

**THE ARAB-AMERICAN FAMILY SUPPORT CENTER, INC.**

**FINANCIAL STATEMENTS**

June 30, 2021 and 2020

## CONTENTS

Independent Auditor's Report .....	1
Statements of Financial Position.....	2
Statements of Activities.....	3
Statements of Functional Expenses .....	5
Statements of Cash Flows .....	7
Notes to Financial Statements .....	8

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
The Arab-American Family Support Center, Inc.  
Brooklyn, New York

We have audited the accompanying financial statements of The Arab-American Family Support Center, Inc., which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, 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 misstatement, whether due to fraud or error.

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

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

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Arab-American Family Support Center, Inc. as of June 30, 2021 and 2020, and the 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.



Wegner CPAs, LLP  
New York, New York  
November 23, 2021

**THE ARAB-AMERICAN FAMILY SUPPORT CENTER, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
June 30, 2021 and 2020

	2021	2020
<b>ASSETS</b>		
Cash	\$ 1,846,407	\$ 2,660,644
Grants receivable	2,719,222	1,563,046
Unconditional promises to give	481,644	481,178
Prepaid expenses	156,004	82,896
Equipment and software, net	18,346	3,576
<b>Total assets</b>	<b>\$ 5,221,623</b>	<b>\$ 4,791,340</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 120,973	\$ 97,219
Accrued payroll and vacation	479,205	291,130
Refundable advances	85,230	38,688
Paycheck Protection Program loan	807,445	807,445
<b>Total liabilities</b>	<b>1,492,853</b>	<b>1,234,482</b>
<b>NET ASSETS</b>		
Without donor restrictions	2,913,328	2,808,439
With donor restrictions	815,442	748,419
<b>Total net assets</b>	<b>3,728,770</b>	<b>3,556,858</b>
<b>Total liabilities and net assets</b>	<b>\$ 5,221,623</b>	<b>\$ 4,791,340</b>

See accompanying notes.

**THE ARAB-AMERICAN FAMILY SUPPORT CENTER, INC.**  
**STATEMENT OF ACTIVITIES**  
Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES</b>			
Contributions			
Government grants	\$ 8,057,719	\$ -	\$ 8,057,719
Foundation grants and support	772,540	698,775	1,471,315
Individuals	79,592	-	79,592
In-kind donations	9,846	-	9,846
Other revenues	9,224	-	9,224
Interest income	36	-	36
Net assets released from restrictions			
Satisfaction of purpose restrictions	623,419	(623,419)	-
Satisfaction of time restrictions	8,333	(8,333)	-
<b>Total revenues</b>	<b>9,560,709</b>	<b>67,023</b>	<b>9,627,732</b>
<b>EXPENSES</b>			
Program services			
Prevent	6,889,646	-	6,889,646
Communicate	25,317	-	25,317
Get Ready	269,105	-	269,105
Promote	813,094	-	813,094
<b>Total program services</b>	<b>7,997,162</b>	<b>-</b>	<b>7,997,162</b>
Supporting activities			
Management and general	1,265,921	-	1,265,921
Fundraising	192,737	-	192,737
<b>Total expenses</b>	<b>9,455,820</b>	<b>-</b>	<b>9,455,820</b>
<b>Change in net assets</b>	<b>104,889</b>	<b>67,023</b>	<b>171,912</b>
Net assets at beginning of year	2,808,439	748,419	3,556,858
<b>Net assets at end of year</b>	<b>\$ 2,913,328</b>	<b>\$ 815,442</b>	<b>\$ 3,728,770</b>

See accompanying notes.

**THE ARAB-AMERICAN FAMILY SUPPORT CENTER, INC.**  
**STATEMENT OF ACTIVITIES**  
Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES</b>			
Contributions			
Government grants	\$ 5,000,028	\$ -	\$ 5,000,028
Foundation grants and support	350,214	1,178,714	1,528,928
Individuals	155,619	-	155,619
Special events	114,286	-	114,286
Less cost of direct benefits to donors	(50,752)	-	(50,752)
In-kind donations	775,553	-	775,553
Other revenues	35,731	-	35,731
Interest income	15	-	15
Net assets released from restrictions			
Satisfaction of purpose restrictions	926,128	(926,128)	-
Satisfaction of time restrictions	150,000	(150,000)	-
<b>Total revenues</b>	<b>7,456,822</b>	<b>102,586</b>	<b>7,559,408</b>
<b>EXPENSES</b>			
Program services			
Prevent	3,784,954	-	3,784,954
Communicate	528,406	-	528,406
Get Ready	655,243	-	655,243
Promote	753,199	-	753,199
<b>Total program services</b>	<b>5,721,802</b>	<b>-</b>	<b>5,721,802</b>
Supporting activities			
Management and general	765,839	-	765,839
Fundraising	192,138	-	192,138
<b>Total expenses</b>	<b>6,679,779</b>	<b>-</b>	<b>6,679,779</b>
<b>Change in net assets</b>	<b>777,043</b>	<b>102,586</b>	<b>879,629</b>
Net assets at beginning of year	2,031,396	645,833	2,677,229
<b>Net assets at end of year</b>	<b>\$ 2,808,439</b>	<b>\$ 748,419</b>	<b>\$ 3,556,858</b>

