PARSONS CHILD AND FAMILY CENTER

Financial Statements as of
June 30, 2021
Together with
Independent Auditor's Report

Bonadio & Co., LLP
Certified Public Accountants

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Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

November 8, 2021

To the Board of Directors of
Parsons Child and Family Center:

Report on the Financial Statements
We have audited the accompanying financial statements of Parsons Child and Family Center (the Center) (a New York not-for-profit corporation), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year 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.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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 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 Parsons Child and Family Center as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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INDEPENDENT AUDITOR'S REPORT
(Continued)

Report on Summarized Comparative Information
We have previously audited the Center's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 14, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplemental Information
Our audit was conducted for the purpose of forming an opinion on the 2021 financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and* Schedule I are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 2021 financial statements as a whole.

The 2020 supplementary information is presented for the purpose of additional analysis and it is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2020 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2020 supplementary information is fairly stated in all material respects in relation to the financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*
In accordance with Government Auditing Standards, we have also issued our report dated November 8, 2021, on our consideration of the Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Center's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control over financial reporting and compliance.

Bonadio & Co., LLP

PARSONS CHILD AND FAMILY CENTER

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021
(With Comparative Totals for 2020)

	2021	2020
ASSETS		
CURRENT ASSETS:		
Cash	$ 9,288,528	$ 7,070,000
Accounts receivable	6,663,073	7,954,259
Due from affiliates	90,612	482,246
Prepaid expenses	22,705	22,881
Investments	7,452,028	5,969,500
Total current assets	23,516,946	21,498,886
INVESTMENTS, restricted	5,294,884	4,253,111
PROPERTY AND EQUIPMENT, net	18,578,431	18,989,538
OTHER ASSETS - escrow account	17,615	17,615
	$ 47,407,876	$ 44,759,150
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Line-of-credit	$ -	$ 268,348
Accounts payable	698,526	445,412
Accrued salaries and expenses	4,168,082	3,001,635
Due to affiliates	439,970	255,950
Notes payable, current portion	-	300,000
Mortgages payable, current portion	317,369	228,779
Paycheck protection program	5,875,451	6,742,155
Refundable advances	1,667,507	1,516,586
Total current liabilities	13,166,905	12,758,865
LONG-TERM LIABILITIES:		
Notes payable	-	300,000
Mortgages payable	10,122,173	10,571,728
Accrued post-retirement benefits	1,253,032	1,388,309
Liability for pension benefits	8,706,928	15,729,923
Total long-term liabilities	20,082,133	27,989,960
Total liabilities	33,249,038	40,748,825
NET ASSETS		
Without donor restrictions	8,783,738	(330,614)
With donor restrictions	5,375,100	4,340,939
Total net assets	14,158,838	4,010,325
	$ 47,407,876	$ 44,759,150

The accompanying notes are an integral part of these statements.

PARSONS CHILD AND FAMILY CENTER

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Totals for 2020)

	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUE AND SUPPORT:				
Program service fees	50,182,173	$ -	$ 50,182,173	46,232,146
Grant revenue - behavioral health center	95,829	-	95,829	3,978,171
Paycheck protection program grant revenue	866,704	-	866,704	-
DSRIP revenue	-	-	-	420,737
Fundraising and in-kind	241,519	-	241,519	203,079
Net loss on sale of assets	(196,817)	-	(196,817)	(152,565)
Rent	51,446	-	51,446	7,602
Miscellaneous	996,957	-	996,957	712,496
Net assets released from restrictions	22,133	(22,133)	-	-
Total Revenue and Support	52,259,944	(22,133)	52,237,811	51,401,666
EXPENSES:				
Program	46,391,714	-	46,391,714	42,577,834
Management and general	4,052,008	-	4,052,008	3,999,117
Fundraising and non-operating	1,039,439	-	1,039,439	339,659
Total Expenses	51,483,161	-	51,483,161	46,916,610
OPERATING GAIN	776,783	(22,133)	754,650	4,485,056
NON-OPERATING GAIN (LOSS):				
Investment income, net	1,482,574	1,056,294	2,538,868	394,347
State paid depreciation	(168,000)	-	(168,000)	(126,000)
Actuarial gain (loss) arising during period	7,022,995	-	7,022,995	(5,313,045)
Total non-operating gain (loss)	8,337,569	1,056,294	9,393,863	(5,044,698)
CHANGES IN NET ASSETS	9,114,352	1,034,161	10,148,513	(559,642)
NET ASSETS - beginning of year	(330,614)	4,340,939	4,010,325	4,569,967
NET ASSETS - end of year	$ 8,783,738	$ 5,375,100	$ 14,158,838	$ 4,010,325

The accompanying notes are an integral part of these statements.

