

The Child Center of NY, Inc.

Financial Statements

June 30, 2018

Independent Auditors' Report

Board of Directors The Child Center of NY, Inc.

We have audited the accompanying financial statements of The Child Center of NY, Inc. (the "Organization"), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 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 Child Center of NY, Inc. as of June 30, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Organization's June 30, 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 28, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplementary Schedule

Our audit was conducted for purposes of forming an opinion on the financial statements as a whole. The accompanying supplementary schedule of program services expenses on page 16 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

PKF O'Connor Davies, LLP

November 15, 2018

The Child Center of NY, Inc.

Statement of Financial Position
June 30, 2018
(with comparative amounts at June 30, 2017)

	2018	2017
ASSETS		
Cash and cash equivalents	\$ 1,236,266	\$ 448,018
Restricted cash	589,557	589,557
Patient services receivable	925,315	843,472
Contracts and grants receivable, net	7,261,794	7,540,598
Contributions receivable	368,400	405,825
Prepaid expenses	180,812	147,767
Security deposits	320,108	319,483
Property and equipment, net	639,627	679,680
	\$ 11,521,879	\$ 10,974,400
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 3,567,820	\$ 3,429,521
Deferred rent	266,097	214,272
Due to government agencies	3,779,426	3,888,300
Line of credit	-	639,009
Total Liabilities	7,613,343	8,171,102
Net Assets		
Unrestricted		
Board designated	589,557	589,557
Operating	3,318,979	2,134,846
Total Unrestricted	3,908,536	2,724,403
Temporarily restricted	-	78,895
Total Net Assets	3,908,536	2,803,298
	\$ 11,521,879	\$ 10,974,400

See notes to financial statements

The Child Center of NY, Inc.

Statement of Activities
Year Ended June 30, 2018
(with summarized totals for the year ended June 30, 2017)

	Unrestricted	Temporarily Restricted	2018 Total	2017 Total
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>	<u>Total</u>
REVENUE AND SUPPORT				
Contracts and grants revenue	\$ 36,708,525	\$ -	\$ 36,708,525	\$ 32,776,454
Patient services revenue, net	12,676,044	-	12,676,044	11,557,459
Contributions	648,737	-	648,737	1,069,962
Fundraising, net of direct expenses of \$206,992 and \$237,774	662,452	-	662,452	531,123
In-kind contributions	958,647	-	958,647	951,061
Other income	178,495	-	178,495	51,801
Net assets released from restrictions	78,895	(78,895)	-	-
Total Revenue and Support	<u>51,911,795</u>	<u>(78,895)</u>	<u>51,832,900</u>	<u>46,937,860</u>
EXPENSES				
Program services	44,697,811	-	44,697,811	40,772,257
Supporting Services				
Management and general	6,127,765	-	6,127,765	5,740,236
Fundraising	527,086	-	527,086	326,197
Total Expenses	<u>51,352,662</u>	<u>-</u>	<u>51,352,662</u>	<u>46,838,690</u>
Excess (Deficiency) of Revenue and Support over Expenses	559,133	(78,895)	480,238	99,170
NON-OPERATING ACTIVITY				
Legal settlement	625,000	-	625,000	-
Change in Net Assets	1,184,133	(78,895)	1,105,238	99,170
NET ASSETS				
Beginning of year	<u>2,724,403</u>	<u>78,895</u>	<u>2,803,298</u>	<u>2,704,128</u>
End of year	<u>\$ 3,908,536</u>	<u>\$ -</u>	<u>\$ 3,908,536</u>	<u>\$ 2,803,298</u>

See notes to financial statements

The Child Center of NY, Inc.

Statement of Functional Expenses
Year Ended June 30, 2018

(with summarized totals for the year ended June 30, 2017)

