# Northside Center for Child Development, Inc. and Northside Center for Child Development Day School

Combined Financial Statements
and Supplementary Information
Year Ended June 30, 2019

The report accompanying these financial statements was issued by
BDO USA, LLP, a Delaware limited liability partnership and the U.S. member of
BDO International Limited, a UK company limited by guarantee.

# Northside Center for Child Development, Inc.
# and Northside Center for Child Development Day School

Combined Financial Statements and Supplementary Information

Year Ended June 30, 2019

## Contents

| | |
|---|---|
| **Independent Auditor's Report** | 3-4 |
| **Combined Financial Statements** | |
| Statement of Financial Position as of June 30, 2019 | 5 |
| Statement of Activities for the Year Ended June 30, 2019 | 6 |
| Statement of Functional Expenses for the Year Ended June 30, 2019 | 7 |
| Statement of Cash Flows for the Year Ended June 30, 2019 | 8 |
| Notes to Combined Financial Statements | 9-21 |
| **Supplementary Information** | |
| Combining Schedule of Financial Position as of June 30, 2019 | 23 |
| Combining Schedule of Activities for the Year Ended June 30, 2019 | 24 |

BDO

Tel: 212-371-4446
Fax: 212-371-9374
www.bdo.com

622 Third Ave, Suite 3100
New York, NY 10017

## Independent Auditor's Report

The Board of Directors
Northside Center for Child Development, Inc.
and Northside Center for Child Development Day School
New York, New York

### Report on the Combined Financial Statements

We have audited the accompanying combined financial statements of Northside Center for Child Development, Inc. and Northside Center for Child Development Day School, which comprise the combined statement of financial position as of June 30, 2019, and the related combined statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the combined financial statements.

### *Management's Responsibility for the Combined Financial Statements*

Management is responsible for the preparation and fair presentation of these combined 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 combined 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 combined 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 combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined 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 combined 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 combined 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 combined financial statements referred to above present fairly, in all material respects, the financial position of Northside Center for Child Development, Inc. and Northside Center for Child Development Day School as of June 30, 2019, and the changes in their net assets and their 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 Northside Center for Child Development, Inc. and Northside Center for Child Development Day School 2018 combined financial statements, and our report dated November 29, 2018 expressed an unmodified opinion on those audited combined financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018 is consistent, in all material respects, with the audited combined financial statements from which it has been derived.

### *Other Matters*

*Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying supplementary combining schedule of financial position and combining schedule of activities are presented for purposes of additional analysis and are not required parts of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain to additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and to 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 combined financial statements as a whole.

BDO USA, LLP

November 26, 2019

# Northside Center for Child Development, Inc.
# and Northside Center for Child Development Day School

## Combined Statement of Financial Position
## (with comparative totals for 2018)

| *June 30,* | | **2019** | | 2018 |
|---|---|---|---|---|
| **Assets** | | | | |
| **Current** | | | | |
| Cash and cash equivalents (Note 2) | **$** | **507,311** | $ | 1,326,762 |
| Restricted cash (Note 2) | | **2,000,000** | | 1,000,000 |
| Investments, at fair value (Notes 2, 3, 12 and 14) | | **7,805,968** | | 7,432,605 |
| Accounts receivable, net of allowance for doubtful accounts of $556,641 and $347,087 in 2019 and 2018, respectively (Notes 2 and 5) | | **5,045,391** | | 3,318,056 |
| Pledges receivable, current portion for doubtful accounts (Notes 2 and 6) | | **3,027,367** | | 2,801,854 |
| Prepaid expenses and other assets | | **129,674** | | 253,147 |
| **Total Current Assets** | | **18,515,711** | | 16,132,424 |
| **Pledges Receivable**, less current portion and net of discount (Notes 2 and 6) | | **1,268,939** | | 1,989,411 |
| **Fixed Assets, Net** (Notes 2 and 7) | | **2,345,876** | | 2,230,495 |
| **Total Assets** | **$** | **22,130,526** | $ | 20,352,330 |
| **Liabilities and Net Assets** | | | | |
| **Current Liabilities** | | | | |
| Accounts payable and accrued expenses | **$** | **1,014,631** | $ | 179,959 |
| Accrued salaries and related liabilities (Note 9) | | **1,146,920** | | 992,948 |
| Due to governmental agencies, current portion (Note 8) | | **1,221,900** | | 1,040,372 |
| **Total Current Liabilities** | | **3,383,451** | | 2,213,279 |
| **Due to Governmental Agencies,** less current portion (Note 8) | | **2,835,212** | | 3,392,402 |
| **Total Liabilities** | | **6,218,663** | | 5,605,681 |
| **Commitments and Contingencies** (Notes 2, 8, 9, 10 and 11) | | | | |
| **Net Assets Without Donor Restrictions** (Notes 2, 11, 12 and 13) | | | | |
| Available for operations | | **4,311,442** | | 3,118,223 |
| Board-designated for future programs | | **2,500,000** | | 2,500,000 |
| **Total Net Assets Without Donor Restrictions** | | **6,811,442** | | 5,618,223 |
| **With Donor Restrictions** | | **9,100,421** | | 9,128,426 |
| **Total Net Assets** | | **15,911,863** | | 14,746,649 |
| **Total Liabilities and Net Assets** | **$** | **22,130,526** | $ | 20,352,330 |