See accompanying notes.

**THE ARAB-AMERICAN FAMILY SUPPORT CENTER, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
Year Ended June 30, 2021

	<u>Prevent</u>	<u>Communicate</u>	<u>Get Ready</u>	<u>Promote</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Personnel	\$ 5,799,326	\$ 25,317	\$ 268,647	\$ 605,927	\$ 695,050	\$ 171,191	\$ 7,565,458
Professional fees	260,384	-	-	-	409,821	-	670,205
Dues and fees	52,201	-	306	1,010	6,357	1,368	61,242
Travel	25,397	-	-	-	2,635	649	28,681
Conferences and meetings	56,702	-	130	15,540	7,509	1,850	81,731
Occupancy	464,263	-	13	26	47,461	11,849	523,612
Repairs and maintenance	82,174	-	-	-	8,526	2,099	92,799
Assistance to individuals	20,913	-	-	172,288	-	-	193,201
Insurance	25,612	-	-	-	2,657	655	28,924
Payroll processing fees	-	-	-	-	29,034	-	29,034
Food and supplies	9,642	-	9	18,254	2,215	697	30,817
Job advertising	-	-	-	-	44,998	-	44,998
Telephone and internet	64,466	-	-	49	6,694	1,648	72,857
Depreciation	2,860	-	-	-	297	73	3,230
Miscellaneous	25,706	-	-	-	2,667	658	29,031
<b>Total expenses</b>	<b><u>\$ 6,889,646</u></b>	<b><u>\$ 25,317</u></b>	<b><u>\$ 269,105</u></b>	<b><u>\$ 813,094</u></b>	<b><u>\$ 1,265,921</u></b>	<b><u>\$ 192,737</u></b>	<b><u>\$ 9,455,820</u></b>

See accompanying notes.

**THE ARAB-AMERICAN FAMILY SUPPORT CENTER, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
Year Ended June 30, 2020

	Prevent	Communicate	Get Ready	Promote	Management and General	Fundraising	Costs of Direct Benefits to Donors	Total
Personnel	\$ 2,996,517	\$ 266,488	\$ 432,869	\$ 389,454	\$ 361,651	\$ 112,204	\$ -	\$ 4,559,183
Professional fees	126,307	163	800	6,926	159,023	73,172	-	366,391
Dues and fees	15,505	-	-	88	13,019	501	-	29,113
Travel	19,614	-	-	50	8,352	-	-	28,016
Conferences and meetings	1,981	-	-	-	15,941	-	-	17,922
Occupancy	233,815	16,994	23,705	29,702	34,731	6,261	-	345,208
Repairs and maintenance	112,992	130	379	433	9,204	-	-	123,138
Assistance to individuals	193,888	243,388	193,888	322,161	-	-	-	953,325
Insurance	13,982	194	555	654	6,539	-	-	21,924
Payroll processing fees	-	-	-	-	16,423	-	-	16,423
Food and supplies	36,345	868	2,537	3,130	61,901	-	50,752	155,533
Job advertising	-	-	-	-	28,747	-	-	28,747
Telephone and internet	31,145	181	510	601	18,353	-	-	50,790
Depreciation	-	-	-	-	2,043	-	-	2,043
Miscellaneous	2,863	-	-	-	21,741	-	-	24,604
Bad debts	-	-	-	-	8,171	-	-	8,171
<b>Total expenses</b>	<b>3,784,954</b>	<b>528,406</b>	<b>655,243</b>	<b>753,199</b>	<b>765,839</b>	<b>192,138</b>	<b>50,752</b>	<b>6,730,531</b>
Less expenses included with revenue and support on the statement of activities	-	-	-	-	-	-	(50,752)	(50,752)
<b>Total expenses included in the expenses section of the statement of activities</b>	<b>\$ 3,784,954</b>	<b>\$ 528,406</b>	<b>\$ 655,243</b>	<b>\$ 753,199</b>	<b>\$ 765,839</b>	<b>\$ 192,138</b>	<b>\$ -</b>	<b>\$ 6,679,779</b>

See accompanying notes.