	Program Services	Management and General	Fundraising	2018 Total	2017 Total
Salaries and wages	\$ 28,818,212	\$ 3,071,565	\$ 167,263	\$ 32,057,040	\$ 28,354,199
Payroll taxes and employee benefits	8,417,537	602,907	30,191	9,050,635	8,513,985
Rent and utilities	1,921,215	655,971	39,166	2,616,352	2,360,178
Program related	1,286,694	15,650	1,089	1,303,433	1,357,551
Consumable supplies	838,393	82,195	3,155	923,743	981,505
Consultants	415,832	242,103	198,387	856,322	936,531
Equipment related	549,290	89,505	2,934	641,729	492,843
Repairs and maintenance	414,982	188,217	2,059	605,258	647,350
Other contracted services	186,878	429,229	385	616,492	457,868
Telephone	286,762	65,884	3,095	355,741	385,455
Insurance	187,674	9,091	432	197,197	182,101
Professional fees	60,881	295,025	-	355,906	337,895
Travel and conferences	130,299	28,975	508	159,782	143,604
Interest	-	39,691	-	39,691	68,528
Staff training	91,672	23,064	310	115,046	163,373
Community relations	-	1,825	2,214	4,039	4,768
Dues and subscriptions	18,858	49,506	320	68,684	80,716
Charges and fees	6,484	30,256	7,873	44,613	52,604
Other	32,869	78,930	65,986	177,785	137,694
Postage	6,889	8,570	719	16,178	21,075
Recruitment	8,084	15,676	1,000	24,760	25,570
In-kind expenses	958,647	-	-	958,647	951,061
Depreciation and amortization	59,659	103,930	-	163,589	182,236
Total Expenses	\$ 44,697,811	\$ 6,127,765	\$ 527,086	\$ 51,352,662	\$ 46,838,690

See notes to financial statements

The Child Center of NY, Inc.

Statement of Cash Flows
Year Ended June 30, 2018
(with comparative amounts for the year ended June 30, 2017)

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,105,238	\$ 99,170
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	163,589	182,236
Deferred rent	51,825	54,970
Changes in operating assets and liabilities		
Patient services receivable	(81,843)	38,096
Contracts and grants receivable	278,804	(927,782)
Contributions receivable	37,425	235,232
Prepaid expenses	(33,045)	49,953
Security deposits	(625)	(172,750)
Accounts payable and accrued expenses	138,299	(111,999)
Due to government agencies	(108,874)	34,635
Net Cash from Operating Activities	1,550,793	(518,239)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(123,536)	(570,540)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from line of credit	-	250,000
Payment of line of credit	(639,009)	(256,847)
Net Cash from Financing Activities	(639,009)	(6,847)
Net Change in Cash and Cash Equivalents	788,248	(1,095,626)
CASH AND CASH EQUIVALENTS		
(including restricted cash)		
Beginning of year	1,037,575	2,133,201
End of year	\$ 1,825,823	\$1,037,575
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid for interest	\$ 39,691	\$ 68,528

See notes to financial statements

The Child Center of NY, Inc.

Notes to Financial Statements
June 30, 2018

1. Organization and Tax Status

The Child Center of NY, Inc. (the "Organization") is a not-for-profit organization whose mission is to strengthen children and families with skills, opportunities and emotional support to build healthy, successful lives. Founded in 1953 as a children's counseling center in Queens, the Organization has become a powerful community presence throughout the City of New York (NYC). With nearly 70 locations in NYC's toughest, most under-resourced communities, the Organization's 1,000 results-oriented professionals are making a difference for more than 30,000 children and families. The Organization serves children from birth to adulthood with effective, innovative programs in five critical areas: behavioral health (including substance abuse), youth development, early childhood education prevention (of abuse and domestic violence), and health homes and integrated care.

The Organization receives substantial support from the New York State Office of Mental Health ("NYS OMH"), the New York City Administration for Children's Services ("NYC ACS"), the New York City Department of Youth and Community Development ("NYC DYCD") and the New York City Department of Health and Mental Hygiene ("NYC DOHMH"). Funding agencies also include the U.S. Department of Health and Human Services ("DHHS"), the New York City Department of Education ("NYC DOE"), the New York State Department of Health ("NYS DOH") and the New York State Office of Children and Family Services ("NYS OCFS") and the New York State Department of Criminal Justice Services ("NYS DCJS"). The Organization is obligated under the terms of the contracts to comply with specified conditions and program requirements set forth by the respective grantor.

The Organization was incorporated in the State of New York and is exempt from income taxes under section 501(c)(3) of the Internal Revenue Code.

2. Summary of Significant Accounting Policies

Basis of Presentation

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

Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make certain 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 revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

The Child Center of NY, Inc.

Notes to Financial Statements
June 30, 2018

2. Summary of Significant Accounting Policies (continued)

Net Asset Presentation

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted. Unrestricted net assets are those currently available at the discretion of the governing board for use in operations. Temporarily restricted net assets are those which are stipulated by donors for specific purposes or by passage of time. Permanently restricted net assets are those which are established by donor restricted gifts and bequests to provide permanent endowment. There are no permanently restricted net assets at June 30, 2018 and 2017.

