PARSONS CHILD AND FAMILY CENTER

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

Bonadio & Co., LLP
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

November 10, 2022

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

Report on the Audit of the Financial Statements

Opinion
We have audited the accompanying financial statements of Parsons Child and Family Center (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Parsons Child and Family Center as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Parsons Child and Family Center and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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INDEPENDENT AUDITOR'S REPORT
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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Parsons Child and Family Center's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Parsons Child and Family Center's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Supplemental Information

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

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INDEPENDENT AUDITOR'S REPORT
(Continued)

Report on Summarized Comparative Information
We have previously audited the Center's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 8, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2022, on our consideration of Parsons Child and Family 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 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 Parsons Child and Family 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 Parsons Child and Family Center's internal control over financial reporting and compliance.

Bonadio & Co., LLP

PARSONS CHILD AND FAMILY CENTER

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

	2022	2021
ASSETS		
CURRENT ASSETS:		
Cash	$ 9,357,555	$ 9,288,528
Accounts receivable	6,737,071	6,663,073
Due from affiliates	123,312	90,612
Prepaid expenses	30,622	22,705
Investments	6,534,569	7,452,028
Total current assets	22,783,129	23,516,946
INVESTMENTS, restricted	4,590,703	5,294,884
PROPERTY AND EQUIPMENT, net	17,546,349	18,578,431
OTHER ASSETS - escrow account	17,615	17,615
	$ 44,937,796	$ 47,407,876
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	$ 347,073	$ 698,526
Accrued salaries and expenses	3,367,841	4,168,082
Due to affiliates	184,916	439,970
Mortgages payable, current portion	330,194	317,369
Paycheck Protection Program	-	5,875,451
Refundable advances	2,025,936	1,667,507
Total current liabilities	6,255,960	13,166,905
LONG-TERM LIABILITIES:		
Due to funding sources	1,263,958	-
Mortgages payable, net of current portion	9,794,910	10,122,173
Accrued post-retirement benefits	1,095,144	1,253,032
Liability for pension benefits	5,230,517	8,706,928
Total long-term liabilities	17,384,529	20,082,133
Total liabilities	23,640,489	33,249,038
NET ASSETS		
Without donor restrictions	16,623,068	8,783,738
With donor restrictions	4,674,239	5,375,100
Total net assets	21,297,307	14,158,838
	$ 44,937,796	$ 47,407,876

The accompanying notes are an integral part of these statements.

PARSONS CHILD AND FAMILY CENTER

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

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUE AND SUPPORT:				
Program service fees	$ 49,064,962	$ -	$ 49,064,962	$ 50,182,173
Grant revenue - behavioral health center	-	-	-	95,829
Paycheck protection program grant revenue	4,611,493	-	4,611,493	866,704
Fundraising and in-kind	278,024	5,840	283,864	241,519
Net gain/(loss) on sale of assets	8,200	-	8,200	(196,817)
Rent	187,548	-	187,548	51,446
Miscellaneous	225,395	-	225,395	996,957
Net assets released from restrictions	58,943	(58,943)	-	-
Total Revenue and Support	54,434,565	(53,103)	54,381,462	52,237,811
EXPENSES:				
Program	44,583,029	-	44,583,029	46,391,714
Management and general	4,400,689	-	4,400,689	4,052,008
Fundraising and non-operating	2,491	-	2,491	1,039,439
Total Expenses	48,986,209	-	48,986,209	51,483,161
OPERATING GAIN	5,448,356	(53,103)	5,395,253	754,650
NON-OPERATING GAIN (LOSS):				
Investment gain (loss), net	(917,437)	(647,758)	(1,565,195)	2,538,868
State paid depreciation	(168,000)	-	(168,000)	(168,000)
Actuarial gain (loss) arising during period	3,476,411	-	3,476,411	7,022,995
Total non-operating gain (loss)	2,390,974	(647,758)	1,743,216	9,393,863
CHANGE IN NET ASSETS	7,839,330	(700,861)	7,138,469	10,148,513
NET ASSETS - beginning of year	8,783,738	5,375,100	14,158,838	4,010,325
NET ASSETS - end of year	$ 16,623,068	$ 4,674,239	$ 21,297,307	$ 14,158,838