**THE ARAB-AMERICAN FAMILY SUPPORT CENTER, INC.**  
**STATEMENT OF CASH FLOWS**  
Years Ended June 30, 2021 and 2020

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 171,912	\$ 879,629
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	3,230	2,043
(Increase) decrease in assets		
Grants receivable	(1,156,176)	(331,342)
Unconditional promises to give	(466)	(107,215)
Prepaid expenses	(73,108)	(68,756)
Increase (decrease) in liabilities		
Accounts payable	23,754	38,077
Accrued payroll and vacation	188,075	215,706
Refundable advances	46,542	38,688
Retirement payable	-	(17,753)
<b>Net cash flows from operating activities</b>	(796,237)	649,077
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of equipment	(18,000)	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Paycheck Protection Program loan	-	807,445
Change in cash	(814,237)	1,456,522
Cash at beginning of year	2,660,644	1,204,122
<b>Cash at end of year</b>	\$ 1,846,407	\$ 2,660,644

See accompanying notes.

**THE ARAB-AMERICAN FAMILY SUPPORT CENTER, INC.**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2021 and 2020

---

---

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Nature of Activities**

The Arab-American Family Support Center, Inc. (AAFSC) is a not-for-profit community-based organization dedicated to providing an array of prevention and support services for Arab-American individuals, children, and families throughout New York City.

Programs include family and children preventive services, anti-violence programs targeting marital conflict, child abuse, domestic violence, related education, literacy, health, and disaster relief programs. Additional resources include newsletters and classes, counseling services, mental health and other health and safety prevention, support group activities, community outreach and cultural programs, immigration issues, and coalition building and advocacy on behalf of the Arab-American community and immigrant communities throughout New York City.

Funding consists primarily of federal and federal pass-through, state, local and affiliated organization government grants.

**Government Grants**

AAFSC receives grants from government agencies that are conditioned upon AAFSC incurring qualifying expenses. Revenue from these grants is generally recognized on a reimbursement basis, that is, when qualifying expenses are incurred by AAFSC, both a receivable from the grantor agency and revenue are recorded. Grants are also generally restricted by the grantor for a specified purpose. All grants receivable are due within one year. Grants whose conditions and restrictions are met in the same reporting period that the revenue is recognized are reported as increases in net assets without donor restrictions. Costs are allocated to these grants in accordance with established procedures and are subject to audit by the various government agencies. No determination has been made regarding the effect, if any, such audits could have on the financial statements.

**Promises to Give**

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Uncollectible promises are written off after management has used reasonable collection efforts and determine the promises will not be collected.

**Equipment and Software**

Equipment and software are carried at cost or, if donated, at the estimated fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets or related lease terms. The cost of repairs and maintenance are charged against operations as incurred.

**THE ARAB-AMERICAN FAMILY SUPPORT CENTER, INC.**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2021 and 2020

---

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Contributions**

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

**Expense Allocation**

The financial statements report certain categories of expenses that are attributable to more than one program service or supporting activity. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include personnel which is allocated on the basis of estimates of time and effort, as well as occupancy which is allocated on a square-footage basis. The following program services are included in the accompanying financial statements:

*Prevent* – AAFSC strengthens families, prevents child abuse, and works to end domestic and gender-based violence. AAFSC is contracted by the New York City Administration for Children's Services (ACS) to provide early intervention, counseling, parenting classes, and referrals with a strengths-based approach to help families build happy, healthy homes.

AAFSC empowers survivors of domestic violence, dating violence, sexual assault, stalking, and all forms of gender-based violence through crisis intervention, individual counseling, safety planning, and referrals. We work with young adults on building healthy relationship habits. AAFSC also conducts community outreach and cultural competency trainings for external agencies and service providers.

*Promote* – AAFSC promotes wellness, family reunification, restorative justice, equity, and fair policies. Through our Community Health & Well-Being unit, we provide individual mental health counseling services and wraparound support to reduce stigma. AAFSC enrolls individuals in health insurance, SNAP enrollment, and helps families navigate resources. Through our Legal Services, we provide free immigration-based legal support to reunite families and offer know-your-rights trainings.

