ASTOR SERVICES FOR CHILDREN & FAMILIES AND SUBSIDIARY

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

YEARS ENDED JUNE 30, 2023 AND 2022

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YEARS ENDED JUNE 30, 2023 AND 2022

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Astor Services for Children & Families and Subsidiary
Rhinebeck, New York

Opinion

We have audited the consolidated financial statements of Astor Services for Children & Families ("Astor"), and The Children's Foundation of Astor, Inc. (the "Foundation") (collectively, the "Organization"), which comprise the consolidated statements of financial position as of June 30, 2023 and 2022, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Organization as of June 30, 2023 and 2022, and the consolidated changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Change in Accounting Principle

As discussed in Note 2N to the consolidated financial statements, the Organization changed its method of accounting for leases as a result of the adoption of Accounting Standards Codification Topic 842, *Leases*, effective July 1, 2022, under the modified retrospective transition method. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Consolidated Financial Statements

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

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

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Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 GAAS 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 consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audits 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 Organization'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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 Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements of Astor Services for Children & Families and The Children's Foundation of Astor, Inc. as a whole. The supplementary information (included on pages 22-24) is presented for the purpose of additional analysis, rather than to present the financial position and changes in net assets of Astor and the Foundation individually and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Mayer Hoffman McCann CPAs

New York, NY
January 26, 2024

ASTOR SERVICES FOR CHILDREN & FAMILIES AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2023 AND 2022

	2023	2022
ASSETS		
Cash and cash equivalents (Notes 2D and 12A)	$ 1,721,963	$ 1,519,442
Investments (Notes 2L, 14 and 15)	4,530,453	6,776,250
Accounts receivable, net (Note 2G)	7,179,765	8,303,928
Contribution in-kind - rent receivable, current, net (Notes 2F, 2J and 4)	514,944	514,944
Prepaid expenses, deposits and other assets	613,371	563,290
Total current assets	14,560,496	17,677,854
Contribution in-kind - rent receivable, non-current, net (Notes 2F, 2J and 4)	5,129,992	5,381,254
Operating lease right-of-use assets (Notes 2N and 10)	2,288,071	-
Property and equipment, net (Notes 2I, 5 and 6)	8,171,391	8,740,467
Investments - perpetual in nature (Notes 2B, 2L, 13, 14, 15 and 16)	500,000	471,730
TOTAL ASSETS	$ 30,649,950	$ 32,271,305
LIABILITIES		
Accounts payable and accrued expenses	$ 1,581,707	$ 1,340,514
Accrued salaries, vacation and benefits	2,796,807	2,827,868
Due to funding sources and deferred revenue (Note 2E)	768,033	652,182
Debt, current (Note 6)	633,450	599,925
Operating lease liabilities (Notes 2N and 10), current	725,921	-
Total current liabilities	6,505,918	5,420,489
Debt, non-current (Note 6)	5,232,264	5,850,001
Operating lease liabilities (Notes 2N and 10), non-current	1,557,965	-
TOTAL LIABILITIES	13,296,147	11,270,490
COMMITMENTS AND CONTINGENCIES (Note 10)		
NET ASSETS (Note 2B)		
Net assets without donor restrictions:		
Net investment in property and equipment	2,305,677	2,290,541
Operations	8,770,992	11,926,393
Total net assets without donor restrictions	11,076,669	14,216,934
Net assets with donor restrictions (Note 16)	6,277,134	6,783,881
TOTAL NET ASSETS	17,353,803	21,000,815
TOTAL LIABILITIES AND NET ASSETS	$ 30,649,950	$ 32,271,305

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

ASTOR SERVICES FOR CHILDREN & FAMILIES AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	For the Year Ended June 30, 2023			For the Year Ended June 30, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total 2023	Without Donor Restrictions	With Donor Restrictions	Total 2022
OPERATING ACTIVITIES:						
REVENUE AND SUPPORT:						
Revenue						
Government contracts and grants (Note 2E)	$ 27,681,441	$ -	$ 27,681,441	$ 27,587,663	$ -	$ 27,587,663
Contracts with non-governmental entities	1,556,217	-	1,556,217	1,396,607	-	1,396,607
Medicaid (Note 2E)	11,251,976	-	11,251,976	12,327,539	-	12,327,539
Managed care, private and commercial insurance fees	13,284,972	-	13,284,972	12,690,890	-	12,690,890
Support						
Donated goods and services (Note 2F)	865,802	-	865,802	808,093	-	808,093
Amortization of discount on contribution-in-kind (Note 4)	-	263,682	263,682	-	275,418	275,418
Contributions and other	665,448	-	665,448	449,019	-	449,019
Grants						
Other grants	368,397	19,885	388,282	993,911	128,101	1,122,012
Net assets released from restrictions (Note 2B)	840,637	(840,637)	-	532,440	(532,440)	-
TOTAL REVENUE AND SUPPORT	56,514,890	(557,070)	55,957,820	56,786,162	(128,921)	56,657,241
EXPENSES (Note 2H):						
Program services:						
Care Management	6,750,445	-	6,750,445	6,974,401	-	6,974,401
Early Childhood	11,612,782	-	11,612,782	10,411,837	-	10,411,837
Enhanced Schools	7,517,000	-	7,517,000	7,480,752	-	7,480,752
Out of Home Placement	8,872,028	-	8,872,028	9,956,739	-	9,956,739
Outpatient	12,095,594	-	12,095,594	10,629,636	-	10,629,636
Other Clinical Programs	4,033,061	-	4,033,061	3,884,680	-	3,884,680
Program services - Foundation	64,620	-	64,620	64,620	-	64,620
Total program services	50,945,530	-	50,945,530	49,402,665	-	49,402,665
Support services:						
Management and administration	8,440,390	-	8,440,390	8,337,736	-	8,337,736
Fundraising	876,919	-	876,919	674,102	-	674,102
Total support services	9,317,309	-	9,317,309	9,011,838	-	9,011,838
TOTAL EXPENSES	60,262,839	-	60,262,839	58,414,503	-	58,414,503
CHANGE IN NET ASSETS FROM OPERATIONS	(3,747,949)	(557,070)	(4,305,019)	(1,628,341)	(128,921)	(1,757,262)
NONOPERATING ACTIVITIES:						
Investment activity (Note 14)	607,684	50,323	658,007	(894,611)	(73,754)	(968,365)
Paycheck Protection Program loan forgiveness (Note 7)	-	-	-	1,800,000	-	1,800,000
TOTAL NONOPERATING ACTIVITIES	607,684	50,323	658,007	905,389	(73,754)	831,635
CHANGE IN NET ASSETS	(3,140,265)	(506,747)	(3,647,012)	(722,952)	(202,675)	(925,627)
Net assets - beginning of year	14,216,934	6,783,881	21,000,815	14,939,886	6,986,556	21,926,442
NET ASSETS - END OF YEAR	$ 11,076,669	$ 6,277,134	$ 17,353,803	$ 14,216,934	$ 6,783,881	$ 21,000,815