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, 2022
(With Comparative Totals for 2021)

	2022	2021
CASH FLOW FROM OPERATING ACTIVITIES:		
Changes in net assets	$ 7,138,469	$ 10,148,513
Adjustments to reconcile change in net assets to net cash flow from operating activities:		
Actuarial losses arising during period	(3,476,411)	(7,022,995)
Depreciation	1,431,055	1,229,090
Amortization on debt issurance cost	10,680	3,637
Paycheck protection program	(5,875,451)	(866,704)
Net (gain)/loss on sale of property and equipment	(8,200)	196,817
Loss (gain) on investments	1,829,723	(2,357,347)
Stock donation	-	(12,280)
Changes in:		
Accounts receivable	(73,998)	1,291,186
Prepaid expenses	(7,917)	176
Due to/from affiliate	(287,754)	575,654
Accounts payable	(384,147)	793
Accrued salaries and expenses	(800,241)	1,166,447
Refundable advances	358,429	150,921
Liability for pension and post retirement benefits	(157,888)	(135,277)
Due to funding sources	1,263,958	-
Net cash flow from operating activities	960,307	4,368,631
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchases for property and equipment	(366,279)	(762,476)
Proceeds from sale of property and equipment	8,200	-
Proceeds from sale of investments	81,890	49,272
Purchase of investments	(289,973)	(203,949)
Net cash flow from investing activities	(566,162)	(917,153)
CASH FLOW FROM FINANCING ACTIVITIES:		
Net (payments) proceeds of line of credit	-	(268,348)
Repayment of notes payable	-	(600,000)
Proceeds on construction draw	-	446,222
Repayment of mortgages payable	(315,968)	(548,967)
Payments on debt issurance cost	(9,150)	(261,857)
Net cash flow from financing activities	(325,118)	(1,232,950)
CHANGE IN CASH	69,027	2,218,528
CASH - beginning of year	9,288,528	7,070,000
CASH - end of year	$ 9,357,555	$ 9,288,528
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Interest Paid	$ 424,705	$ 250,661
Purchase of property and equipment included in accounts payable	$ 32,694	$ 265,780

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, 2022
(With Comparative Totals for 2021)

	Program	Management and General	Fundraising and Non-operating	2022 Total	2021 Total
Salaries	$ 28,506,691	$ 33,779	$ 15,524	$ 28,555,994	$ 28,291,418
Employee health and retirement benefits	3,515,590	(5,852)	1,730	3,511,468	5,307,288
Payroll taxes	2,673,692	5,796	2,664	2,682,152	2,615,175
Total compensation and benefits	34,695,973	33,723	19,918	34,749,614	36,213,881
Charges from parent organization	-	4,102,095	-	4,102,095	3,687,799
Purchase of services	3,268,833	85,792	49,981	3,404,606	3,335,240
Depreciation	1,159,973	85,355	28,407	1,273,735	1,061,090
Insurance	720,290	12,104	1,585	733,979	705,174
Rent	653,469	273	63,854	717,596	848,907
Boarding home	682,393	-	-	682,393	873,611
Supplies and equipment	550,243	31,762	9,780	591,785	1,104,765
Food	455,163	-	-	455,163	396,315
Interest	414,025	-	-	414,025	250,661
Allowances - uncollectible receivables	411,962	-	-	411,962	1,042,319
Utilities	286,267	35,894	12,383	334,544	328,072
Auto and transportation	292,801	677	311	293,789	182,387
Software and systems	287,984	39	11	288,034	181,187
Telecommunications	233,685	7,117	7,949	248,751	256,015
Publicity	90,782	-	-	90,782	148,895
Recreation	88,802	-	-	88,802	50,659
Repair and maintenance	65,057	797	772	66,626	130,902
Office supplies and expense	54,933	630	189	55,752	53,572
Staff development	49,747	35	16	49,798	88,826
Dues, licenses and permits	33,104	806	14	33,924	29,069
Postage and shipping	24,883	216	78	25,177	26,194
Clothing	23,592	-	-	23,592	28,968
Allowances - children & parents	15,334	-	-	15,334	16,726
Legal and professional	16,489	-	(2,927)	13,562	45,226
Bedding	11,742	12	6	11,760	14,801
Subscription and publications	6,415	-	-	6,415	6,389
School expense	327	-	-	327	1,614
In-Kind expense	-	-	-	-	127,069
State paid depreciation	168,000	-	-	168,000	168,000
Discretionary funds	-	-	-	-	39,449
Conferences and administrative expense	(11,239)	3,362	(189,836)	(197,713)	207,379
	$ 44,751,029	$ 4,400,689	$ 2,491	$ 49,154,209	$ 51,651,161