PARSONS CHILD AND FAMILY CENTER

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Totals for 2020)

	2021	2020
CASH FLOW FROM OPERATING ACTIVITIES:		
Changes in net assets	$ 10,148,513	$ (559,642)
Adjustments to reconcile change in net assets to net cash flow from operating activities:		
Actuarial losses arising during period	(7,022,995)	5,313,045
Depreciation	1,229,090	1,075,215
Amortization on debt issurance cost	3,637	-
Paycheck protection program	(866,704)	-
Net loss on sale of property and equipment	196,817	152,565
Loss (gain) on investments	(2,357,347)	74,439
Stock donation	(12,280)	-
Changes in:		
Accounts receivable	1,291,186	1,366,935
Prepaid expenses	176	(5,600)
Due to/from affiliate	575,654	(316,712)
Accounts payable	793	(584,471)
Accrued salaries and expenses	1,166,447	(301,910)
Deferred grant revenue	-	(3,702,058)
Refundable advances	150,921	(1,434,067)
Liability for pension and post retirement benefits	(135,277)	(134,416)
Net cash flow from operating activities	4,368,631	943,323
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchases for property and equipment	(762,476)	(6,024,557)
Proceeds from sale of investments	49,272	15,724,204
Purchase of investments	(203,949)	(16,027,262)
Net cash flow from investing activities	(917,153)	(6,327,615)
CASH FLOW FROM FINANCING ACTIVITIES:		
Net (payments) proceeds of line of credit	(268,348)	268,348
Repayment of notes payable	(600,000)	(300,000)
Proceeds on construction draw	446,222	5,403,224
Proceeds from payment protection program	-	6,742,155
Repayment of mortgages payable	(548,967)	(81,366)
Payments on debt issurance cost	(261,857)	-
Net cash flow from financing activities	(1,232,950)	12,032,361
CHANGE IN CASH	2,218,528	6,648,069
CASH - beginning of year	7,070,000	421,931
CASH - end of year	$ 9,288,528	$ 7,070,000
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Interest Paid	$ 250,661	$ 108,244
Purchase of property and equipment included in accounts payable	$ 265,780	$ 13,459

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The accompanying notes are an integral part of these statements.

PARSONS CHILD AND FAMILY CENTER

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Totals for 2020)

	Program	Management and General	Fundraising and Non-operating	2021 Total	2020 Total
Salaries	$ 28,230,792	$ 42,882	$ 17,744	$ 28,291,418	$ 26,826,044
Employee health and retirement benefits	4,441,727	6,329	859,232	5,307,288	3,386,095
Payroll taxes	2,606,485	7,281	1,409	2,615,175	2,655,463
Total compensation and benefits	35,279,004	56,492	878,385	36,213,881	32,867,602
Charges from parent organization	-	3,687,799	-	3,687,799	3,722,349
Purchase of services	3,139,392	95,350	100,498	3,335,240	3,428,641
Supplies and equipment	1,063,705	20,111	20,949	1,104,765	830,740
Depreciation	982,662	76,128	2,300	1,061,090	949,215
Allowances - uncollectible receivables	1,042,319	-	-	1,042,319	321,796
Boarding home	873,611	-	-	873,611	634,921
Rent	813,033	8,722	27,152	848,907	951,185
Insurance	692,040	11,688	1,446	705,174	612,056
Food	396,313	2	-	396,315	402,963
Utilities	263,442	62,671	1,959	328,072	304,640
Telecommunications	245,316	8,551	2,148	256,015	281,536
Interest	250,437	188	36	250,661	108,244
Conferences and administrative expense	190,993	16,578	(192)	207,379	(67,808)
Auto and transportation	181,464	777	146	182,387	645,619
Software and systems	180,917	226	44	181,187	-
State paid depreciation	168,000	-	-	168,000	126,000
Publicity	148,895	-	-	148,895	69,752
Repair and maintenance	125,709	4,944	249	130,902	283,357
In-Kind expense	127,069	-	-	127,069	140,399
Staff development	81,810	-	7,016	88,826	78,479
Recreation	50,659	-	-	50,659	90,218
Office supplies and expense	52,625	925	22	53,572	71,229
Legal and professional	48,045	-	(2,819)	45,226	(6,026)
Discretionary funds	39,449	-	-	39,449	39,373
Dues, licenses and permits	28,301	700	68	29,069	34,615
Clothing	28,968	-	-	28,968	38,113
Postage and shipping	26,034	156	4	26,194	36,954
Allowances - children & parents	16,726	-	-	16,726	20,746
Bedding	14,773	-	28	14,801	5,307
Subscription and publications	6,389	-	-	6,389	11,071
School expense	1,614	-	-	1,614	1,404
Camp fees	-	-	-	-	7,920
	$ 46,559,714	$ 4,052,008	$ 1,039,439	$ 51,651,161	$ 47,042,610

1. NATURE OF OPERATIONS

Parsons Child and Family Center (the Center) is a not-for-profit corporation. The Center has maintained its mission to serve the special needs of children in the Capital Region of New York State since its establishment as an orphanage in 1829. The Center promotes healthy families by providing necessary support through a wide range of educational, residential, and clinical services. The Center receives significant support for program operations from New York State directly and indirectly through local municipalities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Center's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash

Cash include investments in highly liquid debt instruments with an initial maturity of three months or less. The Center has not experienced any losses in these accounts and believes it is not exposed to any significant credit risk with respect to cash and cash equivalents.

Accounts Receivable

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

The estimated uncollectible amounts are generally considered implicit price concessions that are a direct reduction of Accounts receivable. Implicit price concessions are $400,000 and $300,000 as of June 30, 2021 and 2020, respectively.

