-kind - rent receivable, non-current, net	5,620,780	-	-	5,620,780	5,849,117	-	-	5,849,117
Property and equipment, net	8,445,858	1,217,348	-	9,663,206	9,204,968	1,281,968	-	10,486,936
Investments - perpetual in nature	-	500,000	-	500,000	-	500,000	-	500,000
Beneficial interest in The Children's Foundation of Astor, Inc.	500,000	-	(500,000)	-	500,000	-	(500,000)	-
TOTAL ASSETS	\$ 27,182,642	\$ 9,894,299	\$ (521,572)	\$ 36,555,369	\$ 28,919,124	\$ 3,847,707	\$ (540,199)	\$ 32,226,632
LIABILITIES								
Accounts payable and accrued expenses	\$ 1,591,841	\$ 100	\$ -	\$ 1,591,941	\$ 3,986,575	\$ -	\$ -	\$ 3,986,575
Accrued salaries, vacation and benefits	3,571,001	-	-	3,571,001	2,394,472	-	-	2,394,472
Due to Subsidiary	-	21,572	(21,572)	-	-	40,199	(40,199)	-
Due to funding sources and deferred revenue	667,213	-	-	667,213	1,091,479	-	-	1,091,479
Bank line of credit	-	-	-	-	2,648,024	-	-	2,648,024
Pension withdrawal liability, current	-	-	-	-	253,893	-	-	253,893
Debt, current	568,174	-	-	568,174	633,956	-	-	633,956
Total current liabilities	6,398,229	21,672	(21,572)	6,398,329	11,008,399	40,199	(40,199)	11,008,399
Paycheck Protection Program loan payable	1,800,000	-	-	1,800,000	-	-	-	-
Debt, noncurrent	6,430,598	-	-	6,430,598	7,283,900	-	-	7,283,900
TOTAL LIABILITIES	14,628,827	21,672	(21,572)	14,628,927	18,292,299	40,199	(40,199)	18,292,299
NET ASSETS								
Without donor restriction	5,815,700	9,124,186	-	14,939,886	3,659,337	3,103,619	-	6,762,956
With donor restrictions	6,738,115	748,441	(500,000)	6,986,556	6,967,488	703,889	(500,000)	7,171,377
TOTAL NET ASSETS	12,553,815	9,872,627	(500,000)	21,926,442	10,626,825	3,807,508	(500,000)	13,934,333
TOTAL LIABILITIES AND NET ASSETS	\$ 27,182,642	\$ 9,894,299	\$ (521,572)	\$ 36,555,369	\$ 28,919,124	\$ 3,847,707	\$ (540,199)	\$ 32,226,632

See independent auditors' report.

**ASTOR SERVICES FOR CHILDREN & FAMILIES AND SUBSIDIARY
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

	Without Donor Restrictions			With Donor Restrictions			Eliminations and Reclassifications	Total 2021
	Astor Services for Children & Families	The Children's Foundation of Astor, Inc.	Total Without Donor Restrictions	Astor Services for Children & Families	The Children's Foundation of Astor, Inc.	Total With Donor Restrictions		
REVENUE AND SUPPORT:								
Revenue								
Government contracts and grants	\$ 30,173,040	\$ -	\$ 30,173,040	\$ -	\$ -	\$ -	\$ -	\$ 30,173,040
Contracts with non-governmental entities	1,740,189	-	1,740,189	-	-	-	-	1,740,189
Medicaid	15,536,557	-	15,536,557	-	-	-	-	15,536,557
Managed care, private and commercial insurance fees	18,209,792	-	18,209,792	-	-	-	-	18,209,792
Support								
Donated services and facilities	462,434	-	462,434	286,607	-	286,607	-	749,041
Management fees from Subsidiary	558,103	-	558,103	-	-	-	(558,103)	-
Contributions and other	233,621	6,342,845	6,576,466	-	-	-	(5,000,000)	1,576,466
Grants								
Other grants	580,727	-	580,727	28,292	-	28,292	-	609,019
Investment activity	-	451,078	451,078	-	95,484	95,484	-	546,562
Net assets released from restrictions	544,272	50,932	595,204	(544,272)	(50,932)	(595,204)	-	-
TOTAL REVENUE AND SUPPORT	68,038,735	6,844,855	74,883,590	(229,373)	44,552	(184,821)	(5,558,103)	69,140,666
EXPENSES								
Program services:								
Care Management	6,703,489	-	6,703,489	-	-	-	-	6,703,489
Early Childhood	9,992,288	-	9,992,288	-	-	-	-	9,992,288
Enhanced Schools	8,070,296	-	8,070,296	-	-	-	-	8,070,296
Out of Home Placement	12,344,384	-	12,344,384	-	-	-	-	12,344,384
Outpatient	11,611,189	-	11,611,189	-	-	-	-	11,611,189
Other Clinical Programs	3,528,606	-	3,528,606	-	-	-	-	3,528,606
Program services - Subsidiary	-	64,620	64,620	-	-	-	-	64,620
Total program services	52,250,252	64,620	52,314,872	-	-	-	-	52,314,872
Support services:								
Management and administration	7,858,269	234,534	8,092,803	-	-	-	(187,869)	7,904,934
Fundraising	5,773,851	525,134	6,298,985	-	-	-	(5,370,234)	928,751
Total support services	13,632,120	759,668	14,391,788	-	-	-	(5,558,103)	8,833,685
TOTAL EXPENSES	65,882,372	824,288	66,706,660	-	-	-	(5,558,103)	61,148,557
CHANGE IN NET ASSETS	2,156,363	6,020,567	8,176,930	(229,373)	44,552	(184,821)	-	7,992,109
Net assets - beginning of year	3,659,337	3,103,619	6,762,956	6,967,488	703,889	7,671,377	(500,000)	13,934,333
NET ASSETS - END OF YEAR	\$ 5,815,700	\$ 9,124,186	\$ 14,939,886	\$ 6,738,115	\$ 748,441	\$ 7,486,556	\$ (500,000)	\$ 21,926,442