*See accompanying notes to combined financial statements.*

# Northside Center for Child Development, Inc. and Northside Center for Child Development Day School

## Combined Statement of Activities (with comparative totals for 2018)

| *Year ended June 30,* | Without Donor Restrictions | With Donor Restrictions | Totals 2019 | Totals 2018 |
|---|---|---|---|---|
| **Support and Revenue from Operations** | | | | |
| Government support and revenue (Note 2) | $ 21,429,938 | $ - | **$ 21,429,938** | $ 19,297,056 |
| Contributions and miscellaneous income | 252,210 | 1,598,580 | **1,850,790** | 4,274,855 |
| In-kind income | 1,936,806 | - | **1,936,806** | 1,905,391 |
| Investment income, net | 322,438 | 15,499 | **337,937** | 34,776 |
| Net assets released from restrictions (Note 13) | 1,642,084 | (1,642,084) | **-** | - |
| **Total Support and Revenue from Operations** | 25,583,476 | (28,005) | **25,555,471** | 25,512,078 |
| **Expenses** | | | | |
| Program services: | | | | |
| Day school | 5,047,444 | - | **5,047,444** | 4,892,782 |
| Clinic | 5,109,049 | - | **5,109,049** | 4,940,434 |
| Head Start | 10,155,724 | - | **10,155,724** | 9,513,304 |
| Administration for Children's Services | 2,578,188 | - | **2,578,188** | 1,444,270 |
| Youth services | 382,763 | - | **382,763** | 338,458 |
| Restricted funds | 1,258,592 | - | **1,258,592** | 1,597,433 |
| **Total Program Services** | 24,531,760 | - | **24,531,760** | 22,726,681 |
| Supporting services: | | | | |
| Management and general | 903,858 | - | **903,858** | 1,410,383 |
| Fundraising | 596,383 | - | **596,383** | 599,675 |
| **Total Supporting Services** | 1,500,241 | - | **1,500,241** | 2,010,058 |
| **Total Expenses** | 26,032,001 | - | **26,032,001** | 24,736,739 |
| **Excess (Deficiency) of Support and Revenue from Operations Over Expenses** | (448,525) | (28,005) | **(476,530)** | 775,339 |
| **Nonoperating Revenue** | | | | |
| Special events, net of expenses of $295,936 and $243,810 for 2019 and 2018, respectively | 1,641,744 | - | **1,641,744** | 941,609 |
| **Change in Net Assets** | 1,193,219 | (28,005) | **1,165,214** | 1,716,948 |
| **Net Assets,** beginning of year | 5,618,223 | 9,128,426 | **14,746,649** | 13,029,701 |
| **Net Assets,** end of year | $ 6,811,442 | $ 9,100,421 | **$ 15,911,863** | $ 14,746,649 |

*See accompanying notes to combined financial statements.*

# Northside Center for Child Development, Inc.
# and Northside Center for Child Development Day School

## Combined Statement of Functional Expenses
## (with comparative totals for 2018)

*Year ended June 30,*

| | Program Services | | | | | | | Supporting Services | | | Total Expenses | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Day School | Clinic | Head Start | Administration for Children's Services | Youth Services | Restricted Funds | Total | Management and General | Fundraising | Total | **2019** | 2018 |
| Salaries and wages | $ 2,213,704 | $ 2,550,072 | $ 3,439,029 | $ 1,068,683 | $ 252,321 | $ 627,607 | $ 10,151,416 | $ 491,056 | $ 185,674 | $ 676,730 | **$10,828,146** | $ 10,424,895 |
| Payroll taxes and employee benefits | 683,378 | 913,721 | 896,411 | 325,264 | 47,375 | 98,666 | 2,964,815 | 70,947 | 68,949 | 139,896 | **3,104,711** | 3,009,709 |
| **Total Salaries and Related Benefits** | 2,897,082 | 3,463,793 | 4,335,440 | 1,393,947 | 299,696 | 726,273 | 13,116,231 | 562,003 | 254,623 | 816,626 | **13,932,857** | 13,434,604 |
| Fee for service professionals | 1,333,313 | 660,753 | 535,664 | 719,043 | 2,029 | 338,120 | 3,588,922 | 125,715 | 137,600 | 263,315 | **3,852,237** | 3,400,284 |
| Building occupancy | 249,692 | 120,723 | 1,252,157 | 18,459 | 7,155 | 66,932 | 1,715,118 | 54,960 | 6,448 | 61,408 | **1,776,526** | 1,701,124 |
| Telephone and telegraph | 18,875 | 30,059 | 86,221 | 21,711 | 1,585 | 6,543 | 164,994 | 9,630 | 2,786 | 12,416 | **177,410** | 188,574 |
| Temporary staff | 75,685 | 149,270 | 157,986 | 136,997 | 16,102 | 13,850 | 549,890 | 58,476 | 75,016 | 133,492 | **683,382** | 872,978 |
| Supplies and equipment | 95,643 | 60,128 | 267,755 | 43,099 | 10,443 | 9,295 | 486,363 | 2,267 | 7,574 | 9,841 | **496,204** | 583,108 |
| Food | - | 1,012 | 249,074 | 41 | 28,880 | 225 | 279,232 | 50 | 7,526 | 7,576 | **286,808** | 307,331 |
| Transportation | 1,900 | 88,880 | 19,968 | 27,198 | 1,722 | 2,402 | 142,070 | 9,933 | 484 | 10,417 | **152,487** | 133,903 |
| Equipment rental and maintenance | 127,742 | 103,225 | 293,337 | 37,043 | 3,761 | 21,437 | 586,545 | 26,424 | 5,747 | 32,171 | **618,716** | 564,686 |
| Insurance | 30,112 | 24,609 | 49,281 | 9,036 | 173 | 431 | 113,642 | 15,794 | 5,169 | 20,963 | **134,605** | 129,724 |
| Bad debt expense | 47,342 | 162,811 | - | - | - | - | 210,153 | - | 30,000 | 30,000 | **240,153** | 5,410 |
| Interest expense | - | 110,840 | - | - | - | - | 110,840 | - | - | - | **110,840** | 127,555 |
| Administrative and miscellaneous | 150,986 | 123,588 | 315,524 | 171,614 | 11,217 | 73,084 | 846,013 | 38,606 | 63,410 | 102,016 | **948,029** | 761,972 |
| **Total Expenses,** before in-kind expenses, depreciation and amortization | 5,028,372 | 5,099,691 | 7,562,407 | 2,578,188 | 382,763 | 1,258,592 | 21,910,013 | 903,858 | 596,383 | 1,500,241 | **23,410,254** | 22,211,253 |
| **In-kind expenses** (Note 2) | - | - | 1,936,806 | - | - | - | 1,936,806 | - | - | - | **1,936,806** | 1,905,391 |
| **Depreciation and Amortization** (Note 7) | 19,072 | 9,358 | 656,511 | - | - | - | 684,941 | - | - | - | **684,941** | 620,095 |
| **Total Functional Expenses** | $ 5,047,444 | $ 5,109,049 | $ 10,155,724 | $ 2,578,188 | $ 382,763 | $ 1,258,592 | $ 24,531,760 | $ 903,858 | $ 596,383 | $ 1,500,241 | **$26,032,001** | $ 24,736,739 |