Investments

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

All expenditures for land, buildings and equipment in excess of $5,000 with a useful life of two years or more are capitalized and recorded at cost. Property and equipment that is donated is recorded at its fair value at the time of the donation. The estimated lives used in determining depreciation are as follows:

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

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

Long-Lived Assets

The Center assesses its long-lived assets for impairment when events or circumstances indicate their carrying amounts may not be recoverable. This is accomplished by comparing the expected undiscounted future cash flows of the long-lived assets with the respective carrying amount as of the date of assessment. If the expected undiscounted future cash flows exceed the respective carrying amount as of the date of assessment, the long-lived assets are considered not to be impaired. If the expected undiscounted future cash flows are less than the carrying value and the fair value of the long-lived assets. No impairment of long-lived assets was recognized in 2021 and 2020.

Refundable Advances

The Center receives advances from New York State funding agencies. If the amounts received are not spent or are in excess of maximum funding limits during the period they are received, they are reported as refundable advances in the accompanying financial statements.

At the funding agencies' discretion, the amounts will be used to offset future amounts receivable or recouped against future payments. Accordingly, these amounts have been reflected as a liability in the accompanying financial statements.

Debt Issuance Costs

Debt issuance costs are recognized as interest expense on straight-line basis over the periods of the related debt. The unamortized issuance costs were $258,220 and $0 at June 30, 2021 and 2020, respectively, and are netted against mortgage payables on the statements of financial position. There were $3,637 and $0 of amortization expense for the years ended June 30, 2021 and 2020, respectively.

Financial Reporting

The Center reports its activities and the related net assets using two net asset categories: net assets without donor restrictions and net assets with donor restrictions.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Reporting (Continued)

Net assets with donor restrictions represent donor-imposed restrictions that permit the Center to use up or expend the donated assets as specified. This restriction is satisfied by the passage of time or by actions of the Center. It also represents donor-imposed restrictions that stipulate that resources be maintained intact permanently, but which permit the Center to use up or expend the income derived from the donated assets for operating purposes. These restrictions are described in Note 12.

Third-Party Reimbursement and Revenue Recognition

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

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

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

Statement of Activities

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

Contributions

The Center reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. If restricted support is received and earned in the same year, it is reported as net assets without donor restrictions.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Materials and Services

Donated materials and services are recorded as contributions at estimated fair value at the date of gift. The Center receives a significant amount of donated services from unpaid volunteers who assist in fundraising and special projects. The value of the services have not been reflected in these financial statements because the criteria under ASC 958-605 has not been satisfied.

Fair Value Measurement – Definition and Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and GAAP provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

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

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

Functional Allocation of Expenses

The Center's identifiable expenses related to a singular program or supporting service are charged fully and directly. Expenses related to more than one program or supporting service are charged as such using specific allocation methods. Fringe benefit expenses are charged to departments based on actual salary expenses, occupancy related expenses are charged to departments based on square footage, and parent organization charges from Northern Rivers are charged to the Center based on a ratio value of applicable expenses.

Income Taxes

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

Reclassification

Certain reclassifications have been made to the 2020 financial statement presentation to correspond to the current year's format. Net assets and changes in net assets are unchanged due to these reclassifications.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total, but not by net asset class or functional expense classification. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Center's financial statements for the year ended June 30, 2020, from which the summarized information was derived.

3. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

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

	2021	2020
Financial assets as of June 30,		
Cash	$ 9,288,528	$ 7,070,000
Accounts receivable	6,663,073	7,954,259
Investments	12,746,912	10,222,611
Other assets	17,615	17,615
	28,716,128	25,264,485
Less: those unavailable for general within one year, due to:		
Donor restricted	(5,375,100)	(4,340,939)
Reserves held for note payable	-	(2,200,000)
Escrow account	(17,615)	(17,615)
Financial assets available to meet cash need for general expenditure within one year	$ 23,323,413	$ 18,705,931

As part of the Center's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures and other obligations come due. The ability to meet cash needs is highly dependent on funding from government agencies and the timely collection of accounts receivable. The Center has designed procedures to bill and collect from these payors as quickly as possible, however, this can sometimes be difficult to predict. Should the Center need to, they can manage vendor relationships to extend payment terms, utilize their available line-of-credit, or request support from one of their related parties. The Center also have a line-of-credit available to drawn on should it need available resources (Note 6).

4. INVESTMENTS

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

	2021	2020
Cash equivalents	$ 294,745	$ 228,729
Debt securities	363,588	2,648,309
Equities	11,183,951	6,759,567
Mutual funds	904,628	586,006
	$ 12,746,912	$ 10,222,611

5. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

	2021	2020
Land	$ 41,500	$ 41,500
Buildings and improvements	31,580,157	25,517,031
Furniture, vehicles and equipment	3,535,199	3,458,836
Construction in process	326,331	5,805,435
Less: accumulated depreciation	(16,904,756)	(15,833,264)
	$ 18,578,431	$ 18,989,538

Depreciation expense was $1,229,090 and $1,075,215 for the years ended June 30, 2021 and 2020, respectively. $126,000 of this expense is shown as non-operating expense on the statement of activities.

6. LINE OF CREDIT

The Center has a revolving line-of-credit with KeyBank, totaling $3,500,000, which expires on May 31, 2022. The line bears interest at LIBOR floor of 0.5% and 1.75% spread (2.25% at June 30, 2021). There was no outstanding balance as of June 30, 2021 and 2020. In accordance with the terms of the security agreement, the Center is required to provide their financial statements within 120 days from year end. As of June 30, 2021, the Center determined the covenant was met.

The Center has a revolving equipment line-of-credit with KeyBank, totaling $500,000, which expires on May 31, 2026. The line bears interest at 3.33% on June 30, 2021. There was outstanding balance of $0 and $268,348 due as of June 30, 2021 and 2020.