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

ASTOR SERVICES FOR CHILDREN & FAMILIES AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023

	Program Services								Supporting Services				
	Care Management	Early Childhood	Enhanced Schools	Out of Home Placement	Outpatient	Other Clinical Programs	Foundation	Total Program Services	Management and Administration	Fundraising	Total Supporting Services	Consolidated Total 2023	Consolidated Total 2022
Salaries and related expenses:													
Salaries	$ 4,602,766	$ 6,582,369	$ 4,919,055	$ 4,568,089	$ 8,715,983	$ 2,750,564	$ -	$ 32,138,826	$ 4,471,973	$ 383,498	$ 4,855,471	$ 36,994,297	$ 35,716,326
Employee health and retirement benefits (Note 9)	744,344	1,171,679	746,601	828,134	1,320,498	411,336	-	5,222,592	837,010	70,474	907,484	6,130,076	6,740,254
Payroll taxes and other benefits	472,498	685,731	510,175	463,052	860,932	310,962	-	3,303,350	470,803	44,575	515,378	3,818,728	3,575,270
Total salaries and related expenses	5,819,608	8,439,779	6,175,831	5,859,275	10,897,413	3,472,862	-	40,664,768	5,779,786	498,547	6,278,333	46,943,101	46,031,850
Professional services	89,024	377,062	357,757	185,508	279,474	116,331	-	1,405,156	661,243	34,054	695,297	2,100,453	1,926,471
Supplies	21,789	260,798	86,846	49,840	33,061	14,681	-	467,015	39,906	739	40,645	507,660	607,169
Telephone	110,225	121,275	68,715	118,758	218,594	84,011	-	721,578	921,118	16	921,134	1,642,712	1,680,293
Occupancy (Note 10)	264,664	457,100	266,700	306,338	259,348	182,066	-	1,736,216	144,271	4,564	148,835	1,885,051	1,416,905
Travel and related expenses	76,768	44,490	7,771	31,536	37,056	28,076	-	225,697	21,929	974	22,903	248,600	521,653
Training and conferences	14,500	77,239	7,334	2,888	8,187	22,849	-	132,997	104,647	432	105,079	238,076	186,155
Specific assistance	157,882	1,882	-	7,754	13,816	8,334	-	189,668	-	-	-	189,668	168,399
Client expenses - Foster boarding home	-	-	-	1,104,027	-	-	-	1,104,027	-	-	-	1,104,027	917,823
Children's activities	247	8,638	8,482	30,523	-	1,465	-	49,355	-	-	-	49,355	58,919
Insurance	118,438	170,709	127,641	151,456	215,545	69,823	-	853,612	-	-	-	853,612	831,160
Food	571	352,895	45,970	26,893	253	514	-	427,096	17,188	1,373	18,561	445,657	380,469
Furniture and equipment	12,390	46,325	47,922	31,163	15,808	2,130	-	155,738	19,249	-	19,249	174,987	367,988
Interest	-	-	26,995	347,205	-	-	-	374,200	46,769	-	46,769	420,969	385,717
Depreciation and amortization (Note 5)	18,973	113,183	128,086	484,842	29,801	5,344	64,620	844,849	124,725	-	124,725	969,574	989,641
Donated goods, services and facilities	21,199	1,096,285	114,687	97,513	38,568	12,494	-	1,380,746	-	-	-	1,380,746	1,323,037
Publicity	-	-	-	-	-	-	-	-	-	317,735	317,735	317,735	153,277
Miscellaneous	24,167	45,122	46,263	36,509	48,670	12,081	-	212,812	371,513	18,485	389,998	602,810	450,692
Other grants expense	-	-	-	-	-	-	-	-	188,046	-	188,046	188,046	16,885
TOTAL EXPENSES	$ 6,750,445	$ 11,612,782	$ 7,517,000	$ 8,872,028	$ 12,095,594	$ 4,033,061	$ 64,620	$ 50,945,530	$ 8,440,390	$ 876,919	$ 9,317,309	$ 60,262,839	$ 58,414,503

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

ASTOR SERVICES FOR CHILDREN & FAMILIES AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

	Program Services								Supporting Services			
	Care Management	**Early Childhood**	**Enhanced Schools**	**Out of Home Placement**	**Outpatient**	**Other Clinical Programs**	**Foundation**	**Total Program Services**	**Management and Administration**	**Fundraising**	**Total Supporting Services**	**Consolidated Total 2022**
Salaries and related expenses:												
Salaries	$ 4,747,932	$ 5,772,287	$ 4,993,963	$ 5,105,231	$ 7,441,130	$ 2,655,455	$ -	$ 30,715,998	$ 4,637,135	$ 363,193	$ 5,000,328	$ 35,716,326
Employee health and retirement benefits (Note 9)	851,470	1,199,484	881,333	1,047,373	1,333,142	462,081	-	5,774,883	893,975	71,396	965,371	6,740,254
Payroll taxes and other benefits	482,205	578,903	482,424	511,007	721,558	262,112	-	3,038,209	499,499	37,562	537,061	3,575,270
Total salaries and related expenses	6,081,607	7,550,674	6,357,720	6,663,611	9,495,830	3,379,648	-	39,529,090	6,030,609	472,151	6,502,760	46,031,850
Professional services	76,373	332,729	207,934	302,596	243,447	86,918	-	1,249,997	675,075	1,399	676,474	1,926,471
Supplies	18,349	296,394	55,028	129,721	35,516	6,842	-	541,850	58,728	6,591	65,319	607,169
Telephone	128,529	115,977	84,253	153,111	236,715	93,481	-	812,066	868,166	61	868,227	1,680,293
Occupancy (Note 10)	210,600	288,931	189,542	278,608	236,731	130,184	-	1,334,596	82,309	-	82,309	1,416,905
Travel and related expenses	101,949	127,875	16,292	99,882	42,506	65,120	-	453,624	67,512	517	68,029	521,653
Training and conferences	6,830	57,355	11,449	6,732	2,993	6,666	-	92,025	92,804	1,326	94,130	186,155
Specific assistance	144,834	980	-	6,933	1,275	14,377	-	168,399	-	-	-	168,399
Client expenses - Foster boarding home	-	-	-	917,823	-	-	-	917,823	-	-	-	917,823
Children's activities	622	8,330	9,533	40,083	25	326	-	58,919	-	-	-	58,919
Insurance	121,650	163,627	129,229	162,470	187,171	67,013	-	831,160	-	-	-	831,160
Food	409	232,664	3,492	108,885	453	356	-	346,259	19,634	14,576	34,210	380,469
Furniture and equipment	17,870	80,813	85,908	91,515	40,604	5,526	-	322,236	40,254	5,498	45,752	367,988
Interest	-	-	31,323	341,003	-	-	-	372,326	13,391	-	13,391	385,717
Depreciation and amortization (Note 5)	19,500	97,030	127,933	515,501	31,347	5,810	64,620	861,741	127,900	-	127,900	989,641
Donated goods, services and facilities	22,496	1,038,304	114,727	100,496	34,619	12,395	-	1,323,037	-	-	-	1,323,037
Publicity	-	-	-	-	-	-	-	-	-	153,277	153,277	153,277
Miscellaneous	22,783	20,154	56,389	37,769	40,404	10,018	-	187,517	244,469	18,706	263,175	450,692
Other grants expense	-	-	-	-	-	-	-	-	16,885	-	16,885	16,885
TOTAL EXPENSES	$ 6,974,401	$ 10,411,837	$ 7,480,752	$ 9,956,739	$ 10,629,636	$ 3,884,680	$ 64,620	$ 49,402,665	$ 8,337,736	$ 674,102	$ 9,011,838	$ 58,414,503