*See accompanying notes to combined financial statements.*

# Northside Center for Child Development, Inc.
# and Northside Center for Child Development Day School

## Combined Statement of Cash Flows
## (with comparative totals for 2018)

| *Year ended June 30,* | | **2019** | | 2018 |
|---|---|---|---|---|
| **Cash Flows from Operating Activities** | | | | |
| Change in net assets | **$** | **1,165,214** | $ | 1,716,948 |
| Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities: | | | | |
| Unrealized (gain) loss on investments | | **(186,289)** | | 102,724 |
| Realized loss on investments | | **8,132** | | 19,728 |
| Depreciation and amortization | | **684,941** | | 620,095 |
| Bad debt expense | | **240,153** | | 5,410 |
| Change in discount on pledges receivable | | **1,294** | | (40,194) |
| Capital Campaign contributions | | **(496,341)** | | (2,554,193) |
| Changes in operating assets and liabilities: | | | | |
| (Increase) decrease in: | | | | |
| Accounts receivable | | **(1,967,488)** | | (197,872) |
| Pledges receivable, net | | **493,665** | | (784,156) |
| Prepaid expenses and other assets | | **123,473** | | (144,646) |
| Increase (decrease) in: | | | | |
| Accounts payable and accrued expenses | | **834,672** | | (4,708) |
| Accrued salaries and other liabilities | | **153,972** | | 27,481 |
| Due to governmental agencies | | **(375,662)** | | (620,690) |
| **Net Cash Provided by (Used in) Operating Activities** | | **679,736** | | (1,854,073) |
| **Cash Flows from Investing Activities** | | | | |
| Decrease (increase) in restricted cash | | **(1,000,000)** | | - |
| Purchases of investments | | **(4,994,567)** | | (2,433,800) |
| Proceeds from sales of investments | | **4,799,361** | | 1,440,314 |
| Purchases of fixed assets | | **(800,322)** | | (827,377) |
| **Net Cash Used in Investing Activities** | | **(1,995,528)** | | (1,820,863) |
| **Cash Flows from Financing Activities** | | | | |
| Collections of contributions restricted for long-term purposes: | | | | |
| Capital campaign | | **496,341** | | 2,554,193 |
| **Net Increase (Decrease) in Cash and Cash Equivalents** | | **(819,451)** | | (1,120,743) |
| **Cash and Cash Equivalents,** beginning of year | | **1,326,762** | | 2,447,505 |
| **Cash and Cash Equivalents,** end of year | **$** | **507,311** | $ | 1,326,762 |
| **Supplemental Disclosures of Cash Flow Information and for Non-Cash Transactions** | | | | |
| Cash paid for interest | **$** | **110,840** | $ | 127,555 |
| Capitalized construction cost | | **239,202** | | - |

*See accompanying notes to combined financial statements.*

## 1. Description of Organization

Northside Center for Child Development, Inc. (Northside Center) and Northside Center for Child Development Day School (the Day School) (collectively, the Center) operate a comprehensive treatment center dedicated to meeting the social, emotional and educational needs of children and their families, principally through the operation of their Clinic and the Day School special education programs.

## 2. Summary of Significant Accounting Policies

### *Principles of Combination*

The financial statements of Northside Center and the Day School are combined, as the two entities are related by common board membership and substantially identical management. Intercompany accounts and transactions have been eliminated in combination.

### *Basis of Presentation*

The combined financial statements have been prepared on the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America, as applicable to not-for-profit organizations. In the combined statement of financial position, assets are presented in order of liquidity or conversion to cash and liabilities are presented according to their maturity resulting in the use of cash, respectively.

### *Financial Statement Presentation*

The classification of a not-for-profit organization's net assets and its support, revenue and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of the two classes of net assets—with donor restrictions and without donor restrictions—be displayed in a statement of financial position and that the amounts of change in each of those classes of net assets be displayed in a statement of activities.

These classes are defined as follows:

*With Donor Restrictions* – This class consists of net assets resulting from contributions and other inflows of assets whose use by the Center is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Center pursuant to those stipulations.

Some net assets with donor restrictions resulting from contributions and other inflows of assets whose use by the Center is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Center pursuant to those stipulations. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity. When such stipulations end or are fulfilled, such donor-restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of activities.