7. LONG-TERM DEBT

	2021	2020
Note Payable		
Term loan with NBT, interest at one-month LIBOR plus 1.50%. Annual principal payments of $300,000 through maturity, March 3, 2022. Secured by approximately $2,200,000 of investment securities held at NBT. The Center must maintain a debt service coverage ratio of not less than 1.20:1.00. Paid off as of June 30, 2021.	$ -	$ 600,000
Mortgage Payable		
Mortgage payable with NBT Bank, due in monthly installments of $4,489, including interest at 4.74%, secured by real property at 125 Bigelow Ave., Schenectady, N.Y. Paid off as of June 30, 2021.	-	383,071
Mortgage payable - Miriam House, New York State Dormitory Authority, due in annual installments on December 1 of $69,160 including interest at 5.28%, secured by real property at 64 Academy Road, Albany, N.Y. Final payment due June 2026.	312,706	363,426
Mortgage payable with Saratoga National Bank, with regular monthly payments of $29,411 including interest at 4.99%, began on April 2021, secured by real property at 56 Academy Road, Albany, N.Y. Final payment due December 2033. The Center must maintain a debt service coverage ratio of not less than 1.20:1.00. The Center determined that the covenant was met as of June 30, 2021.	4,931,865	4,658,565
Mortgage payable with SEFCU, with regular monthly payments of $25,565, including interest equal to the Prime Rate minus 1.5%, with a floor of 2.75%, began on February 2021, secured by real property at 58 Academy Road, Albany, N.Y. Final payment due Janurary 2031. The Center must maintain a debt service coverage ratio of not less than 1.20:1.00. The Center determined that the covenant was met as of June 30, 2021.	5,453,191	5,395,445
Total	10,697,762	11,400,507
Less: debt issuance cost	(258,220)	-
Less: current portion	(317,369)	(528,779)
	$ 10,122,173	$ 10,871,728

7. LONG-TERM DEBT (Continued)

Future minimum payments are due as follows for the years ending June 30:

2022	$	317,369
2023		330,194
2024		342,545
2025		357,518
2026		353,556
Thereafter		8,996,580
Total	$	10,697,762

Interest expenses including amortization on debt issuance cost were $250,661 and $108,244 for the years ended June 30, 2021 and 2020, respectively.

8. PAYCHECK PROTECTION PROGRAM

In April 2020, the Center entered into an agreement with a bank under the Paycheck Protection Program (PPP) and received $6,742,155. This arrangement is evidenced by a loan agreement that includes provisions whereby the loan balance can be fully or partially forgiven based on the Center's use of the funds, maintenance of its personnel complement, and compliance with certain reporting elements in accordance with the requirements of the PPP Program.

The Center has elected to account for the PPP arrangement as a conditional contribution, and income is recorded as the conditions meeting the requirements for forgiveness are substantially met. Subsequent to year end, the Center applied for forgiveness of their Paycheck Protection Program loan and was approved in full by the SBA.

Through June 30, 2021, the Center determined that it administered the proceeds of its PPP arrangement and managed its staff complement in a manner that met the conditions for forgiveness for $866,704 of the balance received under the PPP arrangement. This amount is recorded as Paycheck protection program grant revenue on the accompanying Statement of Activities. The remaining balance of $5,875,451 is recorded as liability in the accompanying statement of financial position at June 30, 2021.

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

9. RETIREMENT PLANS

Defined Contribution Plan
The Center participates in the Northern Rivers Family Service's 401(K) Plan, a related party (see Note 14). The plan covers substantially all full-time employees of the Center that are 18 years of age and older with no years of service requirement.

Employees who contribute to the plan and have met eligibility requirements are eligible for the Center's matching contribution that is discretionary up to 2% of an employee's compensation. The Center may also provide a discretionary contribution on behalf of employees meeting eligibility requirements after fiscal year-end. The Center's contributions to the plan for the years ended June 30, 2021 and 2020, were $1,589,297 and $288,648, respectively.

9. RETIREMENT PLANS (Continued)

Defined Benefit Plan

The Center also has a defined benefit pension plan covering substantially all employees hired before July 1, 2012. The benefits are based on years of service and employees' compensation. Contributions to the Plan are intended to provide for benefits attributed to service to date and those expected to be earned in the future. The Plan was amended to close the Plan to new entrants and to discontinue benefit accruals effective June 30, 2013. The Plan's measurement date is June 30. Amounts are estimated based on actuarial assumptions. It is at least reasonably possible that these estimates could change in the near term.