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

ASTOR SERVICES FOR CHILDREN & FAMILIES AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ (3,647,012)	$ (925,627)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	969,574	989,641
Amortization of discount on contribution in-kind receivable	(263,682)	(275,418)
Reduction of contribution in-kind - rent receivable	514,944	514,944
Interest expense on deferred financing costs	6,868	13,431
Operating lease right-of-use assets amortization	16,776	-
Unrealized (gain) loss on investments	(484,692)	1,139,727
Forgiveness of Paycheck Protection Program loan	-	(1,800,000)
Subtotal	(2,887,224)	(343,302)
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	1,124,163	(160,357)
Prepaid expenses, deposits and other assets	(50,081)	(50,399)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	241,193	(251,427)
Accrued salaries, vacation and benefits	(31,061)	(743,133)
Due to funding sources and deferred revenue	115,851	(15,031)
Lease liability - operating leases	(20,961)	-
Net Cash Used in Operating Activities	(1,508,120)	(1,563,649)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(1,009,481)	(11,951)
Proceeds from sales of investments	3,711,700	255,896
Purchases of property and equipment	(400,498)	(66,902)
Net Cash Provided by Investing Activities	2,301,721	177,043
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on debt	(591,080)	(562,277)
Proceeds from line of credit	2,500,000	1,500,000
Payments on line of credit	(2,500,000)	(1,500,000)
Net Cash Used in Financing Activities	(591,080)	(562,277)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	202,521	(1,948,883)
Cash and cash equivalents - beginning of year	1,519,442	3,468,325
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 1,721,963	$ 1,519,442
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for interest	$ 414,101	$ 372,286

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

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

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

The Children's Foundation of Astor, Inc. ("Foundation") is a not-for-profit corporation. The Foundation was formed to raise funds and provide grants as well as support the activities of Astor. Astor is the sole member of the Foundation.

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

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

Programs operated by the Organization are summarized below.

- **Care Management:** The provision of support and linkages to programs/services in the home, school, and community. These include individualized programs to prevent residential placement and innovative cross-systems integration to serve children who are at high risk.

- **Early Childhood:** Head Start, special education and early intervention programs for young children ages 3-5 years.

- **Enhanced Schools:** Schools and Day Treatment programs in a variety of educational settings with any combination of education, behavioral and clinical support including direct clinical care and classroom consultative arrangements.

- **Out of Home Placement:** Therapeutic foster families, and congregate residential care for young children in a Residential Treatment Center. Specialized, high-level clinically based residential care in a Residential Treatment Facility.

- **Outpatient:** An array of outpatient clinics for children, adolescents, and young adults in the community and in schools. This includes therapy services using evidence-based practices, psychiatry, and tele-psychiatry services.

- **Other Clinical Programs:** Astor provides a series of specialized services not listed in its main service lines, including: immediate home and school response in times of crisis; partial hospitalization for adolescents needing the highest level of clinical support; and specialized services for children at risk of more restrictive placements including Functional Family Therapy, juvenile justice prevention, Children and Family Treatment and Support and Home and Community Based Services, COVID-19 mental health support, and a 24-hour Stabilization Center.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Revenue and support are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

- Net Assets Without Donor Restrictions – Represents resources available for support of the Organization's operations, over which the Board of Directors has discretionary control.

- Net Assets With Donor Restrictions – The Organization reports contributions of cash and other assets as without donor restrictions unless they are received with donor stipulations that limit the use of the donated asset; such assets are considered net assets with donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying consolidated statements of activities as net assets released from restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the contribution as net assets without donor restrictions. In addition, net assets with donor restrictions represent assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. The donor of these assets permits the Organization to use the income earned from related investments for general purposes. Earnings would normally be accounted for in the net assets without donor restrictions class to benefit the Organization, but as further described in Note 16, such funds are restricted by law until appropriated by the Board. The Organization has net assets with donor restrictions, which are perpetual in nature, of $500,000 as of both June 30, 2023 and 2022.

C. The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

D. Cash and cash equivalents consist of: cash, money market funds and accounts backed by the U.S. Government with maturities, when purchased, of three months or less.

E. Contracts and grants consist of revenue received through various federal, state and local governmental agencies. The Organization also receives residential, day treatment, medical and tuition support from various New York State counties and school districts. Reimbursement rates are preliminarily based upon prior years' actual cost data provided to the Department of Social Services ("DSS"), the State Education Department ("SED") and the Office of Mental Health ("OMH"). Final determination of rates is based upon DSS, SED and OMH's review and audit of actual expenditures for the applicable year. Government contracts and grants are recorded as revenues to the extent that expenses have been incurred for the purposes specified by the grantors. To the extent amounts received exceed amounts spent, the Organization establishes refundable advances from governmental sources. Any revenue for contracts that has not yet been earned is reclassified as deferred revenue in the consolidated statements of financial position.

   Government grants and contracts are nonexchange transactions and accounted for under Accounting Standards Update ("ASU") 2018-08 *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made* (Topic 958). Government grants and contracts are recognized as revenue when barriers within the contract are overcome and there is no right of return. Government grants and contracts amounted to $27,681,441 and $27,587,663 for the years ended June 30, 2023 and 2022, respectively, and are included in the consolidated statements of activities.

