

# **Kingsbridge Heights Community Center, Inc.**

**Financial Statements and Supplementary  
Schedule of Expenditures of Federal Awards  
and Supplemental Information  
Year Ended June 30, 2016**

**Kingsbridge Heights Community Center, Inc.**

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Financial Statements and Supplementary Schedule of Expenditures of  
Federal Awards and Supplemental Information  
Year Ended June 30, 2016

# Kingsbridge Heights Community Center, Inc.

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## Independent Auditor's Report

To the Board of Directors  
Kingsbridge Heights Community Center, Inc.  
Bronx, New York

### *Report on the Financial Statements*

We have audited the accompanying financial statements of Kingsbridge Heights Community Center, Inc. ("KHCC"), which comprise the statement of financial position as of June 30, 2016, 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.

### *Auditor's 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 KHCC as of June 30, 2016, 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 Kingsbridge Heights Community Center, Inc.'s 2015 financial statements and our report, dated March 31, 2016, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

***Other Matters***

***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying statement of revenues and expenditures, schedule of head start expenses by program year, schedule of non-federal program share by program year, schedule of equipment inventory and schedule of quantitative program results are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the financial statements. The statement of revenues and expenditures, schedule of head start expenses by program year, schedule of non-federal program share by program year, schedule of equipment inventory, schedule of quantitative program results and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the statement of revenues and expenditures, schedule of head start expenses by program year, schedule of non-federal program share by program year, schedule of equipment inventory, schedule of quantitative program results and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2017, on our consideration of KHCC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering KHCC's internal control over financial reporting and compliance.

*BDO USA, LLP*

January 31, 2017, except for our report on the supplemental schedule of expenditures of federal awards, for which the date is September 28, 2017

# Kingsbridge Heights Community Center, Inc.

## Statement of Financial Position (with comparative totals for 2015)

<i>June 30,</i>	2016	2015
<b>Assets</b>		
<b>Current:</b>		
Cash and cash equivalents (Note 3)	\$ 60,716	\$ 257,769
Accounts receivable (Notes 3 and 4)	826,416	645,034
Contributions receivable, net (Notes 3 and 4)	11,961	183,773
Prepaid expenses	31,763	78,811
<b>Total Current Assets</b>	<b>930,856</b>	<b>1,165,387</b>
<b>Fixed Assets, Net (Notes 3 and 5)</b>	<b>1,006,470</b>	<b>1,009,530</b>
	<b>\$1,937,326</b>	<b>\$2,174,917</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities:</b>		
Accounts payable and accrued expenses	\$1,106,860	\$ 753,528
Accrued payroll and payroll related liabilities	391,421	390,756
Deferred revenue (Note 3)	-	3,342
Due to government agency	3,606	3,606
Loans payable (Note 9)	53,000	-
Notes payable, current portion (Note 10)	317,154	44,578
<b>Total Current Liabilities</b>	<b>1,872,041</b>	<b>1,195,810</b>
<b>Notes Payable, Net of Current Portion (Note 10)</b>	<b>21,243</b>	<b>344,826</b>
<b>Total Liabilities</b>	<b>1,893,284</b>	<b>1,540,636</b>
<b>Commitments and Contingencies (Notes 2, 3, 9, 10 and 11)</b>		
<b>Net Assets (Note 3):</b>		
Unrestricted	(216,549)	205,592
Temporarily restricted	260,591	428,689
<b>Total Net Assets</b>	<b>44,042</b>	<b>634,281</b>
	<b>\$1,937,326</b>	<b>\$2,174,917</b>

*See accompanying notes to financial statements.*

# Kingsbridge Heights Community Center, Inc.

## Statement of Activities (with comparative totals for 2015)

*Year ended June 30,*

	Unrestricted	Temporarily Restricted	2016 Total	2015 Total
<b>Revenue and Other Support:</b>				
Government grants	\$ 8,093,732	\$ -	\$ 8,093,732	\$ 7,759,257
Private grants and contributions	341,846	147,000	488,846	714,609
Program fees	310,105	-	310,105	454,836
Medicaid revenue	303,915	-	303,915	349,403
In-kind donation (Note 6)	526,483	-	526,483	526,483
Other income	84,077	-	84,077	67,369
Net assets released from restrictions (Note 8)	315,098	(315,098)	-	-
<b>Total Revenue and Other Support</b>	<b>9,975,256</b>	<b>(168,098)</b>	<b>9,807,158</b>	<b>9,871,957</b>
<b>Expenses:</b>				
<b>Program services:</b>				
Early Headstart	1,652,282	-	1,652,282	1,616,180
Administration for Children's Services				
Headstart	156,871	-	156,871	163,136
Administration for Children Services Early				
Learn	3,246,156	-	3,246,156	2,815,976
Parent and Child Preventive Services	75,041	-	75,041	433,689
Crime Victims Board	241,741	-	241,741	220,671
Office for People With Developmental				
Disabilities	380,017	-	380,017	315,863
Universal Pre-Kindergarten Services	337,426	-	337,426	480,075
Child Sexual Abuse Treatment and Prevention	118,756	-	118,756	153,596
Department of Youth and Community				
Development	657,134	-	657,134	456,248
Summer Camp	20,799	-	20,799	54,093
OCFS-TANF	-	-	-	3,648
CACFP	757,422	-	757,422	950,128
Other programs	1,160,848	-	1,160,848	848,093
<b>Total Program Services</b>	<b>8,804,493</b>	<b>-</b>	<b>8,804,493</b>	<b>8,511,396</b>
<b>Supporting services:</b>				
Management and general	1,415,641	-	1,415,641	1,376,381
Fundraising	301,551	-	301,551	211,829
<b>Total Supporting Services</b>	<b>1,717,192</b>	<b>-</b>	<b>1,717,192</b>	<b>1,588,210</b>
<b>Total Expenses</b>	<b>10,521,685</b>	<b>-</b>	<b>10,521,685</b>	<b>10,099,606</b>
<b>Change in Net Assets Before Net Income From Special Events</b>	<b>(546,429)</b>	<b>(168,098)</b>	<b>(714,527)</b>	<b>(227,649)</b>
<b>Net Income (Loss) From Special Events:</b>				
<b>Special events:</b>				
Gross receipts	145,740	-	145,740	180,434
Less: Direct costs to donors	(21,452)	-	(21,452)	(26,098)
<b>Net Income From Special Events</b>	<b>124,288</b>	<b>-</b>	<b>124,288</b>	<b>154,336</b>
<b>Change in Net Assets Before Change in Reserve for Capital Funding Contributions</b>	<b>(422,141)</b>	<b>(168,098)</b>	<b>(590,239)</b>	<b>(73,313)</b>
<b>Change in Reserve for Capital Funding Contributions (Note 4)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,945,000)</b>
<b>Change in Net Assets</b>	<b>(422,141)</b>	<b>(168,098)</b>	<b>(590,239)</b>	<b>(2,018,313)</b>
<b>Net Assets, Beginning of Year</b>	<b>205,592</b>	<b>428,689</b>	<b>634,281</b>	<b>2,652,594</b>
<b>Net Assets, End of Year</b>	<b>\$ (216,549)</b>	<b>\$ 260,591</b>	<b>\$ 44,042</b>	<b>\$ 634,281</b>

*See accompanying notes to financial statements.*

Kingsbridge Heights Community Center, Inc.