The following sets forth the funded status of the Plan:

	2021	2020
Change in benefit obligations:		
Benefit obligation at beginning of year	$ 42,775,341	$ 40,225,915
Service cost	-	-
Interest cost	1,092,918	1,337,160
Actuarial gain (loss)	(967,288)	4,735,796
Benefits paid	(2,867,866)	(3,523,530)
Benefit obligation at end of year	$ 40,033,105	$ 42,775,341
Change in plan assets:		
Fair value of plan assets at beginning of year	$ 27,045,418	$ 29,809,037
Actual return on plan assets	5,698,625	309,911
Employer contributions	1,450,000	450,000
Benefits paid	(2,867,866)	(3,523,530)
Fair value of plan assets at end of year	$ 31,326,177	$ 27,045,418
Funded status:		
Under funded status of the plan	$ 8,706,928	$ 15,729,923

Financial Statement Recognition

As of June 30, 2021 and 2020, the following amounts were recognized in the statement of financial position:

	2021	2020
As a non-current liability	$ 8,706,928	$ 15,729,923

For the years ended June 30, 2021 and 2020, the following amounts were recognized in the statement of activities:

	2021	2020
Net periodic pension costs	$ 787,274	$ 1,284,719
(Gain) loss other than net periodic pension costs	$ 6,360,269	$ (4,495,995)

9. RETIREMENT PLANS (Continued)

Unamortized Items
As of June 30, 2021 and 2020, the following items included in net assets had not yet been recognized as a component of benefit expense:

	2021	2020
Transition obligation/(asset)	$ -	$ -
Prior service cost	-	-
Gains/(Losses)	(8,681,899)	(15,042,168)
Total unamortized items	$ (8,681,899)	$ (15,042,168)

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

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

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

	2021	2020
Discount rate	2.74%	2.66%
Expected long-term return on plan assets	6.00%	6.00%
Rate of compensation increase	N/A	N/A

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

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

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

9. RETIREMENT PLANS (Continued)

	2021		2020	
Money market funds	$ 344,473	1.10%	$ 514,256	1.90%
Bond funds	10,275,150	32.80%	8,543,589	31.59%
Equity funds	20,706,554	66.10%	17,987,573	66.51%
Total	$ 31,326,177	100%	$ 27,045,418	100%

The fair value of the Plan's assets at June 30, 2021 and 2020 was as follows:

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

June 30, 2020	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total
Money markets	$ 514,256	$ -	$ -	$ 514,256
Fixed income	17,987,573	-	-	17,987,573
Equity funds	-	8,543,589	-	8,543,589
Total Investments	$ 18,501,829	$ 8,543,589	$ -	$ 27,045,418

Contributions

The Center contributed $1,450,000 and $450,000 during the years ending June 30, 2021 and 2020, respectively.

Expected Future Benefit Payments

The following are the expected future benefit payments for the years ending June 30:

2022	$ 1,739,609
2023	2,128,038
2024	2,017,697
2025	1,596,854
2026	1,314,741
2027-2031	10,655,540
	$ 19,452,479

9. RETIREMENT PLANS (Continued)

Expected Long-Term Rate of Return on Plan Assets Assumption

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

10. POST-RETIREMENT BENEFIT

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

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

The following table sets forth the change in accumulated postretirement benefit obligation recorded in the Center's statement of financial position at June 30:

	2021	2020
Accumulated postretirement benefit obligation at beginning of year	$ 1,388,309	$ 1,522,725
Benefits paid / employer contributions	(135,277)	(134,416)
Loss due to benefit change	-	-
Accumulated postretirement benefit obligation at end of year	$ 1,253,032	$ 1,388,309

11. ENDOWMENT

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

Interpretation of Relevant Law

Management of Parsons Child and Family Center has interpreted the applicable provisions of the New York Prudent Management of Institutional Funds Act (NYPMIFA) to mean that the classification of appreciation of net assets with donor restrictions endowment gifts beyond the original gift amount follows the donor's restrictions regarding the use of the related income; i.e. interest and dividends.

Return Objectives and Risk Parameters

The primary purpose of endowment investment and spending policies at Parsons Child and Family Center is to preserve the real (inflation adjusted) purchasing power of endowment assets while providing a prudent, predictable, stable and constant (in real terms) stream of spendable revenues for current use. The policies, if successfully implemented, should result in endowment growth and enhancement of financial resources. The goal of the investment program is to obtain a long-term average annual total return equal to or greater than the sum of the long-term rate of inflation as measured by the Consumer Price Index plus the long-term average annual endowment spending rate.

Total return is defined as the sum of dividends, interest, realized and unrealized gains or losses less investment management fees and expenses. The investment policies assume endowment gifts will be used to increase rather than maintain the real purchasing power of endowment assets.

Strategies Employed for Achieving Objectives

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

Individual equity investments shall be limited to no more than 5% in any one name and be limited to generally large cap names. Up to 15% of the portfolio may be invested in international mutual funds.

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

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

11. ENDOWMENT (Continued)

Allocation of Investment Returns

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

Spending Policy and How the Investment Objectives Relate to Spending Policy

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

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

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or law requires the fund to retain as a fund of perpetual duration. There were no deficiencies of this nature as of June 30, 2021. For fiscal year ended June 30, 2021, the Center had the following endowment-related activities:

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

For fiscal year ended June 30, 2020, the Center had the following endowment-related activities:

Endowment Net Assets, Beginning of year	$ 4,191,339
Interest and dividend income	306,249
Net realized and unrealized gains on investments	(155,448)
Contributions, legacies, and bequests	-
Amounts appropriated for expenditure	(1,201)
Endowment Net Assets, End of Year	$ 4,340,939

12. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restriction consist of various purpose restrictions. At June 30, 2021 and 2020, the purpose restrictions are primarily for building or the maintenance of various buildings and programs as described by the investment fund titles noted below. These net assets will be released from restriction when the funds have been spent in accordance with donor restrictions.