   As of June 30, 2023 and 2022, Astor received conditional grants and contracts from government agencies in the aggregate amounts of approximately $18,490,000 and $14,979,000, respectively. Such grants have not been recognized in the accompanying consolidated financial statements as they are for future periods and will be recognized when contract barriers are overcome. Such barriers include expending these funds in accordance with their agreements. If such services are not provided, the governmental entities are not obligated to expend the funds allotted under the grants and contracts and the Organization may be required to return the funds already remitted.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Primary support for the programs operated by Astor is also derived directly from services provided to approved clients from third-party reimbursement sources. Laws and regulations governing Medicaid programs are subject to interpretation. Noncompliance with such laws and regulations could result in fines, penalties and exclusion from Medicaid programs. There are occasions when funding source reimbursements for prior years are adjusted in the current period. Astor records receivables and revenue when earned based on established rates or contracts for services provided. Revenue is reported at the amount that reflects the consideration to which Astor expects to be entitled in exchange for providing the contracted services. Generally, Astor bills the government entities, third-party payors and individuals after the services are performed or when Astor has completed its portion of the contract. Medicaid is accounted for under ASU 2014-09 "*Revenue from Contracts with Customers*" (Topic 606). The receivable balance as of June 30, 2023, June 30, 2022 and July 1, 2021 amounted to $1,461,758, $1,890,972, and $1,255,718.

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

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

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

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

Approximately 67% and 71% of the Organization's revenues without donor restrictions were provided by Medicaid reimbursement and government contracts and grants during the years ended June 30, 2023 and 2022, respectively.

There are occasions when funding source reimbursements received in prior years are adjusted in the current year. Such adjustments may be due to funding source audit findings, additional monies available over and above original contract amounts, rate appeal results, etc. Included in the change in net assets for the years ended June 30, 2023 and 2022, was approximately $489,000 and $1,225,000, respectively, of prior year increases, relating to such adjustments.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Organization estimates the effect of SED's reconciliation process and records increases or decreases in tuition revenue for that year. The purpose is to more closely match reimbursable expenses with tuition revenue. For the years ended June 30, 2023 and 2022, Astor recognized an estimated increase (decrease) of $68,928 and $(35,683) for tuition revenue based on SED's reconciliation process. These amounts are reflected in government contracts and grants and accounts receivable.

F. The Organization receives donated services, equipment, supplies and other items which supplement the efforts of the Organization's professional staff in providing services. The Organization records these contributions in the accompanying consolidated financial statements as support and expenses at the estimated value of the donated goods and services.

Donated goods and services for the year ended June 30, 2023 consisted of the following:

Nonfinancial Asset	Amount	Usage in Programs/Activities	Donor-imposed Restrictions	Fair Value Techniques
Donated services	$ 773,791	Various programs of the Organization	No associated donor restriction	Based on current rate of services provided by individuals
Donated goods	92,011	Various programs of the Organization	No associated donor restriction	Based on current value of goods donated

Donated goods and services for the year ended June 30, 2022 consisted of the following:

Nonfinancial Asset	Amount	Usage in Programs/Activities	Donor-imposed Restrictions	Fair Value Techniques
Donated services	$ 707,890	Various programs of the Organization	No associated donor restriction	Based on current rate of services provided by individuals
Donated goods	100,203	Various programs of the Organization	No associated donor restriction	Based on current value of goods donated

G. As of June 30, 2023 and 2022, the Organization determined that an allowance for doubtful accounts of approximately $250,000 was necessary for accounts receivable. Such estimates are based on a combination of factors, such as management's assessment of the aged basis of its government funding sources, creditworthiness of funders and its donors, current economic conditions and historical experience. A significant portion of accounts receivable consists of amounts due from federal and New York State sources.

H. The cost of providing the various program and supporting services has been summarized on a functional basis in the accompanying consolidated statements of functional expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited.

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

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Property and equipment is stated at cost less accumulated depreciation and amortization. These amounts do not purport to represent replacement or realizable values. The Organization capitalizes property and equipment with a cost of $1,000 or more and a useful life of greater than one year. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. Leasehold improvements are amortized over the lesser of the useful lives of the improvements or the term of the applicable lease.

J. Pledges of contributions-in-kind rent are recorded as revenue when made. The Organization considers these pledges scheduled to be received in future periods as implicitly time restricted. The Organization discounts long-term pledges using a risk-free adjusted interest rate for the expected term of the promise to give applicable to the years in which the pledges are received. As of June 30, 2023 and 2022, the discount on contributions in-kind receivable amounted to $2,079,224 and $2,342,906, respectively.

K. Pledges are recorded as income when the Organization is formally notified of the grants or contributions by the respective donors. Unless material to the consolidated financial statements, the Organization does not discount multi-year pledges.

L. Investments are measured at fair value. Fair value measurements are based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three levels, as described in Note 14.

M. The Organization considers all revenues and expenses to be operating activity except for the forgiveness of the Paycheck Protection Program loan (see Note 7) and investment activity (see Note 15).

N. Recent Accounting Pronouncements – The Organization adopted FASB ASU 2016-02, *Leases*, (Topic 842) for the year ended June 30, 2023. The ASU requires organizations that lease assets to recognize the present value of the assets and liabilities for the rights and obligations created by those leases. The Organization adopted Topic 842 as of July 1, 2022, which required the recognition of lease assets and liabilities of $2,220,501 as of that date. The lease liability was valued using the present value of future lease commitments. The adoption of Topic 842 was done using a modified retrospective approach that does not require restating prior periods, and as such, the adoption had no impact to the prior year financial statements, including the change in net assets as previously reported.

NOTE 3—LIQUIDITY AND AVAILABILITY OF RESOURCES

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

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

In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. In the event of an unanticipated liquidity need, the Organization could also draw upon $4,000,000 of its available bank line of credit of which $4,000,000 is available as of June 30, 2023. See Note 6.

NOTE 3—LIQUIDITY AND AVAILABILITY OF RESOURCES (Continued)

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

	2023	2022
Cash and cash equivalents	$ 1,721,963	$ 1,519,442
Investments	5,030,453	7,247,980
Accounts receivable, net	7,179,765	8,303,928
Total financial assets	13,932,181	17,071,350
Less: Restricted endowment balance	(500,000)	(471,730)
	$ 13,432,181	$ 16,599,620

NOTE 4—CONTRIBUTION IN-KIND - RENT RECEIVABLE

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

	2023	2022
Amount due in less than one year	$ 514,944	$ 514,944
Amount due from one to five years	2,059,776	2,059,776
Amount due in greater than five years	5,149,440	5,664,384
	7,724,160	8,239,104
Less: Unamortized discount to present value	(2,079,224)	(2,342,906)
	$ 5,644,936	$ 5,896,198

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

Amortization of the discount on the contribution-in-kind amounted to $263,682 and $275,418 for the years ended June 30, 2023 and 2022, respectively.