Statement of Functional Expenses  
(with comparative totals for 2015)

Year ended June 30,

	Program Services												Supporting Services			2016 Total	2015 Total	
	Early Headstart	Administration for Children's Services Headstart	Administration for Children's Services Early Learn	Parent and Child Preventive Services	Crime Victims Board	Office for People with Developmental Disabilities	Universal Pre-Kindergarten Services	Child Sexual Abuse Treatment and Prevention	Department of Youth and Community Development	Summer Camp	CACFP	Other Programs	Total Program Services	Management and General	Fund-raising			Total Supporting Services
<b>Expenses:</b>																		
Personnel costs	\$ 971,444	\$ -	\$1,792,644	\$ 5,538	\$224,417	\$285,502	\$304,884	\$ 76,360	\$525,526	\$17,520	\$ 82,559	\$ 771,377	\$5,057,771	\$ 884,083	\$262,840	\$1,146,923	\$ 6,204,694	\$ 5,907,624
Food, clothing and other purchased material	107,887	386	35,376	-	1,564	1,715	12,551	577	31,258	6,489	193,428	36,012	427,243	48,769	3,641	52,410	479,653	531,604
Facility related expense (Note 5)	48,012	150,322	83,437	65,506	8,150	4,085	83,437	27,596	20,289	-	250	234,922	645,444	70,060	16,972	87,032	732,476	696,918
Support and other purchased services	463,631	-	1,329,474	(106)	7,610	88,924	16,411	4,240	80,061	(3,210)	480,807	115,248	2,583,090	392,922	17,812	410,734	2,993,824	2,843,138
Depreciation and Amortization	61,308	6,163	5,225	4,103	-	(209)	705	9,983	-	-	378	3,289	90,945	19,807	286	20,093	111,038	120,322
<b>Total</b>	<b>\$1,652,282</b>	<b>\$156,871</b>	<b>\$3,246,156</b>	<b>\$75,041</b>	<b>\$241,741</b>	<b>\$380,017</b>	<b>\$337,426</b>	<b>\$118,756</b>	<b>\$657,134</b>	<b>\$20,799</b>	<b>\$757,422</b>	<b>\$1,160,848</b>	<b>\$8,804,493</b>	<b>\$1,415,641</b>	<b>\$301,551</b>	<b>\$1,717,192</b>	<b>\$10,521,685</b>	<b>\$10,099,606</b>

See accompanying notes to financial statements.



# Kingsbridge Heights Community Center, Inc.

## Statement of Cash Flows (with comparative totals for 2015)

<i>Year ended June 30,</i>	2016	2015
<b>Cash Flows From Operating Activities:</b>		
Change in net assets	\$(590,239)	\$(2,018,313)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	111,038	120,322
Bad debt expense	98,280	97,847
Change in reserve for capital funding contributions	-	1,945,000
(Increase) decrease in:		
Accounts receivable	(279,662)	24,022
Contributions receivable	171,812	93,581
Prepaid expenses	47,048	(36,531)
Increase (decrease) in:		
Accounts payable and accrued expenses	353,332	93,714
Accrued payroll and payroll related liabilities	665	(13,471)
Deferred revenue	(3,342)	(22,109)
<b>Net Cash (Used In) Provided By Operating Activities</b>	<b>(91,068)</b>	<b>284,062</b>
<b>Cash Flows From Investing Activities:</b>		
Purchase of fixed assets	(107,978)	(78,243)
<b>Cash Flows From Financing Activities:</b>		
Repayment of notes payable	(51,007)	(7,623)
Repayment of loans payable	(39,678)	-
Proceeds from loans payable	92,678	-
<b>Net Cash Provided By (Used In) Financing Activities</b>	<b>1,993</b>	<b>(7,623)</b>
<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>	<b>(197,053)</b>	<b>198,196</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>257,769</b>	<b>59,573</b>
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 60,716</b>	<b>\$ 257,769</b>
<b>Supplemental Disclosure of Cash Flow Information:</b>		
Cash paid for interest	\$ 22,357	\$ 28,000

*See accompanying notes to financial statements.*

# Kingsbridge Heights Community Center, Inc.

## Notes to Financial Statements

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### 1. Nature of Organization

Kingsbridge Heights Community Center, Inc. ("KHCC" or the "Organization") was organized as a New York State not-for-profit corporation to provide a community-based and directed social service center in the Kingsbridge section of the Bronx, City of New York, that will promote and improve the economic and social welfare, and increase the accessibility of social services to the community.

### 2. Going Concern Evaluation by Management

For the periods subsequent to June 30, 2016, KHCC has experienced liquidity and cash flow issues. These cash flow issues are attributed to consecutive years of decrease in KHCC's operating fund balance, totaling \$663,552. KHCC has entered into two notes payable agreements, which carry balloon payments of a total of \$277,404 due in March 2017.

The Board of Directors recruited and vetted the Executive Director who began on March 14, 2016. The current Executive Director previously served as a Board member, implemented Board-directed changes and has led additional and ongoing operational, administrative and strategic changes.

Management also replaced the fiscal executive position with an outsourced business consulting firm, staffed with certified public accountants. Management believes that this will increase efficiency of the fiscal office through increased budget control, accurate and timely reporting to the Executive Director and Board of Directors, and tighter cash flow processes.

In response to the going concern issue, management implemented the following actions and intends to continue to implement additional processes and procedures when deemed necessary:

- Management has reduced administrative costs by approximately \$560,000 as of December 31, 2016. Three management positions were eliminated in the fiscal year ended June 30, 2016 and will not be replaced. The total salaries for these positions, including fringe benefits, were approximately \$253,000. Management also reduced operating and administrative non-personnel costs throughout the Organization to bring total costs in line with projected sources of revenue. The total decrease in these costs for the fiscal year ended June 30, 2016 was approximately \$266,000.
- Management has also re-established relationships with private foundations, increasing private foundation giving by \$225,000 in the fiscal year ending June 30, 2017 as compared to June 30, 2016. Net fundraising efforts subsequent to fiscal year-end totaled \$156,000.

