

# **Family and Children's Association, Inc.**

Financial Statements

December 31, 2020 and 2019

# Family and Children's Association, Inc.

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## Independent Auditors' Report

To the Board of Trustees of  
Family and Children's Association, Inc.

We have audited the accompanying financial statements of Family and Children's Association, Inc. (the Organization) which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities and change in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

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

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

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Family and Children's Association, Inc. as of December 31, 2020 and 2019, and the change 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.

*Baker Tilly US, LLP*

Melville, New York  
May 27, 2021

# Family and Children's Association, Inc.

Statements of Financial Position

December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 5,384,862	\$ 900,109
Investments	2,854,885	2,577,179
Accounts receivable	4,101,489	4,569,287
Prepaid expenses and other current assets	59,240	95,899
Total current assets	12,400,476	8,142,474
<b>Investments, Perpetual Endowment</b>	182,333	182,333
<b>Property, Plant and Equipment, Net</b>	8,234,932	7,433,419
<b>Other Assets</b>	143,416	156,723
Total assets	<u>\$ 20,961,157</u>	<u>\$ 15,914,949</u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Note payable to bank	\$ 1,755,000	\$ 1,755,000
Accounts payable and accrued expenses	1,915,654	2,228,598
Advances (Note 9)	3,366,913	198,461
Current portion of long-term debt	-	67,723
Liabilities, discontinued operations (Note 19)	796,829	1,031,120
Total current liabilities	7,834,396	5,280,902
<b>Long-Term Debt</b>	-	511,407
<b>Other Long-Term Liabilities</b>	-	12,750
Total liabilities	7,834,396	5,805,059
<b>Net Assets</b>		
Net assets without donor restrictions	12,356,582	9,712,058
Net assets with donor restrictions	770,179	397,832
Total net assets	13,126,761	10,109,890
Total liabilities and net assets	<u>\$ 20,961,157</u>	<u>\$ 15,914,949</u>

See notes to financial statements

## Family and Children's Association, Inc.

Statements of Activities and Change in Net Assets

Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>Change in Net Assets Without Donor Restrictions From Operations</b>		
Support and revenue:		
Contracts and fees from government agencies	\$ 14,528,370	\$ 16,027,316
Revenue from services to other agencies	703,146	1,034,576
Other program fees	235,350	259,435
Contributions and grants	805,575	674,612
Contributions, donated building	-	3,320,000
Special events revenue	305,105	535,659
Special event costs of direct benefits to donors	(55,360)	(117,429)
Loss from rental operations	(262,572)	(235,669)
Other income	447,892	160,188
Net assets released from restrictions	179,088	38,107
	<u>16,886,594</u>	<u>21,696,795</u>
<b>Expenses</b>		
Program services:		
Mental health services	4,058,883	4,616,708
Runaway and homeless youth services	1,484,640	1,835,049
Family services	1,626,984	1,711,587
Services to the aged	2,476,872	2,342,433
Drug and alcohol services	3,515,538	3,440,360
Independent living services	584,457	566,422
Adult and children and general counseling services	173,428	199,824
Scholarship programs	66,832	104,435
	<u>13,987,634</u>	<u>14,816,818</u>
Supporting services:		
Management and general	3,021,744	2,575,467
Fundraising	409,006	491,721
	<u>3,430,750</u>	<u>3,067,188</u>
Services to other agencies	<u>628,580</u>	<u>942,185</u>
	<u>18,046,964</u>	<u>18,826,191</u>
Total expenses		
Change in net assets without donor restrictions before nonoperating activities	<u>(1,160,370)</u>	<u>2,870,604</u>

See notes to financial statements

## Family and Children's Association, Inc.

Statements of Activities and Change in Net Assets (Continued)

Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>Change in Net Assets Without Donor Restrictions From Nonoperating Activities Before Discontinued Operations</b>		
Interest and dividend income, net of fees of \$19,033 and \$16,006, respectively	\$ 44,235	\$ 46,321
Net realized (loss) gain on sale of investments	(47,582)	36,656
Unrealized appreciation in fair value of investments	281,789	255,404
Gain (loss) on sale of fixed assets	3,526,452	(24,294)
	<u>3,804,894</u>	<u>314,087</u>
Change in net assets without donor restrictions from nonoperating activities before discontinued operations	<u>3,804,894</u>	<u>314,087</u>
<b>Discontinued Operations</b>		
Loss from discontinued operations	-	(13,690)
Loss from discontinuing affiliation	-	(566,716)
	<u>2,644,524</u>	<u>2,604,285</u>
Change in net assets without donor restrictions	<u>2,644,524</u>	<u>2,604,285</u>
<b>Change in Net Assets With Donor Restrictions</b>		
Contributions	551,435	209,953
Net assets released from restrictions	(179,088)	(38,107)
	<u>372,347</u>	<u>171,846</u>
Change in net assets with donor restrictions before discontinued operations	<u>372,347</u>	<u>171,846</u>
<b>Discontinued Operations</b>		
Loss from discontinuing affiliation	-	(1,059,086)
	<u>372,347</u>	<u>(887,240)</u>
Change in net assets with donor restrictions	<u>372,347</u>	<u>(887,240)</u>
Change in net assets	3,016,871	1,717,045
<b>Net Assets, Beginning</b>	<u>10,109,890</u>	<u>8,392,845</u>
<b>Net Assets, Ending</b>	<u>\$ 13,126,761</u>	<u>\$ 10,109,890</u>

See notes to financial statements

**Family and Children's Association, Inc.**

Statement of Functional Expenses

Year Ended December 31, 2020 (With Comparative Totals for 2019)