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid fixed income investments with a maturity of three months or less at time of purchase.

Restricted Cash

Donations related to the Auffarth Fund are maintained in a separate bank account and are reflected as restricted cash and board-designated unrestricted net assets in the accompanying financial statements.

Allowance for Doubtful Accounts

An allowance for doubtful accounts is established for contracts and patient services receivables where there exists doubt as to whether an amount will be fully collected. The determination of this allowance is an estimate based on the Organization's historical experience, review of account balances and expectations relative to collections. Contracts and grants receivable are reflected in the statement of financial position net of an allowance for doubtful accounts of \$260,000 as of June 30, 2018 and 2017. There was no allowance for doubtful accounts as of June 30, 2018 and 2017 for patient services receivable and contributions receivable as patient services receivable was substantially collected subsequent to year-end, and management anticipates no collection problems on contributions receivable.

Property and Equipment

Property and equipment are recorded at cost. Depreciation of furniture and equipment is recorded on a straight-line basis over the estimated useful lives of the assets, which range from 3 to 10 years. Leasehold improvements are amortized on a straight-line basis over the estimated useful life of the improvement or the term of the lease, whichever is shorter. Expenditures over \$5,000 with an estimated useful life of more than one year are capitalized to the asset accounts.

Property and equipment are reviewed for impairment if the use of the asset significantly changes or another indicator of possible impairment is identified. If the carrying amount of the asset is not recoverable, the value is written down to the asset's fair value. There were no asset impairments for fiscal 2018 and 2017.

The Child Center of NY, Inc.

Notes to Financial Statements
June 30, 2018

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition

Revenue from contracts and grants designated for use in specific activities is recognized in the period when expenditures have been incurred in compliance with the grantor's restrictions. Contracts and grant awards for the acquisition of long-lived assets are reported as unrestricted non-operating revenue, in the absence of donor stipulations to the contrary, during the fiscal year in which the assets are acquired.

Patient services revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered. Self-pay revenue is recorded at published charges with charitable allowances deducted to arrive at net self-pay revenue. All other patient services revenue is recorded at published charges, with contractual allowances deducted to arrive at net patient services revenue.

Contributions are recorded at fair value when received or pledged. Amounts are recorded as temporarily or permanently restricted revenue if they are received with donor stipulations that limit the use of the donated asset. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor restricted contributions whose restrictions expire during the same fiscal year are recognized as unrestricted revenue. Conditional contributions are recognized in the period when conditions are substantially met.

In-kind Contributions

In-kind contributions are recognized in the accompanying financial statements based on their fair value. The Organization recognizes the fair value of donated services which create or enhance nonfinancial assets, or require specialized skills provided by individuals possessing those skills and would typically be purchased if not provided by donation. Contributed services that do not meet these criteria are not recognized as revenue and are not reported in the accompanying financial statements.

In-kind contributions primarily relate to donated services performed by professionals in the course of carrying out the functions and activities of federally-funded programs such as Early Head Start and Early Learn programs of the Organization.

Deferred Rent

The Organization occupies several buildings under leases containing escalation clauses that require normalization of the rental expense over the life of the lease. The resulting deferred rent is reflected in the accompanying statement of financial position.

The Child Center of NY, Inc.

Notes to Financial Statements
June 30, 2018

2. Summary of Significant Accounting Policies (continued)

Functional Allocation of Expenses

Expenses are charged to program services or supporting services based on a combination of specific identification and allocation by management.

Accounting for Uncertainty in Income Taxes

The Organization recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that the Organization has no uncertain tax positions that would require financial statement recognition and/or disclosure. The Organization is no longer subject to examinations by the applicable taxing jurisdictions for periods prior to fiscal 2015.

Summarized Financial Information

The statements of activities and functional expenses include prior year summarized information in total only, which does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the financial statements as of and for the year ended June 30, 2017 from which the summarized information was derived.

Reclassifications

Certain accounts in the fiscal 2017 financial statements have been reclassified to conform to the fiscal 2018 financial statement presentation.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is November 15, 2018.

3. Concentration of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents and receivables. The Organization places its cash and cash equivalents with high credit quality financial institutions which, at times, may exceed federally insured limits.

Patient services receivable credit risk is limited because the receivables are reported at their outstanding unpaid balances reduced by an allowance for doubtful accounts, where necessary. The Organization estimates doubtful accounts based on historical bad debts, factors related to specific payors' ability to pay and current economic trends.