*Get Ready* – AAFSC prepares families to learn, work, succeed, give back, and lead healthy, productive lives. Through our Adult Education and Literacy Program, we provide English Language and Civics courses, citizenship prep, job readiness support, and civic engagement opportunities. Through our Caregiver-Child Bonding Circles, we promote socio-emotional development for babies and their parents after experiencing trauma. Through our Youth and Young Adult Program, we offer academic tutoring, leadership development, college and career readiness, individual mental health counseling, and arts enrichment to develop young adults' skills and self-reliance and help them succeed.

**THE ARAB-AMERICAN FAMILY SUPPORT CENTER, INC.**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2021 and 2020

---

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

*Communicate* – AAFSC educates community members about the policies that affect their lives and increases knowledge amongst partners and policy makers about the challenges immigrants and refugees face.

*Management and general* – Management and general activities relate to the overall direction of AAFSC and include the functions necessary to ensure proper administrative functioning of the board of directors, manage the financial and budgetary responsibilities of AAFSC, and perform other administrative functions.

*Fundraising* – Fundraising activities relate to soliciting contributions from individuals, foundations, and others, and other activities that involve inducing potential donors to contribute assets, services, or time to AAFSC.

**Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could differ from those estimates.

**Income Tax Status**

AAFSC is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, AAFSC qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

**Date of Management’s Review**

Management has evaluated subsequent events through November 23, 2021, the date which the financial statements were available to be issued.

NOTE 2—CONCENTRATION OF CREDIT RISK

AAFSC maintains cash balances at a financial institution located in New York, New York. The accounts at the institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2021 and 2020, AAFSC’s uninsured cash balances total approximately \$1,596,000 and \$2,541,000.

**THE ARAB-AMERICAN FAMILY SUPPORT CENTER, INC.**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2021 and 2020

**NOTE 3—UNCONDITIONAL PROMISES TO GIVE**

Unconditional promises to give at June 30, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Receivable in less than one year	\$ 481,644	\$ 436,178
Receivable in one to five years	<u>-</u>	<u>45,000</u>
Unconditional promises to give	<u>\$ 481,644</u>	<u>\$ 481,178</u>

**NOTE 4—EQUIPMENT AND SOFTWARE**

Equipment and software at June 30, 2021 and 2020 consisted of the following:

	<u>2021</u>	<u>2020</u>
Equipment and software	\$ 25,152	\$ 7,152
Less: accumulated depreciation	<u>(6,806)</u>	<u>(3,576)</u>
Equipment and software, net	<u>\$ 18,346</u>	<u>\$ 3,576</u>

**NOTE 5—NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions at June 30, 2021 and 2020, are available for the following purposes or periods:

	<u>2021</u>	<u>2020</u>
Youth program	\$ 201,667	\$ 122,129
Behavioral specialist	-	36,209
Subsequent years' activities	390,971	50,000
Pandemic and emergency response	52,000	137,737
Caregiver-child bonding circles	-	122,744
Health care delivery system	10,804	100,535
Census initiative	-	10,000
Mental health services	45,000	115,000
Racial equity	80,000	-
Food security	10,000	-
Strengthening families initiative	-	13,311
Anti-violence	25,000	-
Academic and emotional support	<u>-</u>	<u>40,754</u>
Net assets with donor restrictions	<u>\$ 815,442</u>	<u>\$ 748,419</u>

**THE ARAB-AMERICAN FAMILY SUPPORT CENTER, INC.**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2021 and 2020

---

**NOTE 6—PAYCHECK PROTECTION PROGRAM**

On April 10, 2020, AAFSC received a \$807,445 loan under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and administered by the U.S. Small Business Administration (SBA). The loan accrues interest at 1% but payments are deferred for borrowers who apply for forgiveness until SBA remits the borrower's forgiveness amount to the lender. The amount of forgiveness depends, in part, on the total amount of eligible expenses paid by AAFSC during the covered period. Eligible expenses may include payroll costs, interest on mortgages, rent, and utilities. Any unforgiven portion is payable over five years. On October 29, 2021, the SBA preliminarily approved forgiveness of the loan.

AAFSC must retain PPP documentation in its files for six years after the date the loan is forgiven or repaid in full and permit authorized representatives of SBA to access such files upon request. SBA may review any loan at any time at its discretion. Therefore, SBA may review AAFSC's good-faith certification concerning the necessity of its loan request, whether the organization calculated the loan amount correctly, whether AAFSC used loan proceeds for the allowable uses specified in the CARES Act, and whether the AAFSC is entitled to loan forgiveness in the amount claimed on its application. If SBA determines AAFSC was ineligible for the loan or for forgiveness in whole or in part, SBA will seek repayment of funds.