The accompanying notes are an integral part of these statements.

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 bank demand deposit accounts and 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 as of June 30, 2022 and 2021.

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. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. 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 2022 and 2021.

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 $256,690 and $258,220 at June 30, 2022 and 2021, respectively, and are netted against mortgage payables on the statements of financial position. There were $10,680 and $3,637 of amortization expense for the years ended June 30, 2022 and 2021, 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 they do not meet the criteria for recognition under U.S. GAAP.

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 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 2021 financial statement presentation to correspond to the current year’s format. Net assets and changes in net assets are unchanged due to these reclassifications.

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, 2021, 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:

	2022	2021
Financial assets as of June 30,		
Cash	$ 9,357,555	$ 9,288,528
Accounts receivable	6,737,071	6,663,073
Investments	11,125,272	12,746,912
Other assets	17,615	17,615
	27,237,513	28,716,128
Less: those unavailable for general within one year, due to:		
Donor restricted	(4,674,239)	(5,375,100)
Escrow account	(17,615)	(17,615)
Financial assets available to meet cash need for general expenditure within one year	$ 22,545,659	$ 23,323,413

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.

4. INVESTMENTS

A summary of investments consisted of the following at June 30:

	2022	2021
Cash equivalents	$ 231,210	$ 294,745
Debt securities	331,415	363,588
Equities	9,788,617	11,183,951
Mutual funds	774,030	904,628
	$ 11,125,272	$ 12,746,912

5. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

	2022	2021
Land	$ 41,500	$ 41,500
Buildings and improvements	32,174,561	31,580,157
Furniture, vehicles and equipment	3,586,351	3,535,199
Construction in process	37,816	326,331
Less: accumulated depreciation	(18,293,879)	(16,904,756)
	$ 17,546,349	$ 18,578,431

Depreciation expense was $1,431,055 and $1,229,090 for the years ended June 30, 2022 and 2021, respectively.

6. LINES OF CREDIT

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

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, 2022. There was no outstanding balance as of June 30, 2022 and 2021.

7. LONG-TERM DEBT

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

		2022		2021
Mortgage Payable				
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.	$	259,285	$	312,706
Mortgage payable with Saratoga National Bank, with regular monthly payments of $29,411 including interest at 4.99%, began on April 2021, secured by real property at 56 Academy Road, Albany, N.Y. Final payment due December 2033. The Center must maintain a debt service coverage ratio of not less than 1.20:1.00. The Center determined that the covenant was met as of June 30, 2022.		4,826,038		4,931,865
Mortgage payable with SEFCU, with regular monthly payments of $25,565, including interest equal to the Prime Rate minus 1.5%, with a floor of 2.75%, began on February 2021, secured by real property at 58 Academy Road, Albany, N.Y. Final payment due Janurary 2031. The Center must maintain a debt service coverage ratio of not less than 1.20:1.00. The Center determined that the covenant was met as of June 30, 2022.		5,296,471		5,453,191
Total		10,381,794		10,697,762
Less: debt issurance cost		(256,690)		(258,220)
Less: current portion		(330,194)		(317,369)
	$	9,794,910	$	10,122,173