	Mental Health Services	Runaway and Homeless Youth Services	Family Services	Services to the Aged	Drug and Alcohol Services	Independent Living Services	Adult and Children and General Counseling Services	Scholarship Programs	Total Program Services	Management and General*	Public Relations	Total Management and General	Fundraising	Services to Other Agencies	2020 Total Expenses	2019 Total Expenses
Salaries	\$ 2,832,606	\$ 949,093	\$ 953,650	\$ 1,724,991	\$ 2,064,600	\$ 355,784	\$ 112,752	\$ 4,776	\$ 8,998,252	\$ 1,407,615	\$ 75,310	\$ 1,482,925	\$ 246,304	\$ 456,978	\$ 11,184,459	\$ 11,374,732
Payroll taxes and employee benefits	647,368	249,010	185,440	481,901	538,379	100,851	20,581	796	2,224,326	382,945	21,528	404,473	70,476	132,759	2,832,034	2,889,763
	3,479,974	1,198,103	1,139,090	2,206,892	2,602,979	456,635	133,333	5,572	11,222,578	1,790,560	96,838	1,887,398	316,780	589,737	14,016,493	14,264,495
Occupancy costs, insurance and utilities	129,624	43,516	36,303	61,089	455,260	61,941	6,650	861	795,244	422,791	-	422,791	15,926	-	1,233,961	1,098,669
Client activity	27,163	19,821	28,750	53,955	7,034	1,255	2,649	-	140,627	30	-	30	6,213	2,561	149,431	222,755
Contracted services	181,985	50,504	293,148	87,874	176,232	29,030	7,490	2,514	828,777	245,281	100,890	346,171	48,349	4,648	1,227,945	1,490,551
House supplies and equipment	18,722	18,517	3,797	1,200	4,378	764	1,567	-	48,945	1,561	-	1,561	118	677	51,301	46,330
Food and clothing	36,607	38,845	10,200	764	3,756	2,052	813	-	93,037	951	-	951	498	17,263	111,749	166,688
Repairs and maintenance	18,791	27,297	5,186	3,346	16,728	2,769	1,117	-	75,234	6,437	-	6,437	853	-	82,524	138,717
Travel	28,874	1,354	7,256	8,430	2,442	1,950	244	-	50,550	4,288	-	4,288	-	61	54,899	141,641
Telecommunications	25,144	16,369	27,873	14,556	52,410	10,690	4,574	-	151,616	13,873	-	13,873	724	261	166,474	205,711
Office supplies	7,577	5,967	19,078	12,188	19,145	8,096	3,750	-	75,801	13,407	167	13,574	2,046	2,616	94,037	113,709
Dues, licenses and permits	7,856	4,067	6,202	2,956	13,161	938	350	83	35,613	57,091	888	57,979	780	346	94,718	52,194
Conference and workshops	23,543	-	-	-	-	-	175	-	23,718	-	-	-	-	-	23,718	45,188
Staff development	6,117	10,256	2,894	6,518	8,356	985	733	-	35,859	2,554	87	2,641	164	1,400	40,064	65,986
Scholarship	-	-	-	-	-	-	-	56,300	56,300	-	-	-	-	-	56,300	84,120
Interest and bank charges	1,479	-	2,169	30	832	-	-	-	4,510	80,423	-	80,423	10,077	-	95,010	66,092
Miscellaneous event expenses	-	28	680	1,052	937	22	28	1,502	4,249	5,684	3,116	8,800	1,199	-	14,248	54,336
Bad debt and other	10,302	799	313	417	14,032	187	45	-	26,095	51,999	-	51,999	155	6,572	84,821	183,785
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	2,171	-	2,171	-
Depreciation and amortization	55,125	49,197	44,045	15,605	137,856	7,143	9,910	-	318,881	122,828	-	122,828	2,953	2,438	447,100	385,224
	<u>\$ 4,058,883</u>	<u>\$ 1,484,640</u>	<u>\$ 1,626,984</u>	<u>\$ 2,476,872</u>	<u>\$ 3,515,538</u>	<u>\$ 584,457</u>	<u>\$ 173,428</u>	<u>\$ 66,832</u>	<u>\$ 13,987,634</u>	<u>\$ 2,819,758</u>	<u>\$ 201,986</u>	<u>\$ 3,021,744</u>	<u>\$ 409,006</u>	<u>\$ 628,580</u>	<u>\$ 18,046,964</u>	<u>\$ 18,826,191</u>

\* Included in management and general is approximately \$321,000 of costs associated with the donated building. See Note 6.