*Without Donor Restrictions* - This class consists of net assets that are not subject to donor-imposed stipulations and are, therefore, available for general operations of the Center. Certain net assets without donor restrictions are designated by the Board of Trustees for general operating reserve.

Revenues are reported as increase in net assets without donor restrictions, unless their use is limited by donor-imposed restrictions. Income from investment gains and losses, including unrealized gains and losses, dividends, interest and other investments should be reported as increases (or decreases) in net assets without donor restrictions unless the use of the income received is limited by donor-imposed restrictions.

### *Measure of Operations*

The Center includes in its measure of operations:

- All revenues and expenses that are an integral part of its programs and supporting activities
- Net assets released from restrictions to support operating expenditures

The Center excludes from its measure of operations:

- Income from special events, net of expenses

### *Cash and Cash Equivalents*

The Center considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents.

### *Restricted Cash*

The Center held deposits in an escrow account made in connection with the construction of a site for lease, as required by the construction agreement. The balance in the escrow account was $2,000,000 at June 30, 2019.

### *Fair Value Measurements*

ASC 820, "Fair Value Measurement," defines fair value, establishes a framework for measuring fair value and expands the disclosures about fair value measurements. ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in a principal or most advantageous market. Fair value is a market-based measurement that is determined based on inputs, which refer broadly to assumptions that market participants use in pricing assets or liabilities. These inputs can be readily observable, market corroborated, or unobservable. ASC 820 established a fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value in three broad levels. The standard requires that assets and liabilities be classified in their entirety based on the level of input that is significant to the fair value measurement. Assessing the significance of a particular input may require judgment considering factors specific to the asset or liability and may affect the valuation of the asset or liability and its placement within the fair value hierarchy. The Center classifies fair value balances based on the fair value hierarchy defined by ASC 820, as follows:

*Level 1* - Valuation is based on quoted market prices in active markets for identical assets or liabilities at the measurement date.

*Level 2* – Valuations are based on: (a) quoted prices for similar assets or liabilities in active markets, (b) quoted prices for identical or similar assets or liabilities in inactive markets, (c) inputs other than quoted prices that are observable for the asset or liability, and (d) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

*Level 3* - Valuation is based on inputs that are unobservable and reflect management's best estimate of what market participants would use as fair value.

***Investment Income***

Investment income is recognized when earned and consists of interest and dividends. Dividends are recorded on the ex-dividend date. Purchases and sales are recorded on a trade-date basis.

***Provision for Doubtful Accounts***

The Center provides an allowance for doubtful accounts for accounts that are specifically identified by management as to their uncertainty in regard to collectability. Accounts receivable is mainly comprised of government support and contributions revenue.

As of June 30, 2019, the allowance for doubtful accounts was $556,641.

***Revenue Recognition***

*Government Support*

The Center receives substantially all its revenue for services provided to approved participants from third-party reimbursement agencies, primarily Medicaid and the State Education Department of New York. These revenues are based on predetermined rates based on cost reimbursement principles and are subject to audit and retroactive adjustment by the respective third-party fiscal intermediary. Retroactive adjustments have been accounted for as due to governmental agencies (Note 8).

*Contributions and Promises to Give*

Contributions and unconditional promises to give are recorded as revenue when either unsolicited cash is received or when donors make an unconditional promise to give.

***Reclassification***

Certain reclassifications have been made to the 2018 combined financial statements in order to conform to the current-year presentation.

### *Fixed Assets*

Fixed assets are recorded at cost or, if contributed, at market value at date of contribution. Maintenance and repairs are charged to expense and betterments are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives. Leasehold improvements are amortized over the shorter of the lease term or the estimated useful lives of the related assets. The estimated useful lives of the assets are as follows:

| | |
|---|---|
| Furniture, fixtures and equipment | 3-14 years |
| Leasehold improvements | 14 years |

### *Impairment of Long-Lived Assets*

ASC 360, "Property, Plant and Equipment," requires the Center to review long-lived assets, such as fixed assets, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset. There were no impairments in 2019.

### *Contributed Services*

Donated services are recognized as revenue if the services create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills. The Center received donated services consisting primarily of volunteer services and rent. These donated services have been valued at the standard market rates that would have been incurred by the Center to obtain them and are reported as both income and expense in the accompanying financial statements because they meet the criteria as prescribed by U.S. GAAP. The donated services for the year ended June 30, 2019 amounted to $1,936,806.

### *Income Taxes*

The Center was incorporated in the state of New York and is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and therefore has made no provision for income taxes in the accompanying combined financial statements. The Center has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the IRC.

Under ASC 740, "Accounting for Uncertainty in Income Taxes," an organization must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more likely than not that the position will be sustained upon examination by a taxing authority. The Center does not believe it has taken any material uncertain tax positions and, accordingly, it has not recorded any liability for unrecognized tax benefits. The Center has filed for and received income tax exemptions in the jurisdictions where it is required to do so. Additionally, the Center has filed IRS Form 990 information returns, as required, and all other applicable returns in jurisdictions where so required to do so.

***Comparative Financial Information***

The combined financial statements include certain prior-year summarized comparative information. With respect to the combined statement of activities, the prior-year information is presented in total, not by net asset class. With respect to the combined statement of functional expenses, the prior-year expenses are presented by expense classification in total rather than functional category. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Center's combined financial statements for the year ended June 30, 2018, from which the summarized information was derived.

***Use of Estimates***

In preparing combined financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the combined financial statements, and revenues and expenses during the reported period. Actual results could differ from those estimates.