NOTE 5—PROPERTY AND EQUIPMENT, NET

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

	2023	2022	Estimated Useful Lives
Land	$ 505,358	$ 505,358	
Buildings	18,480,424	18,480,424	40 years
Furniture and equipment	3,020,658	2,892,632	3-10 years
Leasehold improvements	4,921,485	4,781,742	Remaining lease term
Construction in progress (see below)	354,352	221,623	
Total cost	27,282,277	26,881,779	
Accumulated depreciation and amortization	(19,110,886)	(18,141,312)	
Net book value	$ 8,171,391	$ 8,740,467	

Depreciation and amortization expense for the years ended June 30, 2023 and 2022, amounted to $969,574 and $989,641, respectively.

NOTE 5—PROPERTY AND EQUIPMENT, NET (Continued)

As of June 30, 2023, construction in progress primarily consists of real estate advisory costs for rezoning feasibility and development options for the property owned at 750 Tilden Avenue, Bronx, New York. In May 2023, Astor entered into a joint venture agreement with an unrelated not-for-profit corporation to further develop the building for use as affordable rental housing for the elderly. As of January 26, 2024, there have been no material operations, expenses or debt committed to the project.

NOTE 6—DEBT

Debt consists of the following as of June 30:

	2023	2022
Note payable to a bank, due January 2025, payable in monthly installments of $17,283 (principal and interest). The interest rate is fixed at 5.45% for the first ten years (ending January 2022), after which the rate was refinanced to 4.8%; collateralized by certain property and equipment.	$ 312,313	$ 497,558
Note payable to a bank, due January 2033, payable in monthly installments of principal and interest. The interest rate was fixed at 5.45% for the first ten years (ending January 2022), after which the rate was refinanced to 6.635%; collateralized by certain property and equipment.	5,553,401	5,959,236
Total	5,865,714	6,456,794
Less: Unamortized debt issuance costs	-	(6,868)
Less: Current portion	(633,450)	(599,925)
Debt, net of current portion	$ 5,232,264	$ 5,850,001

Future principal payments for each of the five years subsequent to June 30, 2023 and thereafter are as follows:

2024	$ 633,450
2025	579,564
2026	488,352
2027	515,642
2028	544,458
Thereafter (expiring January 2033)	3,104,248
	$ 5,865,714

Astor has an unsecured line of credit ("LOC") with a bank capped at $4,000,000, of which $0 was outstanding as of both June 30, 2023 and 2022. For the year ended June 30, 2023, the line of credit is secured by Astor's receivables and carries interest at Secured Overnight Financing Rate ("SOFR") plus 200 basis points amounting to an interest rate of 2.25%. For the year ended June 30, 2022, the line of credit was secured by Astor's receivables and carried interest at the overnight London Interbank Offered Rate ("LIBOR") rate plus a spread of 225 basis points, adjusting daily, amounting to 3.81250%. It should be noted that LIBOR was phased out world -wide and replaced with SOFR and accordingly, the LOC was modified. The LOC is payable on demand. As of January 26, 2024, there was $1,500,000 borrowed.

As of June 30, 2023, $5,865,714 of the long-term debt and the unsecured line of credit of $4,000,000 is held with one bank with cross default clauses whereby default on one obligation will trigger default on the other obligation. Astor must comply with certain administrative and financial covenants, which it has met.

Interest expense related to debt for the years ended June 30, 2023 and 2022, amounted to $420,969 and $385,717, respectively.

NOTE 7—PAYCHECK PROTECTION PROGRAM LOAN PAYABLE

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

Astor applied for this loan through an SBA authorized lender and received $1,800,000 in August 2020. Management has opted to account for the PPP loan under FASB ASC 470 and expects to recognize the gain resulting from the forgiveness upon legal release of its obligation from the SBA. If the loan is not forgiven, Astor must repay the loan on or before the due date in August 2025 with interest at 1% per annum. For the year ended June 30, 2022, no amount was recorded for interest expense as this was deemed immaterial to the consolidated financial statements. Astor received forgiveness for the full amount of the PPP loan in December 2021 and accordingly recorded grant income of $1,800,000 in the accompanying consolidated statements of activities.

NOTE 8—TRANSACTIONS WITH THE FOUNDATION AND RELATED PARTIES

Astor conducts its residential programs and has its administrative offices in facilities owned by the Archdiocese of New York. No rent is paid for the use of these facilities. The estimated value of such contributed rent was $515,000 for the years ended June 30, 2023 and 2022. See Note 4.

Astor has a Board member whose firm is its insurance broker, which receives commission income from various insurance companies providing coverage to Astor. For the years ended June 30, 2023 and 2022, the insurance brokerage commissions paid to the Board member's firm amounted to $126,145 and $143,361, respectively. Also, Astor has a Board member who is a partner in a law firm that provides legal services to Astor. For the years ended June 30, 2023 and 2022, Astor paid legal fees to the Board member's law firm amounting to $3,339 and $2,175, respectively. In addition, Astor maintains certain cash accounts and loans with a bank that employs an Astor Board member. The Foundation has a Board member who is a partner in a firm that manages the investments of the Foundation. For the years ended June 30, 2023 and 2022, the Foundation did not pay any investment fees to the Board member or his firm.

Astor and the Foundation both have conflict of interest policies and disclosures that are regularly reviewed by the Board. In addition, it is the policy of the Organization to ensure that any person, in a conflict-of-interest position, recuses themselves from voting on business transactions in which the individual has a conflict of interest. The Organization routinely evaluates the pricing of the services rendered for purposes of determining that they are at or below fair market value.

During the year ended June 30, 2023, the Foundation granted Astor $2,500,000. This amount was eliminated in the accompanying consolidated financial statements.

Astor charges the Foundation certain administrative and fundraising expenses, which amounted to $498,547 and $472,151 for the years ended June 30, 2023 and 2022, respectively. These amounts were eliminated in the accompanying consolidated financial statements.

NOTE 9—RETIREMENT PLAN

Effective January 1, 2015, Astor implemented a defined contribution 403(b) Thrift Plan ("403(b) Plan") covering all eligible employees. Astor's contribution into the 403(b) Plan ranges from 2.75% to 12% of the employee's salary depending on years of completed service. Pension expense for the years ended June 30, 2023 and 2022 amounted to $1,703,817 and $1,466,723, respectively.

NOTE 10—LEASES

The Organization leases certain facilities, vehicles and equipment under long-term non-cancelable operating lease and finance lease agreements. The Organization assesses whether an arrangement qualifies as a lease at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. As noted in Note 2N, the Organization adopted FASB ASC 842 as of July 1, 2022, which had no impact on the prior year statement of financial position or its change in net assets. No comparative information is provided for the amounts reported on the statement of financial position as of June 30, 2022, since the Organization used the modified retrospective method of transition that does not require restating the prior period.