In September 2016, KHCC received an advance from a government funder of \$285,000 to assist with the above-noted liquidity issues. In remaining in good standing with this funder, KHCC provides Board-approved, monthly financial reports to a government funder, which requires monthly closed financial records, cash flow projections through March 2018, and updates on development and receipts, legal liabilities and overall budgets.

Additionally, KHCC plans to refinance the terms of the notes payable noted above in order to avoid a balloon payment.

# Kingsbridge Heights Community Center, Inc.

## Notes to Financial Statements

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### 3. Summary of Significant Accounting Policies

#### (a) *Basis of Presentation*

The financial statements have been prepared on an accrual basis. In the statement of financial position, assets are presented in order of liquidity or conversion to cash and liabilities are reflected in order of their maturity resulting in the use of cash, respectively.

#### (b) *Financial Statement Presentation*

The classification of KHCC'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 three classes of net assets, permanently restricted, temporarily restricted, and unrestricted, 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:

**Permanently Restricted** - Net assets resulting from contributions and other inflows of assets whose use by KHCC is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of KHCC.

**Temporarily Restricted** - Net assets resulting from contributions and other inflows of assets whose use by KHCC is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of KHCC pursuant to those stipulations.

**Unrestricted** - The part of net assets that is neither permanently nor temporarily restricted by donor-imposed stipulations.

#### (c) *Cash and Cash Equivalents*

KHCC considers all highly liquid instruments with original maturities of three months or less to be cash and cash equivalents.

#### (d) *Fixed Assets*

Expenditures in excess of \$1,000 which enhance the value of fixed assets are capitalized. Fixed assets are stated at cost or, if donated, at fair market value at date of the gift. Fixed assets acquired under the terms of grant provisions, title to which reverts to the grantor at the termination of the contract, are recorded as an asset in the unrestricted fund.

Depreciation is computed over the estimated useful lives of the assets by the straight-line method for financial reporting purposes as follows:

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Buildings and improvements	5 - 25 years
Furniture and equipment	5 - 7 years

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#### (e) *Impairment of Long-Lived Assets*

Long-lived assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If such assets are deemed to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. There were no impairment losses for the year ended June 30, 2016.

# Kingsbridge Heights Community Center, Inc.

## Notes to Financial Statements

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### *(f) Contributions and Pledges*

Contributions and unconditional promises to give are recorded as revenue when either unsolicited cash is received or when donors make a promise to give. Contributions received are classified as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. All contributions are considered to be for unrestricted use unless specifically restricted by the donor.

### *(g) Income Taxes*

KHCC 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 and therefore has made no provision for income taxes in the accompanying financial statements. In addition, KHCC has been determined by the Internal Revenue Service (the "IRS") not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code. There was no unrelated business income for 2016.

Under Accounting Standards Codification ("ASC") 740, "Income Taxes," an organization must recognize the financial statement effects of a tax position taken for tax return purposes when it is more likely than not that the position will not be sustained upon examination. KHCC does not believe it has taken any material uncertain tax positions and, accordingly, it has not recorded any liability for unrecognized tax benefits. KHCC has filed for and received income tax exemptions in the jurisdictions where it is required to do so. For the year ended June 30, 2016, there was no tax provision, interest, or penalties recorded or included in the statement of activities. KHCC is subject to routine audit by a taxing authority. As of June 30, 2016, KHCC was not subject to any examination by a taxing authority. KHCC believes it is no longer subject to income tax examinations for the years prior to 2013.

### *(h) Revenue Recognition*

KHCC receives a substantial portion of its revenue for services provided to approved clients from third-party reimbursement agencies; primarily U.S. Department of Health and Human Services ("DHHS"), NYC Administration for Children Services ("ACS"), New York State Office for People with Developmental Disabilities ("OPWDD"), NYC Department of Youth and Community Development ("DYCD"), New York State Office of Children and Family Services ("OCFS") and New York State Department of Health ("DOH"). Approximately 97% of its revenue comes from government grants.

Revenue from governmental grants is recognized as the expenditures for each contract are incurred. Revenue from fees for service programs is recognized as they are earned (services are provided daily and/or monthly). All contracts or grant monies received in excess of revenue earned are recorded as deferred revenue on the statement of financial position.

Reimbursements are subject to audit and retroactive adjustment by the respective third party fiscal intermediary. Revenue from retroactive adjustments is recognized in the year the adjustments are made.

### *(i) Use of Estimates*

In preparing 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 financial statements and revenues and expenses during the reporting period. Actual results could differ from those estimates.

# Kingsbridge Heights Community Center, Inc.

## Notes to Financial Statements

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### *(j) Provision for Doubtful Accounts*

KHCC does not provide an allowance for doubtful accounts. Doubtful accounts are written off as they are deemed by management to be uncollectible. All accounts receivable, as stated in the financial statements, are deemed by KHCC management to be fully collectible.

### *(k) Comparative Financial Information*

The financial statements include certain prior year summarized comparative information. Accordingly, such information should be read in conjunction with the prior year financial statements from which the summarized information was derived. With respect to the statement of activities, the prior year information is not presented by net asset class. With respect to the statement of functional expenses, the prior year expenses by expense classification are presented in total rather than by 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.

### *(l) Concentration of Credit Risk*

Financial instruments which potentially subject KHCC to concentration of credit risk consist primarily of cash and cash equivalents, in excess of Federal Deposit Insurance Corporation ("FDIC") insurance limits. The financial institutions have strong credit ratings and management believes that credit risk related to these accounts is minimal.

### *(m) Functional Allocation of Expenses*

The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

### *(n) Accounting Pronouncements Issued But Not Yet Adopted*

#### *Presentation of Financial Statements of Not-for-Profit Entities*

In August 2016, the FASB issued ASU 2016-14 to improve the presentation of financial statements of not-for-profit entities. ASU 2016-14 impacts all not-for-profit entities in the scope of Topic 958, as well as health care entities subject to the nonprofit guidance in Topic 954. This is the first major change to the nonprofit financial statement model in over 20 years, which is intended to provide more useful information to donors, grantors, and other users. The ASU becomes effective for fiscal years beginning after December 15, 2017. KHCC is currently evaluating the impact of the adoption of ASU 2016-14.

#### *Accounting for Leases*

On February 25, 2016, the FASB issued ASU 2016-02, "Leases," which will require lessees to recognize a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. The standard is effective for nonpublic business entities for fiscal years beginning after December 15, 2019 and KHCC is currently evaluating the impact of the pending adoption of ASU 2016-02.

#### *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

# Kingsbridge Heights Community Center, Inc.

## Notes to Financial Statements

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consideration to which the entity expects to be entitled in exchange for those goods or services. The FASB issued ASU 2015-14 that deferred the effective date for KHCC 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 financial statements.

### *(o) Reclassifications*

Certain prior year balances have been reclassified to be consistent with the current year financial statement presentation.