See notes to financial statements

**Family and Children's Association, Inc.**

Statement of Functional Expenses  
Year Ended December 31, 2019

	Mental Health Services	Runaway and Homeless Youth Services	Family Services	Services to the Aged	Drug and Alcohol Services	Independent Living Services	Adult and Children and General Counseling Services	Scholarship Programs	Total Program Services	Management and General	Public Relations	Total Management and General	Fundraising	Services to Other Agencies	2019 Total Expenses
Salaries	\$ 3,019,154	\$ 1,142,989	\$ 943,198	\$ 1,578,064	\$ 2,000,341	\$ 347,001	\$ 103,650	\$ 8,358	\$ 9,142,755	\$ 1,235,707	\$ 68,531	\$ 1,304,238	\$ 312,927	\$ 614,812	\$ 11,374,732
Payroll taxes and employee benefits	734,916	280,316	219,900	436,218	464,258	84,574	18,060	1,791	2,240,033	351,618	17,057	368,675	77,954	203,101	2,889,763
	3,754,070	1,423,305	1,163,098	2,014,282	2,464,599	431,575	121,710	10,149	11,382,788	1,587,325	85,588	1,672,913	390,881	817,913	14,264,495
Occupancy costs, insurance and utilities	171,031	50,916	43,407	53,008	365,826	65,293	8,795	529	758,805	258,494	-	258,494	16,570	64,800	1,098,669
Client activity	32,257	18,042	26,765	76,698	26,083	3,446	37,224	-	220,515	-	-	-	-	2,240	222,755
Contracted services	307,163	81,527	325,976	105,928	225,956	26,278	7,971	1,727	1,082,526	296,534	65,132	361,666	41,165	5,194	1,490,551
House supplies and equipment	15,116	19,563	972	1,075	6,169	7	238	-	43,140	761	-	761	238	2,191	46,330
Food and clothing	39,836	53,235	12,511	3,566	15,045	7,832	854	-	132,879	7,545	553	8,098	220	25,491	166,688
Repairs and maintenance	56,007	17,011	12,405	7,829	19,964	5,059	1,768	-	120,043	13,966	-	13,966	4,308	400	138,717
Travel	65,245	12,819	14,873	20,282	10,040	2,914	1,146	3	127,322	9,541	376	9,917	81	4,321	141,641
Telecommunications	31,279	17,512	35,950	17,067	49,938	12,862	6,708	-	171,316	31,066	-	31,066	553	2,776	205,711
Office supplies	14,272	8,998	14,754	11,240	32,656	1,508	3,451	51	86,930	9,769	274	10,043	6,192	10,544	113,709
Dues, licenses and permits	6,044	2,358	3,664	861	3,512	2,405	4	1	18,849	30,224	3,067	33,291	54	-	52,194
Conference and workshops	34,713	1,405	-	2,112	1,128	-	26	-	39,384	5,759	-	5,759	45	-	45,188
Staff development	13,170	9,184	7,140	8,130	12,079	648	871	-	51,222	8,276	-	8,276	297	6,191	65,986
Scholarship	-	-	-	-	-	-	-	84,120	84,120	-	-	-	-	-	84,120
Interest and bank charges	2,901	-	1,143	50	1,941	-	-	-	6,035	50,913	25	50,938	9,119	-	66,092
Miscellaneous event expenses	1,093	2,528	4,619	3,625	9,402	334	1,124	7,731	30,456	252	5,905	6,157	17,633	90	54,336
Bad debt and other	19,828	65,458	490	91	91,274	255	147	124	177,667	5,134	307	5,441	643	34	183,785
Depreciation and amortization	52,683	51,188	43,820	16,589	104,748	6,006	7,787	-	282,821	98,681	-	98,681	3,722	-	385,224
	<u>\$ 4,616,708</u>	<u>\$ 1,835,049</u>	<u>\$ 1,711,587</u>	<u>\$ 2,342,433</u>	<u>\$ 3,440,360</u>	<u>\$ 566,422</u>	<u>\$ 199,824</u>	<u>\$ 104,435</u>	<u>\$ 14,816,818</u>	<u>\$ 2,414,240</u>	<u>\$ 161,227</u>	<u>\$ 2,575,467</u>	<u>\$ 491,721</u>	<u>\$ 942,185</u>	<u>\$ 18,826,191</u>

\* Included in management and general is approximately \$166,000 of costs associated with the donated building. See Note 6.

See notes to financial statements



# Family and Children's Association, Inc.

## Statements of Cash Flows

Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ 3,016,871	\$ 1,717,045
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation and amortization	453,982	398,755
Interest expense, debt issuance costs	-	1,929
Write off of debt issuance costs	27,006	-
Donated building	-	(3,320,000)
(Gain) loss on sale of fixed assets	(3,526,452)	24,294
Discontinued operations	-	1,639,492
Net realized and unrealized gain on investments	(234,207)	(292,060)
(Increase) decrease in operating assets:		
Accounts receivable	467,798	115,267
Prepaid expenses and other current assets	36,659	57,906
Other assets	13,307	(517)
Assets, discontinued operations	-	12,041
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(607,139)	278,789
Advances	3,168,452	(318,396)
Liabilities, discontinued operations	(234,291)	(249,692)
Other long-term liabilities	(12,750)	(1,386)
Net cash flows from operating activities	<u>2,569,236</u>	<u>63,467</u>
<b>Cash Flows From Investing Activities</b>		
Purchase of property, plant and equipment	(2,174,856)	(958,968)
Proceeds from sale of fixed assets, net	4,190,299	1,012
Purchase of investments	(816,710)	(941,661)
Proceeds from the sale of investments	773,211	895,504
Net cash flows from investing activities	<u>1,971,944</u>	<u>(1,004,113)</u>
<b>Cash Flows From Financing Activities</b>		
Proceeds from note payable	-	1,755,000
Payments of note payable	-	(630,000)
Payments on long-term debt	(56,427)	(60,811)
Net cash flows from financing activities	<u>(56,427)</u>	<u>1,064,189</u>
Net increase in cash and cash equivalents	4,484,753	123,543
<b>Cash and Cash Equivalents, Beginning</b>	<u>900,109</u>	<u>776,566</u>
<b>Cash and Cash Equivalents, Ending</b>	<u>\$ 5,384,862</u>	<u>\$ 900,109</u>
<b>Noncash Activities</b>		
Fixed asset purchases in accounts payable and accrued expenses	<u>\$ 294,195</u>	<u>\$ -</u>
Repayment of debt and closing costs from sale of fixed assets	<u>\$ 784,728</u>	<u>\$ -</u>
<b>Supplemental Information</b>		
Interest paid	<u>\$ 90,454</u>	<u>\$ 63,738</u>

See notes to financial statements

# Family and Children's Association, Inc.

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Notes to Financial Statements

December 31, 2020 and 2019

## 1. Description of Organization and Summary of Significant Accounting Policies

### Nature of Operations

Family and Children's Association, Inc. (the Organization) is a New York State charitable not-for-profit organization established in 1998, following the merger of Family Services Association of Nassau County, Inc. with Children's House.