The weighted-average discount rate is based on the risk free rate. The Organization has elected the option to use the risk-free rate determined by using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable.

The Organization has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on a straight-line basis.

The following summarizes the weighted-average remaining lease term and weighted-average discount rate:

Weighted average remaining lease term in years:	
Operating leases	4.57
Weighted average discount rate:	
Operating leases	3.22%

As of June 30, 2023, the right-of-use asset balance totaled $2,288,071 and lease liabilities totaled $2,283,886 as shown on the accompanying statements of financial position. Future minimum payments for non-cancelable leases for the remaining five years ending after June 30, 2023 are as follows:

	Operating Leases
2024	$ 725,921
2025	647,132
2026	353,252
2027	216,106
2028	184,765
Thereafter	269,597
Total lease payments	2,396,773
Less: present value discount	(112,887)
Present value of lease liabilities	$ 2,283,886

Rent expense for the facilities, vehicles and equipment amounted to $666,224, $325,998 and $159,489, respectively, for the year ended June 30, 2023 and $730,125, $189,961 and $286,380, respectively, for the year ended June 30, 2022.

NOTE 11—COMMITMENTS AND CONTINGENCIES

A. Pursuant to the Organization's contractual relationships with certain funding sources, outside governmental agencies have the right to examine the Organization's books and records involving transactions relating to those contracts. The accompanying consolidated financial statements make no provision for possible disallowances, although such possible disallowances could be substantial in amount. In the opinion of management, any actual disallowances would be immaterial, to the consolidated financial statements.

B. Astor and the Foundation believe they have no uncertain income tax positions as of June 30, 2023 and 2022 in accordance with ASC Topic 740 ("Income Taxes"), which provides standards for establishing and classifying any tax provisions for uncertain tax positions.

C. Astor, in the ordinary course of business, is exposed to various potential claims and assessments. Astor is also subject to legal proceedings and claims which have arisen in part because New York State has temporarily suspended certain statutes of limitations. These complaints and allegations date from 1982 to 1998. No claims and assessments have been fully adjudicated. As of June 30, 2023, management cannot determine the final outcome of these claims and has not recorded any liability in the consolidated financial statements.

NOTE 12—CONCENTRATIONS

A. ***Concentration of Credit Risk***

Cash and cash equivalents that potentially subject the Organization to a concentration of credit risk include cash accounts with financial institutions that exceed the Federal Deposit Insurance Corporation ("FDIC") insurance limit of $250,000 per depositor, per insured financial institution. Such amounts are at two banks and amounted to approximately $1,621,000 and $1,262,000 as of June 30, 2023 and 2022, respectively.

B. ***Concentration of Labor***

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

NOTE 13—INVESTMENTS – PERPETUAL IN NATURE

In 1997, the Foundation received a grant of $500,000 for the establishment of an endowment fund for Astor. Prior to the fiscal year ended 2020, Astor recorded its interest in the net assets of the Foundation as net assets with donor restrictions. Astor's interest in this grant has been eliminated in these consolidated financial statements and the grant received by the Foundation is reflected as net assets with donor restrictions. See Note 16.

NOTE 14—INVESTMENTS

Investments consist of the following as of June 30:

	2023	2022
Mutual funds		
Domestic equity	$ 400,672	$ 299,939
International equity	182,080	308,323
Fixed income	928,752	1,861,136
Exchange traded funds		
Domestic equity	1,447,380	1,720,620
International equity	632,987	923,544
Fixed income	443,941	851,854
Money market funds	68,160	105,312
Certificates of deposit	-	249,765
Common stock	926,481	927,487
Subtotal	5,030,453	7,247,980
Investments – perpetual in nature	(500,000)	(471,730)
Investments, net of restricted amounts	$ 4,530,453	$ 6,776,250

See Note 15 for the fair value hierarchy.

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

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

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

	2023	2022
Interest and dividends	$ 173,315	$ 171,362
Net unrealized gain (loss)	484,692	(1,139,727)
	$ 658,007	$ (968,365)

NOTE 15—FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

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

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

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

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used as of June 30, 2023 and 2022.

Mutual Funds:

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

Exchange Traded Funds:

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

Money Market Funds:

Money market funds are valued using market prices in active markets.

Fixed Income:

Fixed income investments are valued at the closing price reported on the active market on which the individual securities are traded.

Common Stock:

Common stock is valued using market prices in active markets.

Certificate of Deposit:

Certificates of deposit are valued at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the creditworthiness of the issuer. There is little difference between such calculation and cost basis.

NOTE 15—FAIR VALUE MEASUREMENTS (Continued)

The Organization's financial assets carried at fair value as of June 30, 2023 are classified in the table as follows:

	Level 1	Level 2	Total 2023
ASSETS CARRIED AT FAIR VALUE			
Mutual funds:			
Domestic equity	$ 400,672	$ -	$ 400,672
International equity	182,080	-	182,080
Fixed income	928,752	-	928,752
Exchange traded funds:			
Domestic equity	1,447,380	-	1,447,380
International equity	632,987	-	632,987
Fixed income	443,941	-	443,941
Money market funds	68,160	-	68,160
Common stock	926,481	-	926,481
TOTAL ASSETS CARRIED AT FAIR VALUE	$ 5,030,453	$ -	$ 5,030,453

The Organization's financial assets carried at fair value as of June 30, 2022 are classified in the table as follows:

	Level 1	Level 2	Total 2022
ASSETS CARRIED AT FAIR VALUE			
Mutual funds:			
Domestic equity	$ 299,939	$ -	$ 299,939
International Equity	308,323	-	308,323
Fixed income	1,861,136	-	1,861,136
Exchange traded funds:			
Domestic equity	1,720,620	-	1,720,620
International equity	923,544	-	923,544
Fixed income	851,854	-	851,854
Money market funds	105,312	-	105,312
Fixed Income	-	249,765	249,765
Common stock	927,487	-	927,487
TOTAL ASSETS CARRIED AT FAIR VALUE	$ 6,998,215	$ 249,765	$ 7,247,980

NOTE 16—NET ASSETS WITH DONOR RESTRICTIONS

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

	2023	2022
Contribution in-kind rent (see Note 4 for details)	$ 5,644,936	$ 5,896,198
Unappropriated earnings (loss) from endowment	22,053	(28,270)
Perpetual in nature – endowment corpus	500,000	500,000
Purpose and time restricted	110,145	415,953
	$ 6,277,134	$ 6,783,881

Net assets were released from donor restrictions during the years ended June 30, 2023 and 2022, by incurring expenses satisfying the restricted purpose or occurrence specified by the donors, or Board appropriation of earnings from the assets restricted in perpetuity.