The Child Center of NY, Inc.

Notes to Financial Statements
June 30, 2018

3. Concentration of Credit Risk (continued)

Contracts and grants receivable credit risk is limited due to the nature of the contracts and grants. The Organization regularly monitors its contracts and grants receivable by investigating delayed payments and differences when payments received do not conform to the amount billed. The Organization considers all contracts and grants as collectible.

4. Patient Services Receivable

Patient services receivable consists of the following at June 30:

	2018	2017
Medicaid and Medicaid Managed Care	\$ 679,544	\$ 606,007
Other third-party payors and self-pay	245,771	237,465
	\$ 925,315	\$ 843,472

5. Contracts and Grants Receivable

Contracts and grants receivable, net, consist of the following at June 30:

	2018	2017
NYC Department of Youth and Community Development	\$ 2,443,876	\$ 3,225,315
NYC Administration for Children's Services	2,354,334	1,672,254
NYC Department of Health and Mental Hygiene	416,100	650,935
NYC Department of Education	1,035,924	798,688
NYS Office of Children and Family Services	182,870	601,827
NYS Department of Health	34,067	160,702
NYS Department of Education	-	89,888
NYS Office of Mental Health	-	43,000
NYS Department of Criminal Justice Services	88,590	151,762
Subcontracts - NYC Schools	190,817	196,584
U.S. Department of Health and Human Services	178,499	-
Other grants	596,717	209,643
	7,521,794	7,800,598
Allowance for doubtful accounts	(260,000)	(260,000)
	\$ 7,261,794	\$ 7,540,598

The Child Center of NY, Inc.

Notes to Financial Statements
June 30, 2018

6. Property and Equipment

Property and equipment, net, consist of the following at June 30:

	<u>2018</u>	<u>2017</u>
Furniture and equipment	\$ 2,018,925	\$ 1,911,534
Leasehold improvements	<u>2,230,971</u>	<u>2,214,826</u>
	4,249,896	4,126,360
Accumulated depreciation and amortization	<u>(3,610,269)</u>	<u>(3,446,680)</u>
	<u>\$ 639,627</u>	<u>\$ 679,680</u>

7. Line of Credit

At June 30, 2018, the Organization has a \$250,000 line of credit (\$650,000 at June 30, 2017) with a financial institution through May 31, 2019. Borrowings under this arrangement bear interest at the Wall Street Journal prime rate (4.75% at June 30, 2018) plus 1%, and are secured by all assets of the Organization. As of June 30, 2018 and 2017, the Organization had borrowings outstanding of \$0 and \$639,009. Interest expense for fiscal 2018 and 2017 amounted to \$1,625 and \$25,102.

8. Due to Government Agencies

Due to government agencies amounted to \$3,779,426 and \$3,888,300 as of June 30, 2018 and 2017. These liabilities represent amounts owed primarily related to recoupments of overpayments from government agencies as well as unused contract advances. The balance at June 30, 2018 includes \$1,856,117 which is payable in equal monthly installments of \$21,501, including interest at 2% per annum, from April 2016 to May 2025. Interest expense for fiscal 2018 and 2017 amounted to \$38,066 and \$43,426.

9. Temporarily Restricted Net Assets

Temporarily restricted net assets released from restrictions were \$78,895 and \$0 for the years ended June 30, 2018 and 2017.

The Child Center of NY, Inc.

Notes to Financial Statements
June 30, 2018

10. Patient Services Revenue

Patient services revenue consists of the following at June 30:

	2018	2017
Medicaid and Medicaid Managed Care	\$12,138,342	\$ 11,257,757
Other third-party payors and self-pay	<u>537,702</u>	<u>299,702</u>
	<u>\$12,676,044</u>	<u>\$ 11,557,459</u>

Patient services revenue is accounted for at established billing rates multiplied by the number of visits rendered. Such reimbursement rates are subject to change and retroactive adjustment on the basis of review by the governmental agencies responsible for such funding. Provisions for settlements are accrued on an estimated basis in the period in which the related services are rendered, and are included in due to governmental agencies. Final determination of reimbursement rates is subject to audit and review by governmental payors and any overpayments are reflected as amounts due to governmental agencies.