The Organization provides a broad range of programs and services, all of which are designed to support families who are experiencing economic, vocational, health or mental challenges. Assistance is provided through professional counseling, case management support and other activities designed to enhance family, individual and community functioning. The Organization assists with more than 30,000 Long Islanders per year, providing services such as mental health counseling, family support, drug and alcohol treatment, addiction recovery support services, runaway and homeless youth counseling, crisis intervention, case management, advocacy and screened referrals, programs for local seniors and residential services for disadvantaged populations.

In March 2020, the Organization launched a Capital/Endowment Fund Campaign (the Campaign). The Campaign was designed to address the current and future needs of the Organization and Long Island's most vulnerable community members, but was hampered as the COVID crisis began.

During 2019, the Treiber Foundation donated 28,000 square feet of office space, an entire customizable floor, valued at approximately \$3,300,000, to the Organization to realize the long-held dream for a state of the art program and operations hub to serve the needs of the families and children of Long Island. This space is ADA compliant making it accessible for our senior and physically challenged program participants, staff and visitors and is centrally located at Oak Street in Garden City. The capital/endowment dollars will support the renovation of the site to develop a new senior services and children's mental health and wellness center and operations hub and to ensure that funds are available to maintain this investment into the future.

The Capital/Endowment Fund Campaign continues into 2021 and the future.

### Discontinued Operations

Long Island Council on Alcoholism and Drug Dependence, Inc. (LICADD) is a not-for-profit organization dedicated to the prevention of drug and alcohol abuse and the promotion of recovery from addiction. On July 31, 2015, the Organization entered into a Member Substitution agreement, without consideration, with LICADD through which the Organization obtained control as the sole member of LICADD in order to achieve programmatic and administrative synergies. In September 2019, the board of trustees approved a resolution to discontinue its affiliation with LICADD, and as of September 30, 2019, the affiliation was terminated. A loss of \$1,639,492 relating to the reversal of the original contribution from affiliation and discontinuance was recognized in 2019, with \$13,960 of this representing LICADD's operating loss and the remainder the loss on discontinuing the affiliation.

### Basis of Presentation

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting standards generally accepted in the United States of America (U.S. GAAP).

# Family and Children's Association, Inc.

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Notes to Financial Statements

December 31, 2020 and 2019

## Revenue From Contracts

Revenue from contracts includes fees for services revenues, comprised mostly of self-pay and third-party reimbursements, including Medicaid. Such revenues are recognized at the point in time services are rendered at amounts estimated to be collectible.

Revenue from contracts also includes rental fees under leases with tenants. Rental income is recorded in the month space is provided at amounts estimated to be collectible under the leases.

A portion of special events revenue represents a reciprocal transaction equal to the cost of direct benefits to donors with the remainder representing contributions. For the years ended December 31, 2020 and 2019, direct benefits to donors were \$55,360 and \$117,429, respectively. Subsequent adjustments to amounts estimated to be collectible for revenue from contracts are recorded as adjustments to revenue when made.

## Contribution Income

### Government Support

Revenues from government grants, which are conditional grants, are recognized when earned, generally by incurring qualifying expenses. Expense-based grants are recognized as allowable expenses are incurred. Performance-based grants are recognized as performance obligations are met.

### Contributions and Grants

The Organization reports gifts of cash or 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 statements of activities and change in net assets as net assets released from restrictions. Net assets with donor restrictions that originate in a given year and are released from restriction in the same year by meeting the donors' restricted purposes are reflected in net assets without donor restrictions. Conditional contributions, which contain both a barrier and right of return or release, are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

The Organization reports gifts of property, plant and equipment as net assets without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

As of December 31, 2020, the Organization has been awarded cost reimbursements and other conditional grants that have not been recognized as income in the amount of approximately \$16,780,000.

# Family and Children's Association, Inc.

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Notes to Financial Statements

December 31, 2020 and 2019

## Net Assets

The net assets of the Organization are reported as follows:

**Net Assets Without Donor Restrictions** - Net assets which are not donor restricted and are available for general operations. Net assets without donor restrictions also includes board designated amounts which have been designated by the Organization's board of trustees for scholarships.

**Net Assets With Donor Restrictions** - Net assets which are limited by donor restrictions that either expire with the passage of time or can be fulfilled and removed by actions of the Organization and net assets subject to donor-imposed restrictions that stipulate resources be maintained in perpetuity, but generally permit the Organization to utilize earnings for operational purposes, upon appropriation.

## Donated Services

In excess of 250 volunteers have donated significant amounts of their time in the Organization's program services and fundraising campaigns. The value of this contributed time is not reflected in the accompanying financial statements for the years ended December 31, 2020 and 2019, as it does not meet the criteria for recognition under U.S. GAAP.

## Investments

Investments consist primarily of cash and cash equivalents and corporate stocks and bonds which are carried at fair value. The change in unrealized appreciation (depreciation) in the fair value of investments is reflected in the accompanying statements of activities and change in net assets.

## Fair Value

In accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, the Organization must determine whether its assets and liabilities recorded at fair value are valued based on Level 1 (valued based on quoted prices in an active market for identical assets), Level 2 (valued based on significant other observable inputs) or Level 3 (valued based on significant unobservable inputs) measurements.

## Property, Plant and Equipment, Depreciation and Amortization

Property, plant and equipment are stated at cost except for donated assets, which are recorded at fair value at the time of donation. The Organization capitalizes property and equipment with a cost of \$1,000 or higher, and a useful life of at least two years. Depreciation is provided using the straight-line method calculated over the estimated lives of the related assets, which range from 2 to 40 years. Amortization of leasehold improvements is provided over the shorter of their useful lives or the terms of the lease period using the straight-line method.

## Allocation of Expenses on a Functional Basis

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. Some of the expenses are directly identified to their related programs or supporting functions and are recorded accordingly. Most expenses are directly charged to the applicable functional category based on actual costs. Certain salaries, payroll taxes and fringe benefits have been allocated based on estimates of time and effort. Occupancy, certain of the repairs and maintenance and depreciation and amortization are allocated based on square footage.