***Functional Allocation of Expenses***

Expenses are classified according to the functional categories for which they are incurred, as follows:

*Program Services* - This category represents expenses directly associated with various programs relating to the day school and other clinical programs for children. Administrative, miscellaneous and bad-debt expenses are based on direct costs; depreciation is allocated by property costs; salaries and related expenses are allocated by hours worked; and all other expenses are allocated by number of children or square footage.

*Fund-raising* - This category represents expenses directly associated with the Center's effort to raise funds to support the operations of the School.

*Management and General* - This category represents expenses related to the overall administration of various programs of the Center that are not associated with any program services or fund-raising. These costs are allocated using the number of hours worked, square footage or the number of children enrolled.

***Net Asset Classification***

On September 17, 2010, New York State enacted the New York Prudent Management of Institutional Funds Act (NYPMIFA). This law, which is a modified version of The Uniform Prudent Management of Institutional Funds Act (UPMIFA), makes significant changes to the rules governing how New York not-for-profit organizations may manage, invest and spend their endowment funds. The new law is designated to allow organizations to cope more easily with fluctuations in the value of their endowment and to afford them greater access to funds needed to support their programs and services in difficult financial times. This law should provide some relief to organizations that have found themselves with underwater endowments. It also expands the options available to organizations seeking relief from donor restrictions on funds that have become obsolete, impracticable or wasteful. NYPMIFA applies to New York not-for-profit, education and religious corporations and associations organized and operated exclusively for charitable purposes and certain trusts.

***Risks and Uncertainties***

The Center's investments primarily consist of a variety of investment securities and investment funds. Investments in general are exposed to various risks, such as interest rate, credit, and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the value of the Center's investments will occur in the near term and that such changes could materially affect the amounts reported in the accompanying combined financial statements.

***Concentration of Credit Risk***

The financial instruments that potentially subject the Center to concentration of credit risk consist primarily of cash and cash equivalents. At various times, the Center has cash deposits at financial institutions that exceed the Federal Depository Insurance Coverage (FDIC) limit of $250,000.

***Recently Adopted Accounting Pronouncements***

*Not-for-Profit Entities (Topic 958) and Health Care Entities (Topic 954) – Presentation of Financial Statements of Not-for-Profit Entities*

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, "Not-for-Profit Entities (Topic 958) and Health Care Entities (Topic 954) – Presentation of Financial Statements of Not-for-Profit Entities." The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled "net assets without donor restrictions" and "net assets with donor restrictions;" (b) modifying the presentation of underwater endowment funds and related disclosures; (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise; (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs; (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources; (f) presenting investment return net of external and direct expenses; and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. The ASU is effective for the Center's combined financial statements for fiscal years beginning after December 15, 2017. The provisions of the ASU were adopted by the Center during fiscal-year 2019.

***Accounting Pronouncements Issued but Not Yet Adopted***

*Revenue from Contracts with Customers (Topic 606)*

In May 2014, the FASB issued ASU 2014-09, "Revenue from Contracts with Customers (Topic 606)," which is a comprehensive new revenue recognition standard that will supersede existing revenue recognition guidance. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The FASB issued ASU 2015-14, which deferred the effective date for the Center until annual periods beginning after December 15, 2018. Earlier adoption is permitted, subject to certain limitations. The amendments in this update are required to be applied retrospectively to each prior reporting period presented or with the cumulative effect being recognized at the date of initial application. Management is currently evaluating the impact of this ASU on its combined financial statements.

*Leases (Topic 842)*

In February 2016, the FASB issued ASU 2016-02, "Leases (Topic 842)," to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements for lessees and lessors. The new standard applies a right-of-use (ROU) model that requires, for all leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset for the lease term and a liability to make lease payments to be recorded. The ASU is effective for the Center's fiscal years beginning after December 15, 2019, with early adoption permitted. Management is currently evaluating the impact of this ASU on its combined financial statements.

## 3. Investments and Fair Value Measurements

The following table shows, by level within the fair value hierarchy, the Center's financial assets that are accounted for at fair value on a recurring basis as of June 30, 2019. The financial assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Center's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the placement within the fair value hierarchy levels.

*June 30, 2019*

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Money market funds | $ 1,881,163 | $ - | $ - | $ 1,881,163 |
| Equity securities - domestic | 103,094 | - | - | 103,094 |
| Mutual funds - fixed income | 589,808 | - | - | 589,808 |
| Corporate bonds | - | 4,419,600 | - | 4,419,600 |
| Government bonds | - | 567,253 | - | 567,253 |
| Certificates of deposit | 245,050 | - | - | 245,050 |
| **Total** | $ 2,819,115 | $ 4,986,853 | $ - | $ 7,805,968 |

The Center's assets recorded at fair value have been categorized based upon a fair value hierarchy in accordance with ASC 820. See Note 2 for a discussion of the Center's policies regarding this hierarchy. A description of the valuation techniques applied to the Center's major categories of assets and liabilities measured at fair value are as follows:

***Money Market Funds***

The money market fund is valued based on the net asset value (NAV) of the shares held by the Center. NAV is based upon the fair value of the money market fund's underlying investments. The Center's investments in the money market fund can be redeemed immediately at the current NAV per share. There were no unfunded commitments as of June 30, 2019.

***Equity Securities***

Investments in securities traded on a National Securities Exchange or listed on NASDAQ are valued at the last reported sales price on the last business day of the year. The valuation of these investments is based on Level 1 inputs within the hierarchy used in measuring fair value.

**Mutual Funds**

The Center has investments in mutual funds. For these investments, the Center has ownership interest in the mutual fund but not in the individual securities held by the fund. The assets of each mutual fund consist primarily of shares of the underlying holdings. Each mutual fund's NAV is the value of a single share that is actively traded on national securities exchanges. The mutual funds are valued at the last unadjusted quoted NAV of shares held on a daily basis and are classified as Level 1.