The following summarizes restricted net assets at June 30:

	2021	2020
Restricted by purpose or time:		
Greenhouse Fund	$ 572,244	$ 466,930
Jacob Fund	626	7,642
Bryant Fund	79,589	80,185
Lathrop Fund	1,703,874	1,328,228
Stein Library Fund	48,337	35,054
J.K. Miller Fund	440,971	329,924
Sidney Albert Institute	689,603	507,624
Joanne Malick Fund	130,975	94,048
Charbonneau Fund	6,743	3,786
Puels Fund	431,797	343,597
Margaret D. Griffel Trust	198,168	71,748
Total	$ 4,302,927	$ 3,268,766

	2021	2020
Restricted Corpus:		
Parsons Fund	$ 139,826	$ 139,826
Lathrop Fund	135,000	135,000
Stein Library Fund	16,831	16,831
J.K. Miller Fund	102,515	102,515
Sidney Albert Institute	201,520	201,520
Joanne Malick Fund	50,000	50,000
Charbonneau Fund	6,107	6,107
Margaret D. Griffel Trust	420,374	420,374
Total	$ 1,072,173	$ 1,072,173

13. FAIR VALUE MEASUREMENTS

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

	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total
Money Markets	$ 294,745	$ -	$ -	$ 294,745
Equities	11,183,951	-	-	11,183,951
Mutual Funds	904,628	-	-	904,628
Government Debt Securities	-	363,588	-	363,588
Total Investments	$ 12,383,324	$ 363,588	$ -	$ 12,746,912

13. FAIR VALUE MEASUREMENTS (Continued)

The following are measured at fair value on a recurring basis at June 30, 2020:

	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total
Money Markets	$ 228,729	$ -	$ -	$ 228,729
Equities	6,759,567	-	-	6,759,567
Mutual Funds	586,006	-	-	586,006
Government Debt Securities	-	2,648,309	-	2,648,309
Total Investments	$ 7,574,302	$ 2,648,309	$ -	$ 10,222,611

There were no changes in valuation techniques during 2021 or 2020. The Center recognized transfers between levels in the fair value hierarchy at the end of the reporting period.

14. RELATED PARTY TRANSACTIONS

Northern Rivers Family Services, Inc.

Northern Rivers Family Services, Inc. (the Organization) is the sole corporate member of the Center. The Organization provides Executive, Finance, HR, Communications, Quality Management, IT, Strategic Planning, and Development.

Generally, all intercompany loans are non-interest bearing and payment is expected within 12-36 months, unless otherwise arranged.

The Center paid $4,052,008 and $3,998,423 in fees to Northern Rivers Family Services during the years ended June 30, 2021 and 2020, respectively. Northern Rivers Family Services also pays rent to the Center for occupancy, equipment, telecommunications, and maintenance related services. The Center charged rent in the amount $372,449 and $283,678 for the years ended June 30, 2021 and 2020, respectively.

Northeast Parent and Child Society, Inc.

The Center is related through common control to Northeast Parent and Child Society, Inc. (Society).

Generally, all intercompany loans are non-interest bearing and payment is expected within 12-36 months, unless otherwise arranged. Intercompany loans are typically paid back within 30 days.

The Society recorded expenses of approximately $125,000 for training services provided by the Center during both the years ended June 30, 2021 and 2020. The Center also incurred rent expense for the use of space at Northeast Parent and Child Society, Inc. in the amount of $358,012 and $275,327 for the years ended June 30, 2021 and 2020, respectively. The Center charged the Society rent in the amount $43,207 for the year ended June 30, 2021.

14. RELATED PARTY TRANSACTIONS (Continued)

The balances due to and from affiliates consisted of the following at June 30:

	2021	2020
Due From Affiliates:		
Northern Rivers Family Services, Inc.	$ 49,229	$ 447,174
Northeast Parent and Child Society, Inc.	39,673	35,072
Unlimited potential, Inc.	1,710	-
Total	$ 88,902	$ 482,246
Due To Affiliates:		
Northern Rivers Family Services, Inc.	$ 357,801	$ 168,307
Northeast Parent and Child Society, Inc.	82,169	87,643
Total	$ 439,970	$ 255,950

15. COMMITMENTS AND CONTINGENCIES

Self-Funded Unemployment Insurance

The Center's Unemployment Compensation Insurance program is self-funded. Unemployment benefits that separated employees receive are determined by New York State statute and are administered by New York State Department of Labor (NYSDOL). The Center is billed quarterly by NYSDOL for benefits paid to former employees. Unemployment is budgeted annually based on prior year results. The Center incurred costs of $3,085 and $62,510 for the years ended June 30, 2021 and 2020, respectively.

Reimbursement Rates

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

Operating Leases

The Center leases equipment, facilities and vehicles pursuant to non-cancelable operating lease agreements expiring in various years through 2025.

Future minimum rental payments for the years ending June 30 for the operating leases are:

2022	$ 353,786
2023	305,701
2024	237,090
2025	237,149
2026	241,299
Thereafter	110,711
Total	$ 1,485,736

15. COMMITMENTS AND CONTINGENCIES (Continued)

Operating Leases (Continued)

Rental expense, excluding rent from the Society, for the years ending June 30, 2021 and 2020, was $490,895 and $678,858, respectively.

Child Victims Act

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

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

As a result of the passage of the CVA, through the date of this report, the Center has been notified or become aware of abuse related claims that have been or are likely to be filed against it. Aggregate demands for damages from these claims cannot be estimated at this time. During the timeframe of the alleged abuses the Center had a combination of commercial insurance coverage and self-insurance programs. At present, the Center is not certain as to the amount of commercial coverage available to assist it in meeting its obligations for these matters.