# Family and Children's Association, Inc.

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Notes to Financial Statements

December 31, 2020 and 2019

## **Tax Status**

The Organization's income is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of the New York State income tax laws, except for income not related to its tax-exempt purpose (revenue from certain rental income). No income taxes were incurred for the years ended December 31, 2020 and 2019.

## **Uncertain Tax Positions**

Management evaluated the Organization's tax positions and concluded that the Organization had taken no uncertain tax provisions that require adjustment to the financial statements to comply with the provisions of FASB ASC No. 740.

## **Use of Estimates**

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

## **Cash and Cash Equivalents**

The Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less on the date of purchase to be cash equivalents, except for amounts held by investment managers, which are included in investments.

## **Allowance for Doubtful Accounts**

Management must make estimates of uncollectability of government support, contributions and grants receivable. Management specifically analyzes accounts receivable, historical bad debts, current funding trends and changes in payment trends and rates when evaluating the adequacy of the allowance for doubtful accounts.

## **Evaluation of Subsequent Events**

Management has evaluated subsequent events through May 27, 2021, the date the financial statements are available for issuance, for inclusion or disclosure in the financial statements.

## **Recent Accounting Pronouncements**

In February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. The core principles of ASU 2016-02 change the way organizations will account for their leases by recognizing lease assets and lease liabilities on the statements of financial position and disclosing key information about leasing arrangements. ASU 2016-02 is effective for the Organization for fiscal years beginning after December 15, 2021, with early adoption permitted. Management is currently evaluating the impact of ASU 2016-02 on the Organization's financial statements.

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958) Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. ASU 2020-07 improves financial reporting by providing new presentation and disclosure requirements about contributed nonfinancial assets, including additional disclosure requirements for recognized contributed services. The standard will be required to be applied retrospectively for annual periods beginning after June 15, 2021. Early adoption is permitted. Management is currently assessing the impact of ASU 2020-07 on the Organization's financial statements.

# Family and Children's Association, Inc.

Notes to Financial Statements

December 31, 2020 and 2019

## Reclassifications

Certain 2019 amounts have been reclassified to conform with the 2020 presentation.

## 2. Revenue From Contracts

The Organization disaggregates revenue reciprocal from contracts by types of service and payor source as this depicts the nature, amount, timing and uncertainty of its revenue and cash flows as affected by economic factors. Performance obligations are satisfied as services are rendered. Payments are due upon receipt of related billing. The following tables represent amounts included in contracts and fees from government agencies, revenue from services to other agencies, and other program fees on the statements of activities and change in net assets for the years ended December 31, 2020 and 2019, respectively:

	2020					
	Mental Health	Family Services	Services to the Aged	Drug and Alcohol	Other	Total
Revenue from contracts:						
Medicaid	\$ 435,992	\$ -	\$ -	\$ 50,376	\$ -	\$ 486,368
Health Homes	1,260,422	-	-	-	-	1,260,422
Medicaid Managed Care	255,470	-	-	513,089	-	768,559
Client fees	-	182,016	16,287	172,102	-	370,405
Rental income	-	-	-	28,800	83,729	112,529
Medicare	-	-	-	12,407	-	12,407
Total revenue from contracts	<u>\$ 1,951,884</u>	<u>\$ 182,016</u>	<u>\$ 16,287</u>	<u>\$ 776,774</u>	<u>\$ 83,729</u>	<u>\$ 3,010,690</u>
	2019					
	Mental Health	Family Services	Services to the Aged	Drug and Alcohol	Other	Total
Revenue from contracts:						
Medicaid	\$ 1,035,849	\$ -	\$ -	\$ 98,469	\$ -	\$ 1,134,318
Health Homes	1,312,445	-	-	-	-	1,312,445
Medicaid Managed Care	185,299	-	-	642,987	-	828,286
Client fees	-	35,996	25,983	197,456	-	259,435
Rental income	-	-	-	22,200	96,332	118,532
Medicare	-	-	-	11,453	-	11,453
Other	-	-	-	-	47,236	47,236
Total revenue from contracts	<u>\$ 2,533,593</u>	<u>\$ 35,996</u>	<u>\$ 25,983</u>	<u>\$ 972,565</u>	<u>\$ 143,568</u>	<u>\$ 3,711,705</u>

Accounts receivable as of December 31, 2020 and 2019, respectively, included \$966,488 and \$1,121,057 related to revenue from contracts.

## Family and Children's Association, Inc.

Notes to Financial Statements  
December 31, 2020 and 2019

### 3. Investments

Investments are valued based on Level 1 and Level 2 inputs. The Organization had no Level 3 investments as of December 31, 2020 or 2019.

The fair values and historical costs of the Organization's financial instruments by major categories of investments are as follows:

	<b>December 31, 2020</b>			
	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Total Fair Value</b>	<b>Cost</b>
Corporate stocks	\$ 1,179,160	\$ -	\$ 1,179,160	\$ 817,419
Corporate bonds	-	1,574,703	1,574,703	1,450,614
Total	<u>\$ 1,179,160</u>	<u>\$ 1,574,703</u>	2,753,863	<u>\$ 2,268,033</u>
Cash and cash equivalents			<u>283,355</u>	
Total investments			<u>\$ 3,037,218</u>	

	<b>December 31, 2019</b>			
	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Total Fair Value</b>	<b>Cost</b>
Corporate stocks	\$ 1,001,633	\$ -	\$ 1,001,633	\$ 789,429
Corporate bonds	-	1,460,415	1,460,415	1,468,578
Total	<u>\$ 1,001,633</u>	<u>\$ 1,460,415</u>	2,462,048	<u>\$ 2,258,007</u>
Cash and cash equivalents			<u>297,464</u>	
Total investments			<u>\$ 2,759,512</u>	

The following represents unrealized appreciation (depreciation) in fair value of investments for the years ended December 31:

	<b>2020</b>	<b>2019</b>
Unrealized appreciation (depreciation), beginning	\$ 204,041	\$ (51,363)
Unrealized appreciation in fair value of investments	<u>281,789</u>	<u>255,404</u>
Unrealized appreciation, ending	<u>\$ 485,830</u>	<u>\$ 204,041</u>

Interest and dividend income approximated \$47,000 and \$16,200, respectively, for 2020 and \$44,000 and \$18,400, respectively, for 2019.