***Corporate and Government Bonds***

The Center has investments in fixed-income securities, which consist of corporate and government bonds. These investments are priced using nationally recognized pricing services. Fixed-income securities other than U.S. Treasury securities generally do not trade on a daily basis. The pricing services prepare estimates of fair value measurements for these securities using the proprietary pricing applications, which include available relevant market information, benchmark curves, benchmarking of similar securities, sector groupings and matrix pricing. These investments are classified as Level 2 within the hierarchy used in measuring fair value.

***Certificates of Deposit***

Certificates of deposit are valued at cost plus interest, which approximates fair value.

The Center had no financial assets and liabilities that were measured at fair value on a non-recurring basis during the year ended June 30, 2019. In addition, there were no transfers between levels during the year ended June 30, 2019.

## 4. Liquidity and Availability of Resources

The Center's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

| *Year ended June 30, 2019* | | |
|---|---|---|
| **Total Current Assets** | $ | 18,515,711 |
| Less: | | |
| Amounts unavailable for general expenditures within one year: | | |
| Prepaid expenses and other assets | | (129,674) |
| Net assets with donor restrictions | | (9,100,421) |
| Board-designated funds for future programs | | (2,500,000) |
| Restricted cash | | (2,000,000) |
| Donor-restricted endowment | | (92,095) |
| **Total Financial Assets Available to Management for General Expenditure Within One Year** | $ | 4,693,521 |

***Liquidity Management***

The Center's endowment funds consist of donor-restricted endowments, as described in Note 14. Income from donor-restricted endowments is restricted for specific purposes and, therefore, is not available for general expenditures.

As part of the Center'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. In addition, the Center invests cash in excess of daily requirements in short-term, liquid investments to help manage unanticipated liquidity needs. Investments, further discussed in Note 3, include mutual funds, money market funds, equity securities, bonds and certificates of deposits, all of which can be liquidated within 12 months.

## 5. Accounts Receivable

At June 30, 2019, accounts receivable consisted of the following:

| | | |
|---|---|---|
| Medicaid | $ | 154,614 |
| State Education Department and New York City | | 3,799,677 |
| Third party insurance | | 699,123 |
| Grants | | 879,274 |
| Other | | 69,344 |
| | | 5,602,032 |
| Less: allowance for doubtful accounts | | (556,641) |
| **Total** | $ | 5,045,391 |

## 6. Pledges Receivable

The Center had pledges receivable for the following purposes:

| *June 30, 2019* | | |
|---|---|---|
| Without donor restrictions: | | |
| GALA, net of allowance for doubtful accounts of $49,100 | $ | 258,850 |
| With donor restrictions: | | |
| Other | | 2,992,841 |
| Capital campaign | | 1,233,510 |
| **Total** | $ | 4,485,201 |

The net present value of pledges receivable was calculated using a discount rate equal to the risk-free interest rate, which is the U.S. Treasury note interest rate in effect at the time the contributions are made, and equal in duration to the length of time over which the contribution is expected to be paid. The interest rate ranged from 2.33% to 2.85%.

The following represents future payments due:

| | | |
|---|---|---|
| Amount due in: | | |
| One year | $ | 3,027,367 |
| 2-5 years | | 1,387,834 |
| Thereafter | | 70,000 |
| | | 4,485,201 |
| Discount at 2.33% to 2.85% | | (188,895) |
| **Net Present Value** | $ | 4,296,306 |

## 7. Fixed Assets, Net

Fixed assets, net, consists of the following:

| *June 30, 2019* | | |
|---|---|---|
| Furniture, fixtures and equipment | $ | 4,621,384 |
| Leasehold improvements | | 3,914,489 |
| Artwork | | 52,950 |
| **Total Fixed Assets** | | 8,588,823 |
| Less: accumulated depreciation and amortization | | (7,209,714) |
| | | 1,379,109 |
| Construction-in-progress | | 966,767 |
| **Fixed Assets, Net** | $ | 2,345,876 |

For the year ended June 30, 2019, depreciation and amortization totaled $684,941.

The estimated cost to complete construction is approximately $7,000,000.

## 8. Due to Governmental Agencies

Occasionally, funding source adjustments relating to prior years are adjusted in the current year. The causes of these adjustments include funding source audit findings, rate appeals, additional funds received above an original contract amount, etc. The Center has established a liability to provide for potential funding source adjustments. The total due to governmental agencies at June 30, 2019 was $664,711. The funds have been set aside to satisfy this liability.

In October 2016, the Center entered into an agreement with the New York State Office of the Medicaid Inspector General (OMIG) in connection with overpayment amounts received by the Center, identified in a final audit report by OMIG, in the amount of $4,924,675. This agreement requires the Center to make monthly payments amounting to $46,433 until the liability is fully settled. Interest is to be accrued at 3% on a monthly basis commencing upon the execution of the agreement by both parties. The balance as of June 30, 2019 was $3,392,401.

The future minimum payments under this agreement are as follows:

| *Fiscal year ending* | | |
|---|---|---|
| 2020 | $ | 557,190 |
| 2021 | | 557,190 |
| 2022 | | 557,190 |
| 2023 | | 557,190 |
| 2024 | | 557,190 |
| Thereafter | | 606,451 |
| **Total** | $ | 3,392,401 |

## 9. Pension Plans

The Center is a participant in the 1199 SEIU Healthcare Employees Pension Fund multi-employer pension plan. This plan is a noncontributory defined benefit plan covering substantially all union employees with one full year of continuous service. Total pension expense under this plan was $204,156.