Accordingly, it is possible that the ultimate resolution of any litigation could have a material adverse impact on the Center's results of operations, liquidity, and financial position. In addition, it is reasonably possible that the ultimate number of lawsuits and/or claims could increase, and therefore any additional exposure cannot be predicted at this time.

COVID-19

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

16. SUBSEQUENT EVENTS

Subsequent events have been evaluated through November 8, 2021, which is the date the financial statements were available to be issued.

PARSONS CHILD AND FAMILY CENTER Schedule I

SCHEDULE OF REVENUE FUNCTIONAL EXPENSES
For the Year Ended June 30, 2021
(With Comparative Totals for 2020)

	2021											
	Residential Care	Behavioral Health Services	Case Management Services	Early Childhood Services	Family Foster Care	Training and Research	Prevention Services	Education Services	Management and General	Fundraising and Non-operating	Total	2020
REVENUE	$ 12,139,113	$ 11,075,364	$ 9,085,828	$ 3,877,646	$ 2,846,445	$ 1,233,652	$ 2,767,267	$ 8,620,178	$ (23,109)	$ 3,154,295	$ 54,776,679	$ 51,796,013
FUNCTIONAL EXPENSES:												
Salaries	$6,859,478	$6,380,372	$4,611,548	$ 2,334,628	$825,133	$638,050	$1,641,684	$4,939,899	$42,882	$17,744	$ 28,291,418	$ 26,826,044
Employee Health and Retirement Benefits	1,030,913	997,190	726,863	362,035	132,159	97,396	282,685	812,486	6,329	859,232	5,307,288	3,386,095
Payroll Taxes	657,600	559,369	431,342	210,244	76,222	56,165	147,899	467,644	7,281	1,409	2,615,175	2,655,463
Total compensation and benefits	8,547,991	7,936,931	5,769,753	2,906,907	1,033,514	791,611	2,072,268	6,220,029	56,492	878,385	36,213,881	32,867,602
Allowances - children	14,725	-	-	-	-	-	1,133	-	-	-	15,858	19,196
Allowances - parents	588	-	280	-	-	-	-	-	-	-	868	1,550
Allowances - uncollectible receivables	152,646	95,794	605,720	22,630	82,732	15,466	22,325	45,006	-	-	1,042,319	321,796
Auto and transportation	18,013	29,634	61,819	2,289	42,514	857	16,938	9,400	777	146	182,387	645,619
Bedding	10,244	2,453	-	792	-	-	-	1,284	-	28	14,801	5,307
Boarding home	5,593	-	-	-	867,598	-	420	-	-	-	873,611	634,921
Camp fees	-	-	-	-	-	-	-	-	-	-	-	7,920
Charges from Parent Organization	-	-	-	-	-	-	-	-	3,687,799	-	3,687,799	3,722,349
Clothing	28,895	-	-	-	-	-	73	-	-	-	28,968	38,113
Conferences and Administrative	14,795	3,791	193,200	(14,223)	6,570	(7,851)	(209)	(5,080)	16,578	(192)	207,379	(67,808)
Discretionary Funds	8,931	236	6,629	-	12,832	-	10,821	-	-	-	39,449	39,373
Dues, licenses and permits	3,577	9,428	1,974	1,748	195	5,811	404	5,164	700	68	29,069	34,615
Food	205,872	20,472	1	93,913	95	-	756	75,204	2	-	396,315	402,963
In-Kind expense	-	-	-	127,069	-	-	-	-	-	-	127,069	140,399
Insurance	240,029	93,038	69,213	32,344	18,623	8,469	59,167	171,157	11,688	1,446	705,174	612,056
Interest	203,251	10,924	1,553	24,640	383	5	1,561	8,120	188	36	250,661	108,244
Legal, professional and investment fees	26,431	-	-	-	18,435	2,819	-	360	-	(2,819)	45,226	(6,026)
Office supplies and expense	14,610	15,266	4,103	5,180	1,284	396	4,611	7,175	925	22	53,572	71,229
Postage and shipping	5,898	4,765	4,409	3,713	819	364	1,631	4,435	156	4	26,194	36,954
Publicity	50,878	35,673	-	-	24,772	322	162	37,088	-	-	148,895	69,752
Purchase of health services	174,367	88,223	32,000	60,307	108,731	-	-	121,911	-	-	585,539	787,598
Purchase of services - other	560,348	580,714	254,975	256,721	205,330	27,097	104,391	564,277	95,350	100,498	2,749,701	2,641,043
Recreation	22,562	398	-	3,233	3,001	-	2,784	18,681	-	-	50,659	90,218
Rent	-	249,419	385,447	-	20,972	2,250	81,092	-	-	26,974	766,154	846,208
Rent - furnishings and equipment	14,072	16,202	12,170	757	749	4,669	4,134	15,520	8,722	178	77,173	85,345
Rent - vehicles	-	-	-	-	5,423	157	-	-	-	-	5,580	19,632
Repair and Maintenance	5,255	51,927	6,110	11,263	1,586	898	2,189	13,506	4,444	152	97,330	257,365
Repair and Maintenance - vehicles	16,437	6,147	137	450	1,341	12	5,421	3,030	500	97	33,572	25,992
School expense	1,614	-	-	-	-	-	-	-	-	-	1,614	1,404
Software and systems	42,022	55,005	5,786	1,955	14,760	3,168	75	58,146	226	44	181,187	-
Staff development	3,154	5,674	7,790	33,562	-	7,771	4,437	19,422	-	7,016	88,826	78,479
Subscription and publications	1,335	12	131	4,060	-	-	343	508	-	-	6,389	11,071
Supplies and equipment	231,850	50,296	43,626	262,287	8,813	2,437	15,858	233,027	20,111	19,375	887,680	578,243
Supplies and equipment - education	-	-	-	48,387	-	-	329	23,795	-	-	72,511	74,286
Supplies and equipment - medical	101,656	2,121	251	903	34,494	49	749	2,777	-	1,574	144,574	178,211
Telecommunications	49,718	54,395	56,038	15,662	10,017	1,238	23,528	34,720	8,551	2,148	256,015	281,536
Utilities and property taxes	105,876	11,168	6,657	44,446	33	7,568	9,890	77,804	62,671	1,959	328,072	304,640
Depreciation	605,847	97,491	13,609	141,055	375	41,182	15,748	235,355	76,128	2,300	1,229,090	949,215
Total operating expenses	$ 11,489,080	$ 9,527,597	$ 7,543,381	$ 4,092,050	$ 2,525,991	$ 916,765	$ 2,463,029	$ 8,001,821	$ 4,052,008	$ 1,039,439	$ 51,651,161	$ 46,916,610
Operating gain (loss)	$ 650,033	$ 1,547,767	$ 1,542,447	$ (214,404)	$ 320,454	$ 316,887	$ 304,238	$ 618,357	$ (4,075,117)	$ 2,114,856		