# Family and Children's Association, Inc.

Notes to Financial Statements

December 31, 2020 and 2019

## 4. Operating Measure and Transfer From Investments

The Organization uses a measure of operations that excludes investment income and gain (loss) on sale of fixed assets from operations. Annually, the board of trustees may authorize a transfer of a designated amount from investments to the Organization's operating account. This designated amount is identified in the Organization's annual budget in order to assist with operating expenses, and is at the discretion of management and the board of trustees. For the years ended December 31, 2020 and 2019, there were no transfers from investments.

## 5. Endowment Funds

The Organization has two endowment funds as follows: a scholarship fund, consisting of restricted cash, included in investments and board designated funds, which together represent an endowment for scholarships.

### Interpretation of Relevant Law

The spending of endowment funds by a not-for-profit corporation in the State of New York is governed by the New York Prudent Management of Institutional Funds Act (NYPMIFA). The Organization has interpreted NYPMIFA as allowing the Organization to appropriate for expenditure or accumulate earnings as the Organization 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. Unless otherwise stated in the gift instrument, the assets in an endowment fund shall be donor-restricted assets and net assets until appropriated for expenditure by the Organization.

### Spending Policy

The Organization may spend earnings from the scholarship fund annually to provide scholarships.

From time to time, certain donor-restricted endowment funds may have a fair value less than the amount required to be maintained by donors or by law. Management has interpreted state law to permit prudent spending from underwater endowments.

### Endowment Investment Policy

The Organization has adopted an investment policy for endowment assets that attempts to provide a predictable stream of returns while seeking to maintain the purchasing power of the endowment assets.

Under this policy, as approved by the board of trustees, the endowment assets are invested in a manner that is intended to achieve investment returns that are competitive versus pools of assets of similar nature and circumstances.

The following presents the composition of endowment net assets by type of fund as of December 31:

	2020			
	Board Designated	With Donor Restrictions		Total
Original Gift		Accumulated Gains		
Board designated endowment funds	\$ 248,798	\$ -	\$ -	\$ 248,798
Donor-restricted endowment funds	-	182,333	-	182,333
Total	\$ 248,798	\$ 182,333	\$ -	\$ 431,131



## Family and Children's Association, Inc.

Notes to Financial Statements  
December 31, 2020 and 2019

	2019			
	Board Designated	With Donor Restrictions		
		Original Gift	Accumulated Gains	Total
Board designated endowment funds	\$ 248,893	\$ -	\$ -	\$ 248,893
Donor-restricted endowment funds	-	182,333	-	182,333
Total	<u>\$ 248,893</u>	<u>\$ 182,333</u>	<u>\$ -</u>	<u>\$ 431,226</u>

The changes in endowment net assets were as follows for the years ended December 31:

	2020	
	Board Designated	Net Assets With Donor Restrictions
Net assets, beginning of year	\$ 248,893	\$ 182,333
Investment income, net of appropriations	(95)	-
Net assets, end of year	<u>\$ 248,798</u>	<u>\$ 182,333</u>

	2019	
	Board Designated	Net Assets With Donor Restrictions
Net assets, beginning of year	\$ 248,342	\$ 182,333
Investment income, net of appropriations	551	-
Net assets, end of year	<u>\$ 248,893</u>	<u>\$ 182,333</u>

### 6. Property, Plant and Equipment, Net

Property, plant and equipment, net, consists of the following as of December 31:

	2020	2019
Land	\$ 504,000	\$ 762,782
Furniture and equipment	1,554,611	1,440,550
Building and improvements	7,282,000	10,016,155
Vehicles	449,568	449,568
Construction in progress	2,132,125	175,237
Total	11,922,304	12,844,292
Accumulated depreciation and amortization	<u>3,687,372</u>	<u>5,410,873</u>
Property, plant and equipment, net	<u>\$ 8,234,932</u>	<u>\$ 7,433,419</u>

## Family and Children's Association, Inc.

Notes to Financial Statements

December 31, 2020 and 2019

Total depreciation and amortization expense for the years ended December 31, 2020 and 2019 approximated \$447,000 and \$400,000, respectively, including approximately \$33,300 and \$13,000 of depreciation expense that has been offset against income from rental operations for the years ended December 31, 2020 and 2019, respectively.

Included in buildings and improvements as of December 31, 2020 and 2019 is a donated building in the amount of \$3,320,000, contributed for the purpose of providing new office space to the Organization for its administrative and certain program functions.

In September 2020, the Organization sold its building located at 100 East Old Country Road in Mineola, New York for proceeds of \$4,250,000, recognizing a gain of approximately \$3,174,000. The Organization also sold a building for proceeds of \$490,000, recognizing a gain of approximately \$352,000.

As of December 31, 2020, future commitments of approximately \$261,000 relate to signed construction contracts. There were no commitments as of December 31, 2019.

### 7. Note Payable to Bank

The Organization obtained a line of credit, secured by all of the Organization's assets, as such item is defined in the Uniform Commercial Code of New York, with a financial institution for \$2,500,000. The line of credit expires November 30, 2021. Interest is payable at the 30 day LIBOR rate (0.15 percent and 1.82 percent as of December 31, 2020 and 2019, respectively), plus 2.75 percent, with a floor rate of 3.0 percent. The line of credit agreement requires the Organization to maintain a minimum of \$5,000,000 of net assets without donor restrictions at all times. As of December 31, 2020 and 2019, \$1,755,000 was outstanding on the line.