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

2023	$	330,194
2024		342,545
2025		357,518
2026		353,557
2027		316,301
Thereafter		8,681,679
Total	$	10,381,794

Interest expenses including amortization on debt issuance cost were $424,705 and $250,661 for the years ended June 30, 2022 and 2021, 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. In 2022, the Center applied for forgiveness of their Paycheck Protection Program loan and was approved in full by the SBA. 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 resulting recognition of $5,875,451 and $866,704 for the years ending June 30, 2022 and 2021, respectively. This amount is included in support and revenue under Paycheck Protection Program, net of estimated rate mitigation on the accompanying Statement of Activities.

These estimates, while considered reasonable as of the date the financial statements were available to be issued, are subject to change based on the 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, 2022 and 2021, were $806,820 and $1,589,297, 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 in 2013 to close the Plan to new entrants and to discontinue benefit accruals effective June 30, 2013. As noted in Note 16, subsequent to year end the Center approved a resolution to terminate the plan. The Plan's measurement date is June 30. Amounts are estimated based on actuarial assumptions. It is at least reasonably possible that these estimates could change in the near term.

The following sets forth the funded status of the Plan:

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

Financial Statement Recognition

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

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

9. RETIREMENT PLANS (Continued)

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

	2022	2021
Net periodic pension costs	$ 150,514	$ 787,274
(Gain) loss other than net periodic pension costs	$ 3,326,925	$ 6,360,269

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

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

The expected effect of unamortized items on net assets without donor 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:

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

Determination of Investment Policy
The Plan's investment policy is designed for a moderate risk tolerance with a long-term investment horizon. The allowable investments are considered to be cash and equivalents, mutual funds, commingled funds, collective trusts and exchange traded funds. The asset mix will be actively managed and, therefore, will vary from time to time depending primarily on investment conditions and outlook. The Plan will diversify its investment portfolio to avoid incurring unreasonable risks. Investment maturities should be scheduled to coincide with projected cash flow requirements.

9. RETIREMENT PLANS (Continued)

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).

	2022		2021	
Money market funds	$ 522,133	2.08%	$ 344,473	1.10%
Bond funds	8,408,649	33.51%	10,275,150	32.80%
Equity funds	16,164,778	64.41%	20,706,554	66.10%
Total	$ 25,095,560	100%	$ 31,326,177	100%

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

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

June 30, 2020	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

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

9. RETIREMENT PLANS (Continued)

Expected Future Benefit Payments

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

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

Expected Long-Term Rate of Return on Plan Assets Assumption

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

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.

10. POST-RETIREMENT BENEFIT (Continued)

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

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

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.

11. ENDOWMENT (Continued)

Strategies Employed for Achieving Objectives (Continued)

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

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

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

Allocation of Investment Returns

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

Spending Policy and How the Investment Objectives Relate to Spending Policy

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

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

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or law requires the fund to retain as a fund of perpetual duration. There were no deficiencies of this nature as of June 30, 2022. For fiscal year ended June 30, 2022, the Center had the following endowment-related activities:

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

11. ENDOWMENT (Continued)

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

12. NET ASSETS WITH DONOR RESTRICTIONS

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

The following summarizes restricted net assets at June 30:

	2022	2021
Restricted by purpose or time:		
Greenhouse Fund	$ 442,353	$ 572,244
Jacob Fund	1,416	626
Bryant Fund	82,505	79,589
Lathrop Fund	1,473,507	1,703,874
Stein Library Fund	40,191	48,337
J.K. Miller Fund	372,871	440,971
Sidney Albert Institute	578,004	689,603
Joanne Malick Fund	108,329	130,975
Charbonneau Fund	4,929	6,743
Puels Fund	377,707	431,797
Margaret D. Griffel Trust	120,254	198,168
Total	$ 3,602,066	$ 4,302,927