**NOTE 7—LEASES**

AAFSC leases its primary program and administrative office space in Brooklyn, New York. The prior lease ended April 30, 2020, and was extended for a three-year period ending April 30, 2023. Rental payments are due monthly and adjusted annually for cost escalations.

During the year ended June 30, 2013, AAFSC received an addition to its primary City of New York's ACS funded agreement to operate a companion program in Queens, New York. AAFSC entered into a five-year lease agreement in October 2012 for the Queens Program office. Rental payments are now due monthly. The lease expires in September 2022.

On July 1, 2020, AAFSC entered into a lease in Bronx, New York. The current lease is for a five-year period ending June 30, 2025. Rental payments are due monthly and adjusted annually for cost escalations.

On February 15, 2021, AAFSC entered into a new lease in Long Island City, New York. The current lease is for a period ending September 30, 2025. Rental payments are due monthly and adjusted annually for cost escalations.

AAFSC leases certain office equipment for use in the performance of government and non-government sponsored grants. Equipment is leased under restrictive funding provisions of the projects. Leased equipment is required to be utilized in the performance of the contract or after its completion a subsequent affiliated program. The leased equipment costs are expensed when incurred under grant provisions and no depreciation is recorded thereon.

**THE ARAB-AMERICAN FAMILY SUPPORT CENTER, INC.**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2021 and 2020

---

---

NOTE 7—LEASES (continued)

Future minimum obligations under the leases for the years ending June 30 are as follows:

2022	\$ 467,056
2023	355,817
2024	157,029
2025	160,534
2026	<u>25,447</u>
Total	<u>\$ 1,165,883</u>

Rent expense for the years ended June 30, 2021 and 2020 was \$523,612 and 345,208.

NOTE 8—RETIREMENT PLAN

AAFSC has established a qualified deferred compensation plan. Substantially all employees who meet certain conditions, primarily one year of full-time service, are eligible to participate. AAFSC is not required to make employer contributions under the plan agreement. AAFSC made a voluntary 3% contribution for qualified employees. A total employer contribution of \$53,050 and 36,487 was recorded for the years ended June 30, 2021 and 2020.

NOTE 9—CONDITIONAL GRANTS

AAFSC has several grants that are conditioned upon AAFSC incurring qualifying expenses under the grant programs. At June 30, 2021 and 2020, these conditional grants total approximately \$16,575,711 and \$15,079,556. These conditional grants will be recognized as revenues when the respective conditions are met in future years.

NOTE 10—ECONOMIC DEPENDENCY

AAFSC received approximately 70% and 50% of its revenue from the New York City ACS for the years ended June 30, 2021 and 2020.

AAFSC's is primarily funded under a prevention services agreement from the City of New York's ACS. The master operating agreement provides funding commitment for the five-year period July 1, 2020, through June 30, 2023.

NOTE 11—CONTINGENCIES

Some government and foundation grants are subject to financial and compliance audits by the grantor. Disallowances, if any, as a result of these audits may become liabilities of AAFSC. Management believes that no material disallowance will result from audits by grantors.

**THE ARAB-AMERICAN FAMILY SUPPORT CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2021 and 2020

---

**NOTE 12—LIQUIDITY AND AVAILABILITY**

The following represents AAFSC's financial assets as of the dates of the statements of financial position, reduced by amounts not available for general expenditures within one year because of contractual or donor-imposed restrictions.

	2021	2020
Cash	\$ 1,846,407	\$ 2,660,644
Grants receivable	2,719,222	1,563,046
Unconditional promises to give	481,644	481,178
Financial assets at year-end	5,047,273	4,704,868
Less those unavailable for general expenditures within one year due to:		
contractual or donor-imposed restrictions:		
Restricted by donor with time and purpose restrictions	(424,471)	(698,419)
Financial assets available to meet cash needs for general expenditures within one year	\$ 4,622,802	\$ 4,006,449

As part of AAFSC's liquidity management, it has a policy to structure its financial assets to be available for its general expenditures, liabilities, and other obligations that come due.

**NOTE 13—UNCERTAINTIES**

AAFSC operations may be affected by the ongoing COVID-19 outbreak that was declared a pandemic by the World Health Organization in March 2020. The ultimate disruption and effect on AAFSC are uncertain; however, it may result in a material adverse impact on the AAFSC's financial position, activities, and cash flows. Possible effects may include, but are not limited to, disruption to AAFSC' donors and revenues, absenteeism in AAFSC's workforce, unavailability of supplies used in AAFSC' programs, and a decline in value of assets held by AAFSC.