Interest expense on the line for the years ended December 31, 2020 and 2019 approximated \$66,000 and \$30,000, respectively.

### 8. Long-Term Debt

Long-term debt consisted of the following as of December 31, 2019:

Mortgage note, Signature Bank (a)	\$	570,795
New York State Medical Care Facilities Finance Agency Mortgage Payable (b)		<u>35,341</u>
		606,136
Less debt issuance costs		<u>27,006</u>
		579,130
Less current portion of debt		<u>67,723</u>
Long-term portion of debt	\$	<u>511,407</u>

- a) On November 1, 2018, the Organization obtained a 15-year mortgage at a rate of 5.125 percent in the principal amount of \$600,000. The mortgage note required monthly payments of \$4,784, had an initial maturity date of November 1, 2033 and was secured by the Organization's building at 100 East Old Country Road in Mineola, New York. Debt financing costs of \$28,935 were incurred and deferred in conjunction with this mortgage. The mortgage was paid off in full in 2020 in conjunction with the sale of 100 East Old Country Road, as described in Note 6.

## Family and Children's Association, Inc.

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Notes to Financial Statements

December 31, 2020 and 2019

- b) The mortgage acquired through merger with West Nassau Counseling Center from New York State Medical Care Facilities Finance Agency bore interest at the rate of 5.58 percent per annum. Principal and interest of \$18,609 were payable semi-annually until December 1, 2020, when the entire unpaid balance of principal and interest became due and payable. The Organization received annual funding from the Department of Mental Health for payment of principal and interest. The mortgage was satisfied as of December 31, 2020.

Interest expense for the years ended December 31, 2020 and 2019 approximated \$25,000 and \$34,000, respectively, of which, \$23,000 and \$30,000 has been offset against income from rental operations in 2020 and 2019, respectively.

### 9. Paycheck Protection Program

On May 4, 2020, the Organization received loan proceeds in the amount of approximately \$3,023,000 under the Paycheck Protection Program (PPP), which was established as part of the Coronavirus Aid, Relief and Economic Security (CARES) Act and is administered through the Small Business Administration (SBA). The PPP provides loans to qualifying businesses in amounts up to 2.5 times their average monthly payroll expenses and was designed to provide a direct financial incentive for qualifying businesses to keep their workforce employed during the Coronavirus crisis. PPP loans are uncollateralized and guaranteed by the SBA and are forgivable after a "covered period" (eight or twenty four weeks) as long as the borrower maintains its payroll levels and uses the loan proceeds for eligible expenses, including payroll, benefits, mortgage interest, rent and utilities. The forgiveness amount will be reduced if the borrower terminates employees or reduces salaries and wages more than 25 percent during the covered period. Any unforgiven portion is payable over two years at an interest rate of 1 percent with payments deferred until the SBA remits the borrower's loan forgiveness amount to the lender, or, if the borrower does not apply for forgiveness, ten months after the end of the covered period.

As the Organization expects to substantially meet the PPP's eligibility criteria and believes that the PPP loan represents, in substance, a conditional grant, the Organization has elected to account for the PPP loan as a grant. As of December 31, 2020, the Organization has not applied for forgiveness, therefore, no grant revenue is recorded within its statement of activities and change in net assets for the year ended December 31, 2020. The full amount of PPP funds received are recorded as advances on the statements of financial position.

### 10. Provider Relief Funds

In March 2020, the CARES Act was signed into law to combat the financial effects of COVID-19. The CARES Act created a Provider Relief Fund to provide financial support for hospitals and other healthcare providers. The Organization received approximately \$253,000 for the year ended December 31, 2020 related to this funding. In accordance with the terms and conditions in place as of December 31, 2020, the Organization could apply the funding first against eligible expenses, and then lost revenues. Noncompliance with the terms and conditions could result in repayment of some or all of the support. The Department of Health and Human Services has indicated Provider Relief Fund payments are subject to future reporting and audit requirements. The Organization accounts for this funding in accordance with the FASB ASC 958-605 guidance for conditional contributions and accordingly, revenues are recognized when conditions are substantially met.

The Organization has incurred lost revenues in accordance with the terms and conditions of the Provider Relief Fund for the year ended December 31, 2020 in excess of and therefore recognized the Provider Relief Funds as revenue which is included in other income in the accompanying statement of activities and change in net assets for the year ended December 31, 2020. The Organization's calculation of lost revenues was based on the difference between 2019 and 2020 actual program service revenue.

## Family and Children's Association, Inc.

Notes to Financial Statements

December 31, 2020 and 2019

### 11. Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following as of December 31:

	<u>2020</u>	<u>2019</u>
Capital Campaign, purpose restricted	\$ 296,000	\$ -
Nursery Coop, time and purpose restricted	242,299	209,953
Learning Center, purpose restricted	25,000	-
Scholarship, purpose restricted	11,066	-
Camp, purpose restricted	826	-
Family Ties, purpose restricted	-	2,431
Adopt-a-family, walkabout, purpose restricted	12,655	1,560
Project THRIVE, purpose restricted	-	1,087
Lakeview Prom, purpose restricted	-	468
	<hr/>	<hr/>
Total subject to expenditure for specified purposes	587,846	215,499
	<hr/>	<hr/>
Perpetual endowment fund	182,333	182,333
	<hr/>	<hr/>
Total	<u>\$ 770,179</u>	<u>\$ 397,832</u>

Net assets were released from restrictions through appropriation, expiration of time restrictions and/or by incurring expenses to satisfy the restricted purpose specified by the donor as follows for the years ended December 31:

	<u>2020</u>	<u>2019</u>
Nursery Coop	\$ 173,542	\$ -
Family Ties	2,431	-
Adopt-a-family, walkabout	1,560	-
Project THRIVE	1,087	-
Lakeview Prom	468	-
Friendly visitors	-	26,464
Senior finances	-	11,643
	<hr/>	<hr/>
Total	<u>\$ 179,088</u>	<u>\$ 38,107</u>

## Family and Children's Association, Inc.

Notes to Financial Statements  
December 31, 2020 and 2019

### 12. Special Events Revenue

The Organization generated revenue from the following special events for the years ended December 31:

	2020		
	Gross Revenue	Costs of Direct Benefits to Donors	Net Revenue
Holiday Ball	\$ 127,021	\$ 4,906	\$ 122,115
Golf outings	99,846	48,889	50,957
Scholarship event	77,778	1,496	76,282
Other	460	69	391
Total	<u>\$ 305,105</u>	<u>\$ 55,360</u>	<u>\$ 249,745</u>

  

	2019		
	Gross Revenue	Costs of Direct Benefits to Donors	Net Revenue
Holiday Ball	\$ 265,872	\$ 47,131	\$ 218,741
Golf outings	146,295	62,467	83,828
Scholarship event	103,086	7,731	95,355
Other	20,406	100	20,306
Total	<u>\$ 535,659</u>	<u>\$ 117,429</u>	<u>\$ 418,230</u>

### 13. Services to Other Agencies

The Organization has entered into agreements with independent agencies, under which such agencies carry out the daily activities of groups of programs that are principally financed by grants from governmental agencies. The Organization maintains the financial records and incurs various expenses relating to these programs, which consist primarily of payroll and related expenses. The Organization does not direct the daily activities of such programs.

## Family and Children's Association, Inc.

Notes to Financial Statements

December 31, 2020 and 2019

### 14. Liquidity and Availability of Resources

The Organization's financial assets available within one year of December 31, 2020 and 2019 for general expenditures such as operating expenses and fixed asset purchases not financed with debt financing are as follows:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 5,384,862	\$ 900,109
Investments	3,037,218	2,759,512
Accounts receivable	<u>4,101,489</u>	<u>4,569,287</u>
Total financial assets	12,523,569	8,228,908
Less amounts unavailable for general expenditures within one year, due to:		
Time and purpose restricted	587,846	215,499
Perpetual endowment fund	182,333	182,333
Board designated, scholarship fund	<u>248,798</u>	<u>248,893</u>
Total financial assets available	<u>\$ 11,504,592</u>	<u>\$ 7,582,183</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Organization's main source of liquidity is contracts and fees from government agencies. The Organization also has a line of credit available for short-term cash needs. Although a portion of investments are available for expenditure, it is not the Organization's intention to use investments for operating purposes.

During February 2019, the Organization was awarded a grant from the New York State Department of Health (NYSDOH), a portion of which may be used to pay off allowable debt related to the 1199 pension liability in the amount of \$632,000 and to repay the Organization for payment of its mortgage note in the amount of \$588,000. The confirmation of the debt and contract are in progress between the Organization and NYS DOH. It is anticipated that this funding will be received by December 31, 2021.

### 15. Defined Contribution Pension Plan

#### 403(b) Plan

The Organization maintains a Tax-Deferred Annuity Plan as defined under Section 403(b) of the Internal Revenue Code. This Plan provided for employee deferrals only until August 1, 2017, when it was amended to permit employer contributions based on a percentage of each eligible employee's compensation as determined by the Organization's board of trustees (5 percent for 2020 and 2019).

Pension expense for the years ended December 31, 2020 and 2019 was approximately \$442,000 and \$396,000, respectively.

## Family and Children's Association, Inc.

Notes to Financial Statements

December 31, 2020 and 2019

### 16. Commitments and Contingencies

#### Leases

The Organization is obligated under various noncancellable operating leases for certain of its facilities, expiring through fiscal 2024. Future minimum lease payments under these operating leases as of December 31, 2020 are approximately as follows:

Years ending December 31:		
2021	\$	233,000
2022		117,000
2023		120,000
2024		<u>123,000</u>
Total	\$	<u>593,000</u>

Rent expense for the years ended December 31, 2020 and 2019 approximated \$451,000 and \$462,000, respectively.

#### Litigation

The Organization is subject to lawsuits and claims with respect to matters arising in the normal course of business. The Organization defends its position on all actions. In the opinion of management, the ultimate liabilities, if any, from these lawsuits or claims will not materially affect the financial position of the Organization. Nevertheless, due to the uncertainty of the settlement process, management's view of the outcome may be modified in the future.

### 17. Government Funding and Rate Adjustments

Substantial funding of programs is provided to the Organization by federal, state and local government agencies. Continuation of such funding is dependent on budgetary allocations from such agencies. In addition, reimbursements under contracts are subject to audit by various agencies on a regular basis. Additional liabilities resulting from future audits are not presently determinable. Changes in contract amounts due or payable resulting from audit adjustments or rate appeals are reflected in the operations of the Organization when such adjustments are determined or can be reasonably estimated.

### 18. Concentrations of Credit Risk

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents, investments, accounts receivable from government agencies and client fees. The Organization places its temporary cash investments with various financial institutions. Accounts receivable are predominately from federal, state and local government agencies, including Medicaid, Medicare and other third-party and private payors. From time to time, the cash balances exceed the federal depository insurance coverage limit.

### 19. Discontinued Mental Health Clinic Operations

On December 16, 2011, the Organization's board approved a resolution to discontinue the operations of its Article 31 mental health clinics in West Hempstead and Roosevelt (the Clinics). As of March 31, 2012, the Clinics ceased operations. Liabilities in the amounts of \$796,829 and \$1,031,120 as of December 31, 2020 and 2019, respectively, are segregated on the statements of financial position related to the discontinued mental health clinic operations.