NOTE 16—NET ASSETS WITH DONOR RESTRICTIONS (Continued)

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

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

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

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

The policy for valuing the Organization's investments is described in Notes 2L, 13 and 14. In accordance with U.S. GAAP, organizations are required to disclose any deterioration of the fair value of assets associated with donor-restricted endowment funds that fall below the level the donor requires the Organization to retain in perpetuity. As of June 30, 2022, there was a deficiency of $28,270, which resulted from the unfavorable market fluctuations that occurred in the economy as a whole that affected the donor-restricted endowment fund, where the fair market value was below the amount that is required to be retained perpetuity. The Organization did not incur such deficiency in its endowment funds through June 30, 2023.

Changes in endowment net assets for the year ended June 30, 2023 are as follows:

	With donor restrictions		
	Endowment Earnings	Endowment Corpus	Total 2023
Investment activity:			
Interest and dividends	$ 12,402	$ -	$ 12,402
Unrealized gain on investment	37,921	-	37,921
Total investment activity	50,323	-	50,323
Endowment net assets, beginning of year	(28,270)	500,000	471,730
Endowment net assets, end of year	$ 22,053	$ 500,000	$ 522,053

NOTE 16—NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Changes in endowment net assets for the year ended June 30, 2022 are as follows:

	With donor restrictions		
	Endowment Earnings	Endowment Corpus	Total 2022
Investment activity:			
Interest and dividends	$ 11,406	$ -	$ 11,406
Unrealized loss on investment	(85,160)	-	(85,160)
Total investment activity	(73,754)	-	(73,754)
Endowment net assets, beginning of year	45,484	500,000	545,484
Endowment net assets, end of year	$ (28,270)	$ 500,000	$ 471,730

NOTE 17—SUBSEQUENT EVENTS

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the consolidated statement of financial position through January 26, 2024, the date the consolidated financial statements were available to be issued.

ASTOR SERVICES FOR CHILDREN & FAMILIES AND SUBSIDIARY
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2023 AND 2022

	As of June 30, 2023				As of June 30, 2022			
	Astor Services for Children & Families	The Children's Foundation of Astor, Inc.	Eliminations	Total 2023	Astor Services for Children & Families	The Children's Foundation of Astor, Inc.	Eliminations	Total 2022
ASSETS								
Cash and cash equivalents	$ 1,688,227	$ 33,736	$ -	$ 1,721,963	$ 1,381,298	$ 138,144	$ -	$ 1,519,442
Investments	-	4,530,453	-	4,530,453	-	6,776,250	-	6,776,250
Accounts receivable, net	7,179,765	-	-	7,179,765	8,303,928	-	-	8,303,928
Contribution in-kind - rent receivable, current, net	514,944	-	-	514,944	514,944	-	-	514,944
Prepaid expenses, deposits and other assets	596,688	16,683	-	613,371	552,290	11,000	-	563,290
Due from Subsidiary	205,038	-	(205,038)	-	96,884	-	(96,884)	-
Total current assets	10,184,662	4,580,872	(205,038)	14,560,496	10,849,344	6,925,394	(96,884)	17,677,854
Contribution in-kind - rent receivable, non-current, net	5,129,992	-	-	5,129,992	5,381,254	-	-	5,381,254
Operating lease right-of-use assets	2,288,071	-	-	2,288,071	-		-	-
Property and equipment, net	7,083,283	1,088,108	-	8,171,391	7,587,739	1,152,728	-	8,740,467
Investments - perpetual in nature	-	500,000	-	500,000	-	471,730	-	471,730
Beneficial interest in The Children's Foundation of Astor, Inc.	500,000	-	(500,000)	-	500,000	-	(500,000)	-
TOTAL ASSETS	$ 25,186,008	$ 6,168,980	$ (705,038)	$ 30,649,950	$ 24,318,337	$ 8,549,852	$ (596,884)	$ 32,271,305
LIABILITIES								
Accounts payable and accrued expenses	$ 1,581,707	$ -	$ -	$ 1,581,707	$ 1,340,364	$ 150	$ -	$ 1,340,514
Accrued salaries, vacation and benefits	2,796,807	-	-	2,796,807	2,827,868	-	-	2,827,868
Due to related party	-	205,038	(205,038)	-	-	96,884	(96,884)	-
Due to funding sources and deferred revenue	768,033	-	-	768,033	652,182	-	-	652,182
Debt, current	633,450	-	-	633,450	599,925	-	-	599,925
Operating lease liabilities, current	725,921	-	-	725,921	-	-	-	-
Total current liabilities	6,505,918	205,038	(205,038)	6,505,918	5,420,339	97,034	(96,884)	5,420,489
Debt, non-current	5,232,264	-	-	5,232,264	5,850,001	-	-	5,850,001
Operating lease liabilities, non-current	1,557,965	-	-	1,557,965	-	-	-	-
TOTAL LIABILITIES	13,296,147	205,038	(205,038)	13,296,147	11,270,340	97,034	(96,884)	11,270,490
NET ASSETS								
Without donor restriction	5,685,485	5,391,184	-	11,076,669	6,438,192	7,778,742	-	14,216,934
With donor restrictions	6,204,376	572,758	(500,000)	6,277,134	6,609,805	674,076	(500,000)	6,783,881
TOTAL NET ASSETS	11,889,861	5,963,942	(500,000)	17,353,803	13,047,997	8,452,818	(500,000)	21,000,815
TOTAL LIABILITIES AND NET ASSETS	$ 25,186,008	$ 6,168,980	$ (705,038)	$ 30,649,950	$ 24,318,337	$ 8,549,852	$ (596,884)	$ 32,271,305

See independent auditors' report.