11. Contracts and Grants Revenue

Contracts and grants revenue consists of the following for the years ended June 30:

	2018	2017
NYC Administration for Children's Services	\$14,562,084	\$ 12,615,243
NYC Department of Youth and Community Development	11,863,888	10,183,530
NYC Department of Health and Mental Hygiene	2,858,527	2,922,618
NYC Department of Education	2,862,507	2,504,455
U.S. Department of Health and Human Services	981,385	971,896
NYS Department of Health	591,900	575,331
NYS Office of Children and Family Services	255,231	280,213
Subcontracts - NYC schools	598,936	597,262
NYS Education Department	-	193,393
NYS Department of Criminal Justice Services	259,294	261,277
Foundation grants	907,792	987,667
Other contracts and grants	966,981	683,569
	<u>\$36,708,525</u>	<u>\$ 32,776,454</u>

The Child Center of NY, Inc.

Notes to Financial Statements
June 30, 2018

12. Employee Benefit Plans

The Organization has a defined contribution money purchase pension plan covering substantially all nonunion employees meeting certain eligibility requirements. Contributions to the plan are 10% of gross salaries. Pension expense amounted to \$1,059,956 and \$1,053,163 for the years ended June 30, 2018 and 2017.

The Organization's union employees are covered by collective bargaining agreements ("CBA's") with the 1199 SEIU United Healthcare Workers East Union, Local 95 District Council 1707 Union, and Local 205 District Council 1707 Union. The CBA's include participation in multi-employer, non-contributory defined benefit plans. The SEIU Health Care Employees Pension Fund runs on a calendar year and The Head Start Sponsoring Board Council of New York Plan and The Cultural Institutions Pension Plan run on a fiscal year (collectively, the "Plans"). Separate actuarial information regarding such Plans is not made available to the contributing employers by the union administrators or trustees since the Plans do not maintain separate records for each reporting unit.

The Organization's participation in the Plans for the years ended June 30, 2018 and 2017 is outlined in the table below. The most recent Pension Protection Act (PPA) zone status available for the Plans is December 31, 2017 and June 30, 2018.

The zone status is based on information that the Organization received from the Plans and is certified by the actuaries of the Plans. Among other factors, pension plans in the red zone are generally less than 65% funded, pension plans in the yellow zone are less than 80% funded, and pension plans in the green zone are at least 80% funded. None of the Plans have a financial improvement plan or rehabilitation plan pending or implemented. The Organization's contributions to the Plans did not exceed 5% of the Plans' total contributions for the years ended June 30, 2018 and 2017.

Pension Fund	EIN Number	Plan Number	Protection Act Zone Status		Total Pension Cost to the Plan		Expiration Date of Collective Bargaining Agreement
			2018	2017	2018	2017	
SEIU Health Care Employees Pension Fund	13-3604862	001	Green	Green	\$746,503	\$ 663,164	June 30, 2018 **
The Head Start Sponsoring Board Council of the City of New York Plan	13-3152121	001	Green	Green	115,435	95,176	January 31, 2019
The Cultural Institutions Pension Plan	11-2001170	001	Green	Green	98,053	61,482	September 30, 2020
					<u>\$959,991</u>	<u>\$ 819,822</u>	

** Under negotiation

The pension contributions for the years ended June 30 consisted of the following:

	2018	2017
Paid by the Organization	\$ 861,938	\$ 758,340
Paid by the City of New York	98,053	61,482
	<u>\$ 959,991</u>	<u>\$ 819,822</u>

The Child Center of NY, Inc.

Notes to Financial Statements
June 30, 2018

12. Employee Benefit Plans (continued)

In addition, the CBA's include participation in postretirement health and supplemental welfare benefit plans (the "Health Plans"), which provide health and other benefits to eligible participants who are covered under the CBA's. The Organization's contributions to the Health Plans totaled \$2,300,585 and \$2,459,700 for the years ended June 30, 2018 and 2017.

Assets contributed to the multi-employer plans may be used to provide benefits of employment to other participating employers. If a plan employer stops contributing to the plans, the unfunded obligations of the plan may be borne by the remaining participating employers. If the Organization stops participating in the plans, it may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

13. Commitments and Contingencies

The Organization leases eight facilities with leases expiring through fiscal 2029. Several of the leases contain escalations for real estate taxes. Rent expense for the years ended June 30, 2018 and 2017 amounted to \$2,472,855 and \$2,231,271. All facilities are operated under noncancellable operating leases requiring future minimum payments as follows:

Year Ending June 30:	
2019	\$ 2,177,703
2020	2,124,315
2021	1,977,739
2022	1,378,403
2023	1,154,919
Thereafter	<u>5,898,585</u>
	<u>\$14,711,664</u>

The Organization has contracted with various funding agencies to perform certain counseling services and receives Medicaid revenue from the state and federal governments. Reimbursements received under these contracts and payments from Medicaid are subject to audit by federal and state governments and other agencies. Upon audit, if discrepancies are discovered, the Organization could be held responsible for refunding the amounts in question.