See independent auditors' report.

**ASTOR SERVICES FOR CHILDREN & FAMILIES AND SUBSIDIARY
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

	Without Donor Restrictions			With Donor Restrictions			Eliminations and Reclassifications	Total 2020
	Astor Services for Children & Families	The Children's Foundation of Astor, Inc.	Total Without Donor Restrictions	Astor Services for Children & Families	The Children's Foundation of Astor, Inc.	Total With Donor Restrictions		
OPERATING REVENUE AND SUPPORT:								
Revenue								
Government contracts and grants	\$ 30,205,277	\$ -	\$ 30,205,277	\$ -	\$ -	\$ -	\$ -	\$ 30,205,277
Contracts with non-governmental entities	1,917,686	-	1,917,686	-	-	-	-	1,917,686
Medicaid	14,745,718	-	14,745,718	-	-	-	-	14,745,718
Managed care, private and insurance fees	11,870,052	-	11,870,052	-	-	-	-	11,870,052
Support								
Donated services and facilities	578,203	-	578,203	297,273	-	297,273	-	875,476
Management fees from Subsidiary	604,248	-	604,248	-	-	-	(604,248)	-
Contributions and other	275,066	219,226	494,292	-	450	450	-	494,742
Grants								
Other grants	800,816	-	800,816	97,118	-	97,118	-	897,934
Investment activity	-	3,718	3,718	-	(8,523)	(8,523)	-	(4,805)
Net assets released from restrictions	619,939	23,838	643,777	(619,939)	(23,838)	(643,777)	-	-
TOTAL OPERATING REVENUE AND SUPPORT	61,617,005	246,782	61,863,787	(225,548)	(31,911)	(257,459)	(604,248)	61,002,080
OPERATING EXPENSES								
Program services:								
Care Management	5,677,858	-	5,677,858	-	-	-	-	5,677,858
Early Childhood	9,699,750	-	9,699,750	-	-	-	-	9,699,750
Enhanced Schools	8,448,256	-	8,448,256	-	-	-	-	8,448,256
Out of Home Placement	12,415,947	-	12,415,947	-	-	-	-	12,415,947
Outpatient	10,718,515	-	10,718,515	-	-	-	-	10,718,515
Other Clinical Programs	3,781,300	-	3,781,300	-	-	-	-	3,781,300
Program services - Subsidiary	-	64,620	64,620	-	-	-	-	64,620
Total program services	50,741,626	64,620	50,806,246	-	-	-	-	50,806,246
Support services:								
Management and administration	8,573,588	354,349	8,927,937	-	-	-	(239,685)	8,688,252
Fundraising	391,946	430,757	822,703	-	-	-	(364,563)	458,140
Total support services	8,965,534	785,106	9,750,640	-	-	-	(604,248)	9,146,392
TOTAL OPERATING EXPENSES	59,707,160	849,726	60,556,886	-	-	-	(604,248)	59,952,638
CHANGE IN NET ASSETS	1,909,845	(602,944)	1,306,901	(225,548)	(31,911)	(257,459)	-	1,049,442
Net assets - beginning of year	1,749,492	3,706,563	5,456,055	7,193,036	735,800	7,928,836	(500,000)	12,884,891
NET ASSETS - END OF YEAR	\$ 3,659,337	\$ 3,103,619	\$ 6,762,956	\$ 6,967,488	\$ 703,889	\$ 7,671,377	\$ (500,000)	\$ 13,934,333

See independent auditors' report.