	2022	2021
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, 2022:

	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total
Money Markets	$ 231,210	$ -	$ -	$ 231,210
Equities	9,788,617	-	-	9,788,617
Mutual Funds	774,030	-	-	774,030
Government Debt Securities	-	331,415	-	331,415
Total Investments	$ 10,793,857	$ 331,415	$ -	$ 11,125,272

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

There were no changes in valuation techniques during 2022 or 2021. 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 $4,400,695 and $4,052,008 in fees to Northern Rivers Family Services during the years ended June 30, 2022 and 2021, 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 $388,706 and $372,449 for the years ended June 30, 2022 and 2021, 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.

14. RELATED PARTY TRANSACTIONS (Continued)

Northeast Parent and Child Society, Inc. (Continued)

The Society recorded expenses of approximately $125,000 for training services provided by the Center during both the years ended June 30, 2022 and 2021. The Center also incurred rent expense for the use of space at Northeast Parent and Child Society, Inc. in the amount of $298,566 and $358,012 for the years ended June 30, 2022 and 2021, respectively. The Center charged the Society rent in the amount $97,442 and $43,207 for the years ended June 30, 2022 and 2021, respectively.

Unlimited Potential

The Center is related through common control to Unlimited Potential (Unlimited). Generally, all intercompany loans are non-interest bearing and payment is expected within 12-36 months, unless otherwise arranged.

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

	2022	2021
Due From Affiliates:		
Northern Rivers Family Services, Inc.	$ 79,826	$ 49,229
Northeast Parent and Child Society, Inc.	43,486	39,673
Unlimited potential, Inc.	-	1,710
Total	$ 123,312	$ 88,902
Due To Affiliates:		
Northern Rivers Family Services, Inc.	$ 81,536	$ 357,801
Northeast Parent and Child Society, Inc.	103,380	82,169
Total	$ 184,916	$ 439,970

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 $18,679 and $3,085 for the years ended June 30, 2022 and 2021, 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.

15. COMMITMENTS AND CONTINGENCIES (Continued)

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:

2023		$	305,701
2024			229,105
2025			217,985
2026			222,134
2027			110,717
	Total	$	1,085,642

Rental expense, excluding rent from the Society, for the years ending June 30, 2022 and 2021, was $418,979 and $490,895, 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.

16. SUBSEQUENT EVENTS

Subsequent events have been evaluated through November 10, 2022, which is the date the financial statements were available to be issued.

Termination of Defined Benefit Pension Plan

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

Sale of 353 New Scotland Avenue, Albany, NY Group Home

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

PARSONS CHILD AND FAMILY CENTER Schedule I

SCHEDULE OF REVENUE FUNCTIONAL EXPENSES
For the Year Ended June 30, 2022
(With Comparative Totals for 2021)