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The Child Center of NY, Inc.

Supplementary Schedule

June 30, 2018

The Child Center of NY, Inc.

Supplementary Schedule of Program Services Expenses
Year Ended June 30, 2018

	NYC										Subcontracts - NYC Schools	Other	Administrative	Total
	NYC ACS	NYC DOE	DOHMH	NYC DYCD	NYC OCFS	NYC DOH	DHHS	NYC OMH	NYC DCJS	NYC Schools				
Salaries and wages	\$ 8,654,169	\$ 2,039,873	\$ 2,415,221	\$ 7,463,341	\$ 188,200	\$ 252,484	\$ 610,355	\$ 5,381,138	\$ 206,975	\$ 637,768	\$ 968,688	\$ -	\$ 28,818,212	
Payroll taxes and employee benefits	3,144,681	480,197	912,193	1,303,607	21,428	69,036	147,517	1,844,961	60,856	174,956	248,105	-	8,417,537	
Rent and utilities	643,494	660	333,533	2,762	-	2,557	163,469	715,733	15,383	1,651	41,973	-	1,921,215	
Program related	24,426	135,896	128,920	643,705	5,743	197,478	37,159	61,231	2,095	10,264	39,777	-	1,285,694	
Consumable supplies	66,444	93,868	31,341	396,010	13,135	12,891	12,236	54,853	3,047	34,404	120,164	-	838,393	
Consultants	118,623	39,835	3,277	92,300	-	550	3,375	142,996	-	100	14,776	-	415,832	
Equipment related	83,295	19,360	34,642	283,852	-	5,809	9,016	66,948	8,227	5,345	13,133	-	549,290	
Repairs and maintenance	172,714	6,858	56,093	52,397	31	5,291	3,306	89,587	1,494	3,588	16,955	-	186,878	
Other contracted services	39,163	1,330	22,494	57,887	1,197	283	195	101,376	1,270	2,017	5,987	-	286,762	
Telephone	76,680	4,372	33,218	26,210	230	29	25,394	10,316	1,380	3,899	10,164	-	187,674	
Insurance	52,001	14,482	10,595	65,396	1,373	1,593	5,217	26,601	1,270	3,159	5,987	-	187,674	
Professional fees	4,358	-	3,680	-	-	-	1,575	50,723	-	-	545	-	60,881	
Travel and conferences	64,877	3,984	9,302	14,930	1,845	2,132	4,203	18,310	1,630	926	8,160	-	130,299	
Staff training	5,539	5,697	2,814	26,210	230	29	25,394	10,316	1,380	3,899	10,164	-	91,672	
Dues and subscriptions	11,410	246	-	1,572	-	-	2,063	3,000	-	-	577	-	18,858	
Charges and fees	2,001	-	-	-	-	-	-	4,483	-	-	-	-	6,484	
Other	11,827	3,085	237	13,664	100	233	802	1,581	50	840	450	-	32,869	
Postage	2,113	42	804	1,132	13	71	231	2,166	66	100	151	-	6,889	
Recruitment	2,979	-	2,835	976	-	-	90	798	-	308	98	-	8,084	
Subtotal	13,180,794	2,859,785	4,003,199	10,419,741	233,295	551,376	1,034,807	8,665,744	321,344	898,636	1,510,784	-	43,679,505	
Administrative overhead	1,719,664	374,482	518,602	1,364,441	30,549	72,128	135,700	1,147,985	42,079	117,675	196,525	(5,719,830)	-	
In-kind expenses	846,884	-	-	-	-	-	111,763	-	-	-	-	-	958,647	
Sub Total	2,566,548	374,482	518,602	1,364,441	30,549	72,128	247,463	1,147,985	42,079	117,675	196,525	(5,719,830)	958,647	
Depreciation and amortization	-	-	-	-	-	-	1,486	58,173	-	-	-	-	59,659	
Total Expenses	\$ 15,747,342	\$ 3,234,267	\$ 4,521,801	\$ 11,784,182	\$ 263,844	\$ 623,504	\$ 1,283,756	\$ 9,871,902	\$ 363,423	\$ 1,016,311	\$ 1,707,309	\$ (5,719,830)	\$ 44,697,811	

See independent auditors' report