## 4. Accounts Receivable and Contributions Receivable, Net

### *(a) Account Receivable, Net*

At June 30, 2016, accounts receivable, net, consisted of the following:

*June 30, 2016*

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Government grants	\$757,618
Medicaid	51,024
Other	17,774
	<hr/>
	\$826,416

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### *(b) Contributions Receivable, Net*

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the estimated future cash flow. Conditional promises to give are not included as support until such time as the conditions are substantially met.

During 2015, management re-evaluated the valuation of its contributions receivable restricted for the construction of a new building. Based on the nature of the restrictions and the underlying liquidity issues the Organization is facing as discussed in Note 2, KHCC has determined that it cannot currently meet the restriction requirements. As such, the Organization has recorded a full reserve of the receivable balance which resulted in a decrease in net temporary restricted assets of \$1,945,000 for the year ended June 30, 2016.

At June 30, 2016, the realizable value of the contributions receivable is \$11,961. All amounts are due in one year or less.

# Kingsbridge Heights Community Center, Inc.

## Notes to Financial Statements

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### 5. Fixed Assets, Net

Fixed assets, net, stated at cost, consist of the following:

*June 30, 2016*

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Land	\$ 61,500
Building and improvements	1,811,190
Furniture and equipment	886,766
Construction in progress	2,280
	<hr/> 2,761,736
Less: Accumulated depreciation and amortization	(1,755,266)
	<hr/> \$ 1,006,470

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Depreciation expense for the year ended June 30, 2016 was \$111,038.

### 6. In-kind Donation

KHCC occupies some space for program and administrative services provided at no cost by the Parks Department of the City of New York. An estimate for the fair value of this space has been recorded as revenue and corresponding expense on the statement of activities. For the year ended June 30, 2016, in-kind revenue and expense was \$526,483 and is recorded as in-kind donation and program services expense, respectively.

### 7. Temporarily Restricted Net Assets

Temporarily restricted net assets were available for the following purposes at June 30, 2016:

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College/teens	\$148,723
Changing futures	58,368
Capital grant	50,000
Other programs	3,500
	<hr/> \$260,591

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### 8. Net Assets Released From Restrictions

Temporarily restricted net assets that were released from donor restrictions are as follows:

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College/teens	\$169,883
Change futures	139,965
Other programs	5,250
	<hr/> \$315,098

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# Kingsbridge Heights Community Center, Inc.

## Notes to Financial Statements

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### 9. Loans Payable

- (a) In March 2016, KHCC obtained a cash flow loan from the Fund for the City of New York in the amount of \$48,000 for the support of program operations. The loan carries no interest and is due on demand.
- (b) During fiscal year 2016, KHCC received a loan from a Board member in the amount of \$5,000. This loan bore no interest and was payable on demand. The loan was paid in full subsequent to June 30, 2016.

### 10. Notes Payable

- (a) On March 21, 2012, KHCC entered into two notes payable agreements with a financial institution for \$250,000 and \$233,698, respectively. The terms of the notes call for monthly payments including interest of \$2,722 and \$2,544, respectively. Both notes carry an interest rate of 5.49% and are due on March 21, 2017. The notes payable are secured by business assets of KHCC. The Principal balance as of June 30, 2016 is \$310,343. All amounts are due with the next 12 months and are listed as current on the statement of financial position.
- (b) In 2015, KHCC entered into a five-year capital equipment lease agreement for \$36,060. The term of the agreement calls for a monthly payment of \$714, including interest. The lease carries an effective annual interest rate of 7% and runs through February 2020. Required future principal payments for fiscal years 2017-2020 are \$6,811, \$7,303, \$7,831 and \$6,109, respectively. The principal balance as of June 30, 2016 is \$28,054.

### 11. Pension Plan

KHCC sponsors a profit-sharing plan and trust covering all employees who have attained 12 consecutive months of employment. Contributions are determined as a percentage of each eligible employee's base salary and all employees are fully vested in their contributions. Pension expense for the year ended June 30, 2016 was \$28,574.

### 12. Commitments and Contingencies

On September 28, 2010, KHCC entered into a license agreement with the Parks Department of the City of New York (the "Department"). Under the terms of this agreement, KHCC is entitled to operate its programs at the Kingsbridge Heights Community Center (the "Center"). Under the agreement, KHCC is responsible for the maintenance of the Center. The agreement is terminable upon twenty five days' notice at the discretion of the Department or KHCC.

### 13. Subsequent Events

KHCC's management has performed subsequent events procedures through January 31, 2017, which is the date the financial statements were available to be issued and there were no subsequent events requiring adjustment to the financial statements.



# Kingsbridge Heights Community Center, Inc.

## Schedule of Expenditures of Federal Awards

*Year ended June 30, 2016*

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>U.S. Department of Agriculture:</b>				
Passed through New York State Department of Health:				
Child and Adult Care Food Program (CACFP)	10.558	4938	\$-	\$ 472,823
Child and Adult Care Food Program (CACFP)	10.558	3308	-	245,238
<b>Total U.S. Department of Agriculture</b>			-	<b>718,061</b>
<b>U.S. Department of Education:</b>				
Passed through New York State Higher Education Services Corporation:				
College Access Challenge Grant Program	84.378A	C112313	-	152,401
<b>Total U.S. Department of Education</b>			-	<b>152,401</b>
<b>U.S. Department of Health and Human Services:</b>				
Passed through New York City Department of Youth and Community Development:				
Community Services Block Grant	93.569	081806	-	53,632
Community Services Block Grant	93.569	766608	-	29,648
<b>Subtotal CFDA # 93.569</b>			-	<b>83,280</b>
Passed through New York City Administration for Children's Services:				
Head Start	93.600	20131406993	-	776,103
Passed through Administration for Children and Families:				
Head Start	93.600	02CH9902	-	300,317
Head Start	93.600	02CH010207	-	1,168,818
<b>Subtotal CFDA # 93.600</b>			-	<b>2,245,238</b>
<b>Total U.S. Department of Health and Human Services</b>			-	<b>2,328,518</b>
<b>U.S. Department of Justice:</b>				
Passed through New York State Office of Victim Services:				
Crime Victim Assistance	16.575	C-100302	-	183,141
<b>Total U.S. Department of Justice</b>			-	<b>183,141</b>
<b>U.S. Department of Housing and Urban Development:</b>				
Passed through NYC Department of Youth and Community Development:				
Community Development Block Grants/Entitlement Grants	14.218	766608	-	53,890
<b>Total U.S. Department of Housing and Urban Development</b>			-	<b>53,890</b>
<b>Total Expenditures of Federal Awards</b>			\$-	<b>\$3,436,011</b>

*The accompanying notes are an integral part of this schedule.*

**Kingsbridge Heights Community Center, Inc.**  
**Notes to Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2016**

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**1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of KHCC under programs of the federal government for the year ended June 30, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of KHCC, it is not intended to, and does not present, the financial position, changes in net assets or cash flows of KHCC.