	2022												
	Residential Care	Behavioral Health Services	Case Management Services	Early Childhood Services	Family Foster Care	Training and Research	Prevention Services	Education Services	Crisis Services	Management and General	Fundraising and Non-operating	Total	2021
REVENUE	$ 11,326,959	$ 6,193,235	$ 10,820,499	$ 3,974,168	$ 2,393,788	$ 1,068,172	$ 3,310,170	$ 8,293,140	$ 6,426,140	$ 19,822	$ 2,466,585	$ 56,292,678	$ 54,776,679
FUNCTIONAL EXPENSES:													
Salaries	6,304,834	3,710,464	4,514,529	2,267,334	775,843	564,001	1,556,437	5,108,964	3,704,285	33,779	15,524	28,555,994	28,291,418
Employee Health and Retirement Benefits	767,045	469,815	556,669	271,864	89,942	82,299	191,479	641,312	445,165	(5,852)	1,730	3,511,468	5,307,288
Payroll Taxes	614,277	308,234	427,567	219,029	73,281	49,985	137,782	489,555	353,982	5,796	2,664	2,682,152	2,615,175
Total compensation and benefits	7,686,156	4,488,513	5,498,765	2,758,227	939,066	696,285	1,885,698	6,239,831	4,503,432	33,723	19,918	34,749,614	36,213,881
Allowances - children	12,626	-	-	-	-	-	2,675	-	-	-	-	15,301	15,858
Allowances - parents	-	-	-	33	-	-	-	-	-	-	-	33	868
Allowances - uncollectible receivables	147,405	969	1,983	5,878	68,346	16,450	84,192	85,924	815	-	-	411,962	1,042,319
Auto and transportation	28,423	5,534	133,911	3,024	57,483	435	24,964	7,601	31,426	677	311	293,789	182,387
Bedding	3,293	7	4	1,638	1	-	7	4,331	2,461	12	6	11,760	14,801
Boarding home	2,873	-	-	-	679,520	-	-	-	-	-	-	682,393	873,611
Charges from Parent Organization	-	-	-	-	-	-	-	-	-	4,102,095	-	4,102,095	3,687,799
Clothing	23,546	-	-	-	-	-	-	-	46	-	-	23,592	28,968
Conferences and Administrative	(83,100)	(68,260)	130,936	155,599	(1,318)	(10,150)	(27,514)	(48,493)	(58,939)	3,362	(189,836)	(197,713)	207,379
Discretionary Funds	-	-	-	-	-	-	-	-	-	-	-	-	39,449
Dues, licenses and permits	4,153	19	1,827	8,720	173	7,834	6,114	3,034	1,230	806	14	33,924	29,069
Food	198,602	-	-	129,240	6	430	1,318	87,580	37,987	-	-	455,163	396,315
In-Kind expense	-	-	-	-	-	-	-	-	-	-	-	-	127,069
Insurance	225,357	38,417	73,650	34,588	21,000	10,945	61,551	179,851	74,931	12,104	1,585	733,979	705,174
Interest	373,504	-	-	-	-	-	-	24,265	16,256	-	-	414,025	250,661
Legal and professional fees	5,105	-	-	-	7,895	3,307	-	145	37	-	(2,927)	13,562	45,226
Office supplies and expense	15,057	5,081	4,529	7,034	2,036	933	4,423	10,993	4,847	630	189	55,752	53,572
Postage and shipping	4,859	2,597	4,469	2,873	923	372	1,640	4,640	2,510	216	78	25,177	26,194
Publicity	29,373	13,245	-	-	9,319	-	-	21,308	17,537	-	-	90,782	148,895
Purchase of health services	124,015	51,238	25,750	56,394	1,792	-	-	130,454	100,484	-	-	490,127	585,539
Purchase of services - other	683,725	458,114	281,306	220,438	103,428	28,434	109,559	625,634	268,068	85,792	49,981	2,914,479	2,749,701
Recreation	37,714	574	1,070	7,715	4,521	240	5,331	27,463	4,174	-	-	88,802	50,659
Rent	-	192,410	273,554	-	20,990	-	59,959	-	86,467	-	63,757	697,137	766,154
Rent - furnishings and equipment	6,224	1,098	1,381	798	146	793	1,450	4,729	1,234	273	97	18,223	77,173
Rent - vehicles	-	-	-	-	2,236	-	-	-	-	-	-	2,236	5,580
Repair and Maintenance	4,171	4,874	2,512	4,741	761	923	1,423	6,471	2,455	23	416	28,770	97,330
Repair and Maintenance - vehicles	20,064	467	292	923	138	25	2,018	6,384	6,415	774	356	37,856	33,572
School expense	327	-	-	-	-	-	-	-	-	-	-	327	1,614
Software and systems	42,018	99,568	44,300	5,835	10,111	4,839	17	62,861	18,435	39	11	288,034	181,187
Staff development	254	315	2,534	28,818	2	2,512	13,959	1,130	223	35	16	49,798	88,826
Subscription and publications	2,144	-	-	-	-	1,560	592	1,518	601	-	-	6,415	6,389
Supplies and equipment	153,257	3,803	6,532	117,649	5,552	517	18,617	145,073	55,647	31,757	9,778	548,182	960,191
Supplies and equipment - medical	39,970	120	2	650	-	-	32	619	2,203	5	2	43,603	144,574
Telecommunications	44,657	32,877	50,543	14,388	9,647	1,039	22,341	33,486	24,707	7,117	7,949	248,751	256,015
Utilities and property taxes	112,550	1,462	5,860	45,042	85	7,592	11,941	86,602	15,133	35,894	12,383	334,544	328,072
Depreciation	733,493	5,948	10,552	143,247	519	42,416	16,474	286,521	88,803	85,355	28,407	1,441,735	1,229,090
Total operating expenses	10,681,815	5,338,990	6,556,262	3,753,492	1,944,378	817,731	2,308,781	8,039,955	5,309,625	4,400,689	2,491	49,154,209	51,651,161
Operating gain (loss)	$ 645,144	$ 854,245	$ 4,264,237	$ 220,676	$ 449,410	$ 250,441	$ 1,001,389	$ 253,185	$ 1,116,515	$ (4,380,867)	$ 2,464,094		