ASTOR SERVICES FOR CHILDREN & FAMILIES AND SUBSIDIARY
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

	Without Donor Restrictions			With Donor Restrictions				
	Astor Services for Children & Families	The Children's Foundation of Astor, Inc.	Total Without Donor Restrictions	Astor Services for Children & Families	The Children's Foundation of Astor, Inc.	Total With Donor Restrictions	Eliminations and Reclassifications	Total 2023
OPERATING ACTIVITIES:								
REVENUE AND SUPPORT								
Revenue								
Government contracts and grants	$ 27,681,441	$ -	$ 27,681,441	$ -	$ -	$ -	$ -	$ 27,681,441
Contracts with non-governmental entities	1,556,217	-	1,556,217	-	-	-	-	1,556,217
Medicaid	11,251,976	-	11,251,976	-	-	-	-	11,251,976
Managed care, private and commercial insurance fees	13,284,972	-	13,284,972	-	-	-	-	13,284,972
Support								
Donated goods and services	865,802	-	865,802	-	-	-	-	865,802
Amortization of discount on contribution-in-kind	-	-	-	263,682	-	263,682	-	263,682
Management fees from Subsidiary	498,547	-	498,547	-	-	-	(498,547)	-
Contributions and other	370,762	294,686	665,448	-	-	-	-	665,448
Grants								
Other grants	2,868,397	-	2,868,397	19,885	-	19,885	(2,500,000)	388,282
Net assets released from restrictions	688,996	151,641	840,637	(688,996)	(151,641)	(840,637)	-	-
TOTAL REVENUE AND SUPPORT	59,067,110	446,327	59,513,437	(405,429)	(151,641)	(557,070)	(2,998,547)	55,957,820
EXPENSES								
Program services:								
Care Management	6,750,445	-	6,750,445	-	-	-	-	6,750,445
Early Childhood	11,612,782	-	11,612,782	-	-	-	-	11,612,782
Enhanced Schools	7,517,000	-	7,517,000	-	-	-	-	7,517,000
Out of Home Placement	8,872,028	-	8,872,028	-	-	-	-	8,872,028
Outpatient	12,095,594	-	12,095,594	-	-	-	-	12,095,594
Other Clinical Programs	4,033,061	-	4,033,061	-	-	-	-	4,033,061
Program services - Foundation	-	2,564,620	2,564,620	-	-	-	(2,500,000)	64,620
Total program services	50,880,910	2,564,620	53,445,530	-	-	-	(2,500,000)	50,945,530
Support services:								
Management and administration	8,374,066	159,177	8,533,243	-	-	-	(92,853)	8,440,390
Fundraising	564,841	717,772	1,282,613	-	-	-	(405,694)	876,919
Total support services	8,938,907	876,949	9,815,856	-	-	-	(498,547)	9,317,309
TOTAL EXPENSES	59,819,817	3,441,569	63,261,386	-	-	-	(2,998,547)	60,262,839
CHANGE IN NET ASSETS FROM OPERATIONS	(752,707)	(2,995,242)	(3,747,949)	(405,429)	(151,641)	(557,070)	-	(4,305,019)
NONOPERATING ACTIVITIES:								
Investment activity	-	607,684	607,684	-	50,323	50,323	-	658,007
TOTAL NONOPERATING ACTIVITIES	-	607,684	607,684	-	50,323	50,323	-	658,007
CHANGE IN NET ASSETS	(752,707)	(2,387,558)	(3,140,265)	(405,429)	(101,318)	(506,747)	-	(3,647,012)
Net assets - beginning of year	6,438,192	7,778,742	14,216,934	6,609,805	674,076	7,283,881	(500,000)	21,000,815
NET ASSETS - END OF YEAR	$ 5,685,485	$ 5,391,184	$ 11,076,669	$ 6,204,376	$ 572,758	$ 6,777,134	$ (500,000)	$ 17,353,803

ASTOR SERVICES FOR CHILDREN & FAMILIES AND SUBSIDIARY
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

	Without Donor Restrictions			With Donor Restrictions				
	Astor Services for Children & Families	The Children's Foundation of Astor, Inc.	Total Without Donor Restrictions	Astor Services for Children & Families	The Children's Foundation of Astor, Inc.	Total With Donor Restrictions	Eliminations and Reclassifications	Total 2022
OPERATING REVENUE AND SUPPORT:								
Revenue								
Government contracts and grants	$ 27,587,663	$ -	$ 27,587,663	$ -	$ -	$ -	$ -	$ 27,587,663
Contracts with non-governmental entities	1,396,607	-	1,396,607	-	-	-	-	1,396,607
Medicaid	12,327,539	-	12,327,539	-	-	-	-	12,327,539
Managed care, private and insurance fees	12,690,890	-	12,690,890	-	-	-	-	12,690,890
Support								
Donated goods and services	808,093	-	808,093	-	-	-	-	808,093
Amortization of discount on contribution-in-kind	-	-	-	275,418	-	275,418	-	275,418
Management fees from Subsidiary	472,151	-	472,151	-	-	-	(472,151)	-
Contributions and other	142,242	306,777	449,019	-	-	-	-	449,019
Grants								
Other grants	993,911	-	993,911	128,101	-	128,101	-	1,122,012
Net assets released from restrictions	531,829	611	532,440	(531,829)	(611)	(532,440)	-	-
TOTAL OPERATING REVENUE AND SUPPORT	56,950,925	307,388	57,258,313	(128,310)	(611)	(128,921)	(472,151)	56,657,241
OPERATING EXPENSES								
Program services:								
Care Management	6,974,401	-	6,974,401	-	-	-	-	6,974,401
Early Childhood	10,411,837	-	10,411,837	-	-	-	-	10,411,837
Enhanced Schools	7,480,752	-	7,480,752	-	-	-	-	7,480,752
Out of Home Placement	9,956,739	-	9,956,739	-	-	-	-	9,956,739
Outpatient	10,629,636	-	10,629,636	-	-	-	-	10,629,636
Other Clinical Programs	3,884,680	-	3,884,680	-	-	-	-	3,884,680
Program services - Foundation	-	64,620	64,620	-	-	-	-	64,620
Total program services	49,338,045	64,620	49,402,665	-	-	-	-	49,402,665
Support services:								
Management and administration	8,274,007	152,747	8,426,754	-	-	-	(89,018)	8,337,736
Fundraising	516,381	540,854	1,057,235	-	-	-	(383,133)	674,102
Total support services	8,790,388	693,601	9,483,989	-	-	-	(472,151)	9,011,838
TOTAL OPERATING EXPENSES	58,128,433	758,221	58,886,654	-	-	-	(472,151)	58,414,503
CHANGE IN NET ASSETS FROM OPERATIONS	(1,177,508)	(450,833)	(1,628,341)	(128,310)	(611)	(128,921)	-	(1,757,262)
NONOPERATING ACTIVITIES:								
Investment activity	-	(894,611)	(894,611)	-	(73,754)	(73,754)	-	(968,365)
Paycheck Protection Program loan forgiveness	1,800,000	-	1,800,000	-	-	-	-	1,800,000
TOTAL NONOPERATING ACTIVITIES	1,800,000	(894,611)	905,389	-	(73,754)	(73,754)	-	831,635
CHANGE IN NET ASSETS	622,492	(1,345,444)	(722,952)	(128,310)	(74,365)	(202,675)	-	(925,627)
Net assets - beginning of year	5,815,700	9,124,186	14,939,886	6,738,115	748,441	7,486,556	(500,000)	21,926,442
NET ASSETS - END OF YEAR	$ 6,438,192	$ 7,778,742	$ 14,216,934	$ 6,609,805	$ 674,076	$ 7,283,881	$ (500,000)	$ 21,000,815

See independent auditors' report.