**2. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**3. Indirect Cost Rate**

KHCC has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**4. Subsequent Events**

KHCC's management has performed subsequent events procedures through September 28, 2017, which is the date the financial statements were available to be issued and there were no subsequent events requiring adjustment to the financial statements.



## Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

The Board of Directors  
Kingsbridge Heights Community Center, Inc.  
Bronx, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Kingsbridge Heights Community Center, Inc. ("KHCC"), which comprise the statement of financial position as of June 30, 2016, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 31, 2017.

### *Internal Control Over Financial Reporting*

In planning and performing our audit of the financial statements, we considered KHCC's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of KHCC's internal control. Accordingly, we do not express an opinion on the effectiveness of KHCC's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



*Compliance and Other Matters*

As part of obtaining reasonable assurance about whether KHCC's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

*Purpose of This Report*

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BDO USA, LLP

January 31, 2017



## Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Directors  
Kingsbridge Heights Community Center, Inc.  
Bronx, New York

### Report on Compliance for Each Major Federal Program

We have audited Kingsbridge Heights Community Center, Inc.'s ("KHCC") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on KHCC's major federal program for the year ended June 30, 2016. KHCC's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### *Management's Responsibility*

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on compliance for KHCC's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about KHCC's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our qualified opinion on compliance for KHCC's major federal program. However, our audit does not provide a legal determination of KHCC's compliance.



### *Basis for Qualified Opinion on CFDA 93.600 Head Start*

As described in the accompanying schedule of findings and questioned costs, KHCC did not comply with requirements regarding CFDA 93.600 Head Start as described in finding numbers 2016-001 for Allowable Costs/Cost Principles, 2016-002 for Cash Management and 2016-003 for Reporting. Compliance with such requirements is necessary in our opinion for KHCC to comply with the requirements applicable to that program.

### *Qualified Opinion on CFDA 93.600 Head Start*

In our opinion, except for the non-compliance described in the Basis for Qualified Opinion paragraph, KHCC complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on CFDA 93.600 for the year ended June 30, 2016.

### *Other Matters*

The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2016-004, 2016-005 and 2016-006. Our opinion on the major federal program is not modified with respect to these matters.

KHCC's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. KHCC's responses were not subjected to our auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

### *Report on Internal Control Over Compliance*

Management of KHCC is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered KHCC's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of KHCC's internal control over compliance.



Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2016-001, 2016-002, 2016-003, 2016-004, 2016-005 and 2016-006 to be material weaknesses.

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

KHCC's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs and corrective action plan. KHCC's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

BDO USA, LLP

September 28, 2017

# Kingsbridge Heights Community Center, Inc.

## Schedule of Findings and Questioned Costs Year Ended June 30, 2016

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### Section 1. Summary of Auditor's Results

#### *Financial Statements*

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified?  Yes  None reported
- Noncompliance material to financial statements noted?  Yes  No

#### *Federal Awards*

Internal control over major federal programs:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified?  Yes  None reported

Type of auditor's report issued on compliance for federal programs:

Qualified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516 (a)?

Yes  No

Identification of major federal programs:

CFDA Number/Contract Number	Name of Federal Program or Cluster
CFDA #93.600	Head Start

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

Yes  No

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# Kingsbridge Heights Community Center, Inc.

## Schedule of Findings and Questioned Costs Year Ended June 30, 2016

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### Section 2. Financial Statement Findings

There were no findings related to the financial statements which are required to be reported in accordance with generally accepted government auditing standards.

### Section 3. Federal Award Findings and Questioned Costs

#### *Material Weakness in Internal Control Over Compliance and Instances of Non-compliance*

Finding Number: 2016-001

Compliance Requirement: Allowable Costs/Cost Principles

#### Information on Federal Program:

CFDA: 93.600 - Head Start

#### Criteria:

In accordance with the Uniform Guidance Part 200.405, if costs benefit multiple programs, the costs should be allocated to the programs based on the proportional benefit based on the level of effort and benefit derived by the federal program. Additionally, per the Uniform Guidance 200.413, direct costs are those costs that can be identified specifically or directly assigned to such activities that are related directly to the federal program relatively easy with a high degree of accuracy.

#### Condition:

During our testing of 60 payroll transactions and 60 OTPS transactions for CFDA 93.600, Head Start contract 20131406993, we observed that KHCC did not separately track payroll and OTPS expenses related to this contract. Rather, expenses are recorded in the general ledger based on site location, rather than program. Also KHCC did not have a cost allocation plan in place in order to properly allocate the expenses related to this contract.

#### Questioned Costs:

Questioned costs are deemed to be \$672,793.

#### Context:

Using the population of Head Start expenses in the general ledger, we tested a sample of 60 payroll transactions and 60 OTPS transactions and found that 25 payroll and 25 OTPS transactions did not have supporting documentation for the allocation methodology used. This is a condition identified per review of KHCC's compliance with allowable costs/cost principles.

#### Effect:

Since KHCC is not compliant with the provisions of Uniform Guidance Part 200.405 and 200.413, we were unable to determine that the allocations of costs for the Head Start program were properly claimed as federal expenditures.

#### Cause:

The allocation methodology currently in place allows for allocation by program site and not by individual program.

# Kingsbridge Heights Community Center, Inc.

## Schedule of Findings and Questioned Costs Year Ended June 30, 2016

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### Recommendation:

We recommend that management reevaluate its allocation methodology and revamp its general ledger chart of accounts so that costs can be properly allocated based on the specified funding source by program. This will provide for more accurate financial reporting.

### Views of Responsible Officials and Planned Corrective Actions:

In July 2017, the cost allocation plan was submitted to the Administration for Children's Services ("ACS") for their review and approval to ensure that costs were properly allocated to the contract. In July 2017, new cost centers were created in the general ledger to provide more accurate financial reporting. The Executive Director is the person responsible for the corrective action plan.

### *Material Weakness in Internal Control Over Compliance and Instances of Non-compliance*

Finding Number: 2016-002

Compliance Requirement: Cash Management

### Information on Federal Program:

CFDA: 93.600 - Head Start

### Criteria:

In accordance with the Uniform Guidance Part 200.302(a), the entity's financial management systems, including records documenting compliance with federal statutes, regulations, and the terms and conditions of the federal award, must be sufficient to permit the preparation of reports required by general and program-specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the federal statutes, regulations, and the terms and conditions of the federal award.

### Condition:

During our audit for CFDA 93.600, Head Start contract 20131406993, we observed that KHCC was not tracking funds to a level of expenditures adequate to establish that such funds have been used according to the federal statutes, regulations, and the terms and conditions of the federal award.