The Center maintains a defined contribution retirement plan for all salaried employees who have completed one year of service. Employer contributions are determined annually by the Center. It is the policy of the Center to fund pension costs as they accrue. Benefits, which are limited to plan assets, vest immediately. Total pension expense under this plan was $160,110.

The Center has also established a supplemental executive plan to provide additional retirement benefits for selected executive employees. As of the year ended June 30, 2019, the Center had recorded approximately $589,000 in benefit obligations, which is included in accrued salaries and related liabilities in the combined statement of financial position. Total pension expense under this plan was approximately $51,500 in contributions.

## 10. Lease Commitments and Contingencies

(a) The Center leases office space under operating leases. At June 30, 2019, future minimum rental payments under these operating leases are as follows:

| *Fiscal year ending* | | Amount |
|---|---|---|
| 2020 | $ | 1,185,019 |
| 2021 | | 1,168,915 |
| 2022 | | 1,164,068 |
| 2023 | | 1,125,526 |
| 2024 | | 1,159,526 |
| Thereafter | | 12,931,671 |
| **Total** | $ | 18,734,725 |

Rent expense for the year ended June 30, 2019 was $1,326,345.

(b) The Center entered into a lease agreement dated June 29, 2017 with a builder to lease a portion of space in a proposed development in Harlem. The builder began construction during fiscal year

2018, with an anticipated completion date for the building of June 30, 2022. Pursuant to the lease agreement, the Center has deposited $1,000,000 into a separate bank account to support its financial commitment to the proposed development. In turn, to protect the Center, the builder has signed a promissory note for $1,000,000 to the Center. The lease term is for 40 years, with an initial annual lease payment of $557,190.

(c) The Center is involved in various other claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Center's financial position, results of operations, or liquidity.

## 11. Line of Credit

The Center had a $1,000,000 line of credit from a financial institution that was secured by the Center's assets. The line of credit was subject to annual renewal. The Center did not renew the annual line of credit with the financial institution in October 2019.

## 12. Board-Designated Fund

In 2002, certain members of the Board of Directors, in their individual capacities, undertook to establish a fund for the benefit of the Center. The use of principal and income is to be retained for future site enhancements, space and program operations. At June 30, 2019, the Board-designated fund amounted to $2,500,000.

## 13. Net Assets with Donor Restrictions and Net Assets Released from Donor Restrictions

Net assets with donor purpose restrictions consisted of the following:

| *June 30, 2019* | | |
|---|---|---|
| Mamie Phipps Scholarship Fund | $ | 208,527 |
| Library Fund | | 216,174 |
| Capital Campaign Buildings Fund | | 7,593,526 |
| Other restricted funds | | 990,099 |
| **Total** | $ | 9,008,326 |

Net assets were released from donor purpose restrictions in 2019 by incurring expenses satisfying the restricted purposes specified by donors or obtaining a letter from donor that allows the release of funds from restriction:

| *June 30, 2019* | | |
|---|---|---|
| Capital Campaign Buildings Fund | $ | 407,187 |
| Other restricted funds | | 1,234,897 |
| **Total** | $ | 1,642,084 |

## 14. Net Assets with Donor Restriction - Endowment Fund

The Center maintains a donor-restricted endowment fund (the Endowment Fund) that has been classified as net assets with donor restrictions. As required by accounting principles generally accepted in the United States, net assets associated with restricted donor funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Center has interpreted NYPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Endowment Fund is classified as net assets with donor restrictions and includes the following:

a. the original value of gifts donated to the permanent endowment
b. the original value of subsequent gifts to the permanent endowment
c. accumulation of the permanent endowment made in accordance with the direction of applicable donor instructions

The remaining portion of the Endowment Fund that is not classified as without donor restrictions fund is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Center in a manner consistent with the donor's intent. In accordance with NYPMIFA, the Center considers the following factors in making a determination to appropriate or accumulate the Endowment Fund:

d. the duration and preservation of the Endowment Fund
e. the purposes of the Endowment Fund
f. general economic conditions
g. the possible effect of inflation and deflation
h. the expected total return from income and the appreciation of investments
i. other resources of the Endowment Fund
j. the investment policies of the Endowment Fund

The following table provides reconciliation of beginning and ending balances as of June 30, 2019:

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|---|---|---|
| **Endowment Balances,** July 1, 2018 | $ 37,928 | $ 93,764 | $ 131,692 |
| Interest and dividend income, net | - | 7,985 | 7,985 |
| Appropriations | 12,014 | (12,014) | - |
| Realized and unrealized gain (loss) | - | 2,360 | 2,360 |
| **Endowment Balances,** July 1, 2019 | $ 49,942 | $ 92,095 | $ 142,037 |

## 15. Subsequent Events

The Center's management has performed subsequent events procedures through November 26, 2019, which is the date the combined financial statements were available to be issued, and there were no subsequent events requiring adjustment to the combined financial statements or disclosures as stated herein.