The accompanying notes are an integral part of these schedules.

PARSONS CHILD AND FAMILY CENTER

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Pass Through Grantor's Number	Assistance Listing Number	Passed to Sub recipients	Expenditures
Passed-through New York State Education Department:				
School Breakfast Program *	NA	10.553	$ -	$ 54,138
National School Lunch Program *	NA	10.555	-	76,261
Total Child Nutrition Cluster			-	130,399
Child and Adult Care Food Program	NA	10.558	-	86,842
Total U.S. Department of Agriculture			-	217,241
U.S. Department of Health and Human Services				
Head Start	NA	93.600	-	1,811,720
Total U.S. Department of Health and Human Services			-	1,811,720
U.S. Department of Education				
Passed-through Albany City School District				
Title I Grants to Local Educational Agencies ^	NA	84.010	-	36,117
Passed-through New York State Education Department				
Special Education - Grant to State	0427-16-0051	84.027	-	267,634
Special Education - Preschool Grants	0427-16-0112	84.173	-	19,362
Total Special Education Grants			-	286,996
Total U.S. Department of Education			-	323,113
Total Expenditures of Federal Awards			$ -	$ 2,352,074

^ Title I, Part A Cluster
NA Not available

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards presents the activity of all federal awards programs of Parsons Child and Family Center (the Center) for the year ended June 30, 2021. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included in the schedule.

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Center, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Center.

The schedule is presented using the accrual basis of accounting used by the Center to report to the federal government. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

2. INDIRECT COST RATES

The Center has elected not to use the 10% de minimis cost rate as allowed by the Uniform Guidance. The Center has negotiated an indirect cost rate of 8.6% for their major program.

Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

November 8, 2021

To the Board of Directors of
Parsons Child and Family Center:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Parsons Child and Family Center (the Center), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, related notes to the financial statements, and have issued our report thereon dated November 8, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Center's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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(Continued)

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* (Continued)

Compliance and Other Matters
As part of obtaining reasonable assurance about whether the Center's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bonadio & Co., LLP

Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

November 8, 2021

To the Board of Directors of
Parsons Child and Family Center:

Report on Compliance for Each Major Federal Program
We have audited Parsons Child and Family Center's (Center) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Center's major federal programs for the year ended June 30, 2021. The Center's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility
Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility
Our responsibility is to express an opinion on compliance for each of the Center's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Center's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Center's compliance.

Opinion on Each Major Federal Program
In our opinion, the Center complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE (Continued)

Report on Internal Control over Compliance

Management of the Center is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Center's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

PARSONS CHILD AND FAMILY CENTER

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2021

SECTION 1 – SUMMARY OF AUDITOR'S RESULTS

Financial statements:

Type of auditor's report issued on whether the financial statements were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	______ Yes ___x__ No
Significant deficiencies identified that are not considered to be material weaknesses?	______ Yes ___x___ None noted
Noncompliance material to financial statements noted?	______ Yes ___x__ No

Federal Awards:

Internal control over the major programs:	
Material weakness(es) identified?	______ Yes___x___ No
Significant deficiencies identified that are not considered to be material weaknesses?	______ Yes ___x___ None noted
Type of auditor's report issued on compliance for the major programs:	Unmodified
Any audit findings that are required to be reported in accordance with the Uniform Guidance	_______ Yes __x___ No

Identification of the major program:

Assistance Listing Number	*Name of Federal Program or Cluster*
93.600	Head Start

Dollar threshold used to distinguish between type A and type B programs?	$750,000
Auditee qualified as low-risk auditee:	__x___Yes _____ No

SECTION 2 – FINANCIAL STATEMENT FINDINGS

None

SECTION 3 – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None