### Questioned Costs:

Questioned costs are deemed to be \$672,793.

### Context:

During our review of 13 reports for cash management, we noted that for four of the reports, there was no support to show the usage of funds was in accordance with federal regulations. This is a condition identified per review of KHCC's compliance with cash management.

### Effect:

Since KHCC is not compliant with the provisions of Uniform Guidance Part 200.302(a), we were unable to determine that the preparation of reports and the usage of funds were in accordance with federal statutes.

### Cause:

KHCC is not in compliance with the provisions of Uniform Guidance Part 200.302(a). KHCC is required to have its financial management system sufficient to permit the preparation of reports to establish that federal funds have been used in accordance with federal regulations.

# Kingsbridge Heights Community Center, Inc.

## Schedule of Findings and Questioned Costs Year Ended June 30, 2016

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### Recommendation:

We recommend that KHCC comply with the requirements of Uniform Guidance Part 200.302(a) and maintain a financial management system that would be sufficient to accurately prepare reports in accordance with federal regulations.

### Views of Responsible Officials and Planned Corrective Actions:

In July 2017, the cost allocation plan was submitted to the ACS for their review and approval to ensure that costs were properly allocated to the contract. In July 2017, new cost centers were created in the general ledger to provide more accurate financial reporting. The Executive Director is the person responsible for the corrective action plan.

### *Material Weakness in Internal Control Over Compliance and Instances of Non-compliance*

Finding Number: 2016-003

Compliance Requirement: Reporting

### Information on Federal Program:

CFDA: 93.600 - Head Start

### Criteria:

In accordance with the Uniform Guidance Part 200.302(b)(1) and (2), financial management, the financial management system of each non-federal entity, must provide for the identification, in its accounts, of all federal awards received and expended and the federal programs under which they were received. The non-federal entity must also provide for accurate, current, and complete disclosure of the financial results of each federal award or program in accordance with the reporting requirements set forth in 200.327.

According to the reporting guidelines under Head Start contract 20131406993, a cost allocation plan is required based on the contractual agreement with Administration for Children's Services and in accordance with federal regulations. EarlyLearn agencies shall accurately and equitably allocate costs which are attributable to the operation of two or more programs or which are attributable to two or more funding sources.

### Condition:

During our audit for CFDA 93.600, Head Start contract 20131406993, we observed that KHCC did not have supporting documentation for the federal amounts reported under this contract.

### Questioned Costs:

Questioned costs are deemed to be \$672,793.

### Context:

During our review of 6 reports, we noted that for one of the reports filed, there was no support to show that federal funds were properly identified in accordance with federal regulations. This is a condition identified per review of KHCC's compliance with reporting.

### Effect:

Since KHCC is not compliant with the provisions of Uniform Guidance Part 200.302, we were unable to determine that the federal expenditures were accurately reported.

# Kingsbridge Heights Community Center, Inc.

## Schedule of Findings and Questioned Costs Year Ended June 30, 2016

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### Cause:

KHCC does not have a financial management system in place that identifies all federal awards received and expended under the Head Start program.

### Recommendation:

We recommend that management ensure that federal funds are properly identified as such in the financial management system. This will provide for more accurate financial reporting.

### Views of Responsible Officials and Planned Corrective Actions:

In July 2017, the cost allocation plan was submitted to the ACS for their review and approval to ensure that costs were properly allocated to the contract. In July 2017, new cost centers were created in the general ledger to provide more accurate financial reporting. The Executive Director is the person responsible for the corrective action plan.

### *Material Weakness in Internal Control Over Compliance and Instances of Non-compliance*

Finding Number: 2016-004

Compliance Requirement: Reporting

### Information on Federal Program:

CFDA: 93.600 - Head Start

### Criteria:

The OMB Uniform Guidance and contract with federal funding agency require that non-federal entities receiving federal awards establish and maintain internal control designed to reasonably ensure compliance with federal laws, regulations and program compliance requirements as follows:

Section 2 CFR 200.512 of the Uniform Guidance states:

- (a) "General. (1) The audit must be completed and the data collection form described in paragraph (b) of this section and reporting package described in paragraph (c) of this section must be submitted within the earlier of 30 calendar days after receipt of the auditor's report(s), or nine months after the end of the audit period. If the due date falls on a Saturday, Sunday, or federal holiday, the reporting package is due the next business day.
- (b) Data Collection. The FAC is the repository of record for Subpart F—Audit Requirements of this Part reporting packages and the data collection form. All federal agencies, pass-through entities and others interested in a reporting package and data collection form must obtain it by accessing the FAC."

### Condition:

The audit package and data collection form were not submitted to the Federal Audit Clearinghouse for the reporting year ended June 30, 2016 within nine months after the end of the audit period.

### Questioned Costs:

Not determinable.

# Kingsbridge Heights Community Center, Inc.

## Schedule of Findings and Questioned Costs Year Ended June 30, 2016

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### Context:

KHCC was not able to file the audit package and data collection form by the required due date. This is a condition identified per review of KHCC's compliance with the reporting requirements.

### Effect:

KHCC is deficient in its submission of the required audit reporting package and data collection form. As such, KHCC is noncompliant with the reporting requirements.

### Cause:

KHCC was unable to prepare a timely and accurate Schedule of Expenditures of Federal Awards due to not being able to separately track expenses related to the Head Start program.

### Recommendation:

We recommend that KHCC implement policies, procedures and controls to ensure compliance with the reporting requirements. KHCC should designate an individual that has thorough knowledge of both the program and the compliance requirements to monitor, review and approve all required reports including knowledge of reporting deadlines and ensure timely submission of all required reports to the funding agency. Evidence of submission should also be maintained as part of program documentation.

### Views of Responsible Officials and Planned Corrective Actions:

In July 2017, policies and procedures were put in place to ensure the timely submission of financial and regulatory reporting. The Executive Director is the person responsible for the corrective action plan.

### *Material Weakness in Internal Control Over Compliance and Instances of Non-compliance*

Finding Number: 2016-005

Compliance Requirement: Reporting

### Information on Federal Program:

CFDA: 93.600 - Head Start

### Criteria:

In accordance with the Uniform Guidance, Part 200.327 on financial reporting, unless otherwise approved by OMB, the federal awarding agency may solicit only the standard, OMB-approved government-wide data elements for collection of financial information. This information must be collected with the frequency required by the terms and conditions of the federal award, but no less frequently than annually nor more frequently than quarterly except in unusual circumstances, for example, where more frequent reporting is necessary for the effective monitoring of the federal award or could significantly affect program outcomes, and preferably in coordination with performance reporting.

According to the Head Start federal reporting guidelines, federal financial reporting forms (SF-425) are required to be filed as quarterly, semi-annual and final reports. These are due on one of the standard due dates as determined by a grantees budget period. For KHCC those due dates are as follows: for quarterly reports, January 30, April 30, July 30 and October 30, for semi-annual reports, April 30 and October 30 and final reports are due January 30.