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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 10, 2022

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, 2022, 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 10, 2022.

Report on 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 or significant deficiencies may exist that were not 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)

Report on 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.

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

November 10, 2022

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

Report on Compliance for Each Major Federal Program

Opinion on 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, 2022. 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.

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, 2022.

Basis for Opinion on Each Major Federal Program
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 and 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Center and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Center's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance
Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Center's federal programs.

(Continued)

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

Auditor's Responsibilities for the Audit of Compliance
Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Center's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Center's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Center's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the Center's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Center's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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.

(Continued)

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

Report on Internal Control over Compliance (Continued)
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

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PARSONS CHILD AND FAMILY CENTER

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

Federal Grantor/ Pass-Through Grantor/ Program Title	Pass Through Grantor's Number	Assistance Listing Number	Expenditures
U.S. Department of Agriculture			
Passed-through New York State Education Department:			
School Breakfast Program	NA	10.553	$ 57,677
National School Lunch Program	NA	10.555	109,377
Total Child Nutrition Cluster			167,054
Child and Adult Care Food Program	NA	10.558	117,391
Total U.S. Department of Agriculture			284,445
U.S. Department of Health and Human Services			
COVID-19 Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution	NA	93.498	899,663
Head Start	NA	93.600	1,670,972
Total U.S. Department of Health and Human Services			2,570,635
U.S. Department of Education			
Passed-through Albany City School District			
Title I Grants to Local Educational Agencies (Title I, Part A of the ESEA)	NA	84.010	20,300
Passed-through New York State Education Department			
Special Education - Grant to State	0427-16-0051	84.027	244,508
Special Education - Preschool Grants	0427-16-0112	84.173	24,994
Total Special Education Grants			269,502
Total U.S. Department of Education			289,802
Total Expenditures of Federal Awards			$ 3,144,882

NA Not available

The accompanying notes are an integral part of these schedules.

PARSONS CHILD AND FAMILY CENTER

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2022

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, 2022. 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. PROVIDER RELIEF FUNDS (PRF)

The amount included in the schedule of expenditures of federal awards is based upon the December 31, 2021 PRF report.

3. 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.

PARSONS CHILD AND FAMILY CENTER

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2022

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*
93.498	COVID-19 Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution
93.600	Head Start

Dollar threshold used to distinguish between type A and type B programs? $750,000

Auditee qualified as low-risk auditee: ___Yes ___x__ No

SECTION 2 – FINANCIAL STATEMENT FINDINGS

None

SECTION 3 – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None