# Supplementary Information

# Northside Center for Child Development, Inc.
# and Northside Center for Child Development Day School

## Combining Schedule of Financial Position
## (with comparative totals for 2018)

| *June 30,* | Northside Center | Day School | Eliminations | Total 2019 | Total 2018 |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| **Current** | | | | | |
| Cash and cash equivalents (Note 2) | $ 507,865 | $ (554) | $ - | **$ 507,311** | $ 1,326,762 |
| Restricted cash (Note 2) | 2,000,000 | - | - | 2,000,000 | 1,000,000 |
| Investments, at fair value (Notes 2, 3, 12 and 14) | 7,805,968 | - | - | **7,805,968** | 7,432,605 |
| Accounts receivable, net of allowance for doubtful accounts of $556,641 and $347,087 in 2019 and 2018, respectively (Notes 2 and 5) | 4,274,818 | 770,573 | - | **5,045,391** | 3,318,056 |
| Net pledges receivable, current portion, net of allowance for doubtful accounts (Notes 2 and 6) | 3,027,367 | - | - | **3,027,367** | 2,801,854 |
| Due from affiliate | - | 2,069,538 | (2,069,538) | **-** | - |
| Prepaid expenses and other assets | 122,593 | 7,081 | - | **129,674** | 253,147 |
| **Total Current Assets** | 17,738,611 | 2,846,638 | (2,069,538) | **18,515,711** | 16,132,424 |
| **Pledges Receivable,** less current portion and net of discount (Notes 2 and 6) | 1,268,939 | - | - | **1,268,939** | 1,989,411 |
| **Fixed Assets, Net** (Notes 2 and 7) | 2,285,550 | 60,326 | - | **2,345,876** | 2,230,495 |
| **Total Assets** | $ 21,293,100 | $ 2,906,964 | $ (2,069,538) | **$ 22,130,526** | $ 20,352,330 |
| **Liabilities and Net Assets** | | | | | |
| **Current Liabilities** | | | | | |
| Accounts payable and accrued expenses | $ 994,929 | $ 19,702 | $ - | **$ 1,014,631** | $ 179,959 |
| Accrued salaries and related liabilities (Note 9) | 988,689 | 158,231 | - | **1,146,920** | 992,948 |
| Due to affiliate | 2,069,538 | - | (2,069,538) | **-** | - |
| Due to governmental agencies, current portion (Note 8) | 1,197,035 | 24,865 | - | **1,221,900** | 1,040,372 |
| **Total Current Liabilities** | 5,250,191 | 202,798 | (2,069,538) | **3,383,451** | 2,213,279 |
| **Due to Governmental Agencies,** less current portion (Note 8) | 2,835,212 | - | - | **2,835,212** | 3,392,402 |
| **Total Liabilities** | 8,085,403 | 202,798 | (2,069,538) | **6,218,663** | 5,605,681 |
| **Commitments and Contingencies** (Notes 2, 8, 9, 10 and 11) | | | | | |
| **Net Assets Without Donor Restrictions** (Notes 2, 11, 12 and 13) | | | | | |
| Available for operations | 1,607,276 | 2,704,166 | - | **4,311,442** | 3,118,223 |
| Board-designated for future programs | 2,500,000 | - | - | **2,500,000** | 2,500,000 |
| **Total Net Assets Without Donor Restrictions** | 4,107,276 | 2,704,166 | - | **6,811,442** | 5,618,223 |
| **With Donor Restrictions** | 9,100,421 | - | - | **9,100,421** | 9,128,426 |
| **Total Net Assets** | 13,207,697 | 2,704,166 | - | **15,911,863** | 14,746,649 |
| **Total Liabilities and Net Assets** | $ 21,293,100 | $ 2,906,964 | $ (2,069,538) | **$ 22,130,526** | $ 20,352,330 |

# Northside Center for Child Development, Inc. and Northside Center for Child Development Day School

## Combining Schedule of Activities (with comparative totals for 2018)

*Year ended June 30,*

| | Northside Center | Day School | Total 2019 | Total 2018 |
|---|---|---|---|---|
| **Support and Revenue from Operations** | | | | |
| Government support and revenue | $ 16,316,863 | $ 5,113,075 | **$ 21,429,938** | $ 19,297,056 |
| Contributions and miscellaneous income | 1,850,790 | - | **1,850,790** | 4,274,855 |
| In-kind income | 1,936,806 | - | **1,936,806** | 1,905,391 |
| Investment income, net | 337,937 | - | **337,937** | 34,776 |
| **Total Support and Revenue from Operations** | 20,442,396 | 5,113,075 | **25,555,471** | 25,512,078 |
| **Expenses** | | | | |
| Program services: | | | | |
| Day school | - | 5,047,444 | **5,047,444** | 4,892,782 |
| Clinic | 5,109,049 | - | **5,109,049** | 4,940,434 |
| Head Start | 10,155,724 | - | **10,155,724** | 9,513,304 |
| Administration for Children's Services | 2,578,188 | - | **2,578,188** | 1,444,270 |
| Youth services | 382,763 | - | **382,763** | 338,458 |
| Restricted funds | 1,258,592 | - | **1,258,592** | 1,597,433 |
| **Total Program Services** | 19,484,316 | 5,047,444 | **24,531,760** | 22,726,681 |
| Supporting services: | | | | |
| Management and general | 903,858 | - | **903,858** | 1,410,383 |
| Fundraising | 596,383 | - | **596,383** | 599,675 |
| **Total Supporting Services** | 1,500,241 | - | **1,500,241** | 2,010,058 |
| **Total Expenses** | 20,984,557 | 5,047,444 | **26,032,001** | 24,736,739 |
| **Excess (Deficiency) of Support and Revenue from Operations Over Expenses** | (542,161) | 65,631 | **(476,530)** | 775,339 |
| **Nonoperating Revenue** | | | | |
| Special events, net of expenses of $295,936 and $243,810 for 2019 and 2018, respectively | 1,641,744 | - | **1,641,744** | 941,609 |
| **Change in Net Assets** | 1,099,583 | 65,631 | **1,165,214** | 1,716,948 |
| **Net Assets,** beginning of year | 12,105,648 | 2,641,001 | **14,746,649** | 13,029,701 |
| **Net Assets,** end of year | $ 13,205,231 | $ 2,706,632 | **$ 15,911,863** | $ 14,746,649 |