# Kingsbridge Heights Community Center, Inc.

## Schedule of Findings and Questioned Costs Year Ended June 30, 2016

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### Condition:

During our compliance testing on reporting, KHCC filed two quarterly SF-425's, one semi-annual SF-425 and the annual SF-425 past the required due date.

### Questioned Costs:

Not determinable.

### Context:

This is a condition identified per review of KHCC's compliance with the reporting requirements.

### Effect:

KHCC is noncompliant with the reporting requirements.

### Cause:

Due to staffing changes at KHCC, these reports were not prepared and approved by the due dates.

### Recommendation:

We recommend that KHCC implement policies, procedures and controls to ensure compliance with the reporting requirements. KHCC should designate an individual that has thorough knowledge of both the program and the compliance requirements to monitor, review and approve all required reports including knowledge of reporting deadlines and ensure timely submission of all required reports to the funding agency. Evidence of submission should also be maintained as part of program documentation.

### Views of Responsible Officials and Planned Corrective Actions:

In July 2017, policies and procedures were put in place to ensure the timely submission of financial and regulatory reporting. The Executive Director is the person responsible for the corrective action plan.

### *Material Weakness in Internal Control Over Compliance and Instances of Non-compliance*

Finding Number: 2016-006

Compliance Requirement: Matching

### Information on Federal Program:

CFDA: 93.600 - Head Start

### Criteria:

In accordance with the Uniform Guidance, Part 200.306 on cost sharing or matching, unless otherwise approved by OMB, for all federal awards, any matching funds must be accepted as part of the non-federal entity's matching funds, if provided for in the approved budget by the federal awarding agency.

According to the Head Start federal reporting guidelines, grantees are required to contribute a non-federal match of at least 20 percent of the costs of the program through cash or in-kind contributions.

### Condition:

During our compliance testing on matching, we noted that the 20% required non-federal match was not met for the Head Start contract passed through Administration for Children and Families.

# Kingsbridge Heights Community Center, Inc.

## Schedule of Findings and Questioned Costs Year Ended June 30, 2016

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### Questioned Costs:

Questioned costs are deemed to be \$140,443.

### Context:

This is a condition identified per review of KHCC's compliance with the matching requirements.

### Effect:

KHCC is noncompliant with the matching requirements.

### Cause:

KHCC was unable to obtain the non-federal match through cash or in-kind contributions.

### Recommendation:

We recommend that KHCC implement policies, procedures and controls to ensure compliance with the matching requirements. Non-federal matching requirements should be reviewed periodically to ensure the 20% match requirement is being met.

### *Views of Responsible Officials and Planned Corrective Actions:*

In May 2017, a request to ACS for a waiver for the matching funds requirements was submitted. Program, development and management staff are working together to identify new sources of non-federal share cash and in-kind contributions. The Executive Director is the person responsible for the corrective action plan.



## Summary Schedule of Prior Audit Findings Year Ended June 30, 2016

### Status of Prior Year Financial Statement Findings under Government Auditing Standards

#### *Internal Control Over Financial Reporting*

#### 2015-001 Material Misstatement of Financial Statements (Material Weakness)

##### Condition:

KHCC is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America. After issuance of the financial statements, it was noted that the financial statements, as previously issued, contained an error in the reporting of Medicaid revenues on the statement of activities.

##### Current Status:

This finding has been corrected during the year ended June 30, 2016.

#### Status of Prior Year Financial Statement Findings Under Uniform Guidance

None noted.

**Kingsbridge Heights Community Center**

3101 Kingsbridge Terrace, Bronx, NY 10463

[www.khcc-nyc.org](http://www.khcc-nyc.org)



## Supplemental Information

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Kingsbridge Heights Community Center, Inc.

EarlyLearn  
Statement of Revenues and Expenditures - Budgeted and Actual - ACS Funded - Other Than EarlyLearn  
Budget ID Number: FY16EL-0614

Year ended June 30, 2016

Budget Categories	Budget EarlyLearn	ACS Funded							Total EarlyLearn (A)	Variance	Questioned Costs
		Child Care	Child Care UPK	FCCN	CDBG N/A	Actual EarlyLearn		CTL N/A			
						Head Start	Head Start UPK				
<b>Revenue:</b>											
EarlyLearn revenue	\$3,838,160	\$639,185	\$65,469	\$1,369,240	\$-	\$907,313	\$255,627	\$-	\$3,236,834	\$ 601,326	\$-
Other revenue (disability, interest, etc.)	-	-	-	-	-	-	-	-	-	-	-
Teacher's incentive fund	124,161	124,161	-	-	-	-	-	-	124,161	-	-
HRA voucher	-	-	-	-	-	-	-	-	-	-	-
CACFP	-	-	-	-	-	-	-	-	-	-	-
Parent fees	163,051	-	-	171,518	-	-	-	-	171,518	(8,467)	-
In-kind contribution	-	-	-	-	-	-	-	-	-	-	-
Sponsor's contribution	-	-	-	-	-	-	-	-	-	-	-
Other funding source revenue	-	-	-	270	-	-	-	-	270	(270)	-
<b>Total Revenue</b>	<b>4,125,372</b>	<b>763,346</b>	<b>65,469</b>	<b>1,541,028</b>	<b>-</b>	<b>907,313</b>	<b>255,627</b>	<b>-</b>	<b>3,532,783</b>	<b>592,589</b>	<b>-</b>
<b>Expenditures:</b>											
<b>Personnel costs:</b>											
Salaries	1,535,094	435,363	33,421	142,886	-	624,495	148,282	-	1,384,447	150,647	-
Salaries - COLA	80,507	-	-	-	-	-	-	-	-	80,507	-
Teacher's incentive	-	-	-	-	-	-	-	-	-	-	-
Accrued vacation	-	-	-	-	-	-	-	-	-	-	-
FICA	117,435	33,854	2,599	14,771	-	48,577	11,538	-	111,339	6,096	-
FICA - COLA	6,159	-	-	-	-	-	-	-	-	6,159	-
FICA - Teacher's incentive	-	-	-	-	-	-	-	-	-	-	-
Accrued vacation - FICA	-	-	-	-	-	-	-	-	-	-	-
Workers' compensation	4,130	10,709	822	1,553	-	13,138	3,049	-	29,271	(25,141)	-
Unemployment insurance	52,011	12,191	936	4,094	-	17,722	4,310	-	39,253	12,758	-
Pension	108,287	22,254	1,708	542	-	31,860	7,554	-	63,918	44,369	-
Welfare fund	-	-	-	-	-	2,408	631	-	3,039	(3,039)	-
Health insurance	175,181	33,078	2,539	22,937	-	47,518	11,323	-	117,395	57,786	-
Substitutes	17,000	10,806	829	-	-	12,903	3,296	-	27,834	(10,834)	-
<b>Total Personnel Costs</b>	<b>2,095,804</b>	<b>558,255</b>	<b>42,854</b>	<b>186,783</b>	<b>-</b>	<b>798,621</b>	<b>189,983</b>	<b>-</b>	<b>1,776,496</b>	<b>319,308</b>	<b>-</b>
<b>Facilities costs:</b>											
Rent	-	-	-	-	-	-	-	-	-	-	-
Property taxes	-	-	-	-	-	-	-	-	-	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-	-
Licensing and permits	-	-	-	-	-	-	-	-	-	-	-
Insurance	12,582	6,796	522	-	-	9,639	2,284	-	19,241	(6,659)	-
Custodial services	-	-	-	-	-	-	-	-	-	-	-
Alarm	-	-	-	-	-	-	-	-	-	-	-
Telecommunications	12,900	1,003	77	-	-	1,412	312	-	2,804	10,096	-
Utilities	865	360	28	-	-	-	-	-	388	477	-
Maintenance and repairs	-	3,661	281	-	-	5,489	1,336	-	10,767	(10,767)	-
Capital expenditures and renovations	2,922	-	-	-	-	-	-	-	-	2,922	-
Other facilities costs	-	-	-	-	-	521	120	-	641	(641)	-
<b>Total Facilities Costs</b>	<b>29,269</b>	<b>11,820</b>	<b>908</b>	<b>-</b>	<b>-</b>	<b>17,061</b>	<b>4,052</b>	<b>-</b>	<b>33,841</b>	<b>(4,572)</b>	<b>-</b>
Family child care stipends	1,689,552	-	-	1,280,631	-	-	-	-	1,280,631	408,921	-
<b>Other than personnel services (OTPS):</b>											
Supplies	16,850	273	641	-	-	1,633	2,985	-	5,532	11,318	-
Equipment under \$3,000 - Head Start	3,951	-	-	-	-	-	-	-	-	3,951	-
Equipment over \$5,000 - Child Care	-	-	-	-	-	-	-	-	-	-	-
Postage	225	62	5	-	-	90	-	-	157	68	-
Advertising	400	-	-	-	-	-	-	-	-	400	-
Instructional field trips	7,060	1,052	81	-	-	-	-	-	1,133	5,927	-
Training/staff development	26,240	4,276	328	-	-	5,974	1,346	-	11,924	14,316	-
Transportation	1,000	374	29	-	-	541	-	-	944	56	-
Food - (not funded by CACFP)	-	-	-	-	-	70	5	-	75	(75)	-
Food - CACFP	-	23	2	-	-	-	-	-	25	(25)	-
Non-food related cost -CACFP	-	254	19	-	-	-	-	-	273	(273)	-
Audit	3,389	-	-	-	-	-	121	-	121	3,268	-
Parent services	2,043	779	60	-	-	1,079	253	-	2,171	(128)	-
Consultant - programmatic	3,900	853	65	-	-	1,220	360	-	2,498	1,402	-
Consultant - administrative	54,580	2,009	154	397	-	2,856	664	-	6,080	48,500	-
Indirect cost - Head Start	-	-	-	-	-	-	-	-	-	-	-
Other OTPS	-	-	-	-	-	767	120	-	887	(887)	-
Instructional material	28,049	8,345	641	-	-	11,081	-	-	20,067	7,982	-
<b>Total OTPS</b>	<b>147,687</b>	<b>18,300</b>	<b>2,025</b>	<b>397</b>	<b>-</b>	<b>25,311</b>	<b>5,854</b>	<b>-</b>	<b>51,887</b>	<b>95,800</b>	<b>-</b>
<b>Total Expenditures</b>	<b>3,962,312</b>	<b>588,375</b>	<b>45,787</b>	<b>1,467,811</b>	<b>-</b>	<b>840,993</b>	<b>199,889</b>	<b>-</b>	<b>3,142,855</b>	<b>819,457</b>	<b>-</b>
<b>Excess (Deficiency) of Revenue Over (Under) Expenditures</b>	<b>\$ 163,060</b>	<b>\$174,971</b>	<b>\$19,682</b>	<b>\$ 73,217</b>	<b>\$-</b>	<b>\$ 66,320</b>	<b>\$ 55,738</b>	<b>\$-</b>	<b>\$ 389,928</b>	<b>\$(226,868)</b>	<b>\$-</b>

Kingsbridge Heights Community Center, Inc.

EarlyLearn

Statement of Revenues and Expenditures - Budgeted and Actual - ACS Funded - Other Than EarlyLearn

Budget ID Number: FY16EL-0614

Year ended June 30, 2016

Budget Categories	ACS Funded					Total Other Than EarlyLearn (B)	(A+B)Total ACS Funded (C)
	DOE CC UPK Enhancement	DOE HS UPK Enhancement	Health & Safety	Sandy Relief Fund	Other Funding		
<b>Revenue:</b>							
EarlyLearn revenue							
Other revenue (disability, interest, etc.)	\$1,512	\$6,047	\$103,310	\$-	\$-	\$110,869	\$ 110,869
Teacher's incentive fund	-	-	-	-	-	-	-
HRA voucher	-	-	-	-	-	-	-
CACFP	-	-	-	-	-	-	-
Parent fees	-	-	-	-	-	-	-
In-kind contribution	-	-	-	-	-	-	-
Sponsor's contribution	-	-	-	-	-	-	-
Other funding source revenue	-	-	-	-	-	-	-
<b>Total Revenue</b>	<b>1,512</b>	<b>6,047</b>	<b>103,310</b>	<b>-</b>	<b>-</b>	<b>110,869</b>	<b>110,869</b>
<b>Expenditures:</b>							
<b>Personnel costs:</b>							
Salaries	-	-	-	-	-	-	-
Salaries - COLA	-	-	-	-	-	-	-
Teacher's incentive	-	-	-	-	-	-	-
Accrued vacation	-	-	-	-	-	-	-
FICA	-	-	-	-	-	-	-
FICA - COLA	-	-	-	-	-	-	-
FICA - Teacher's incentive	-	-	-	-	-	-	-
Accrued vacation -FICA	-	-	-	-	-	-	-
Workers' compensation	-	-	-	-	-	-	-
Unemployment insurance	-	-	-	-	-	-	-
Pension	-	-	-	-	-	-	-
Welfare fund	-	-	-	-	-	-	-
Health insurance	-	-	-	-	-	-	-
Substitutes	-	-	-	-	-	-	-
<b>Total Personnel Costs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Facilities costs:</b>							
Rent	-	-	-	-	-	-	-
Property taxes	-	-	-	-	-	-	-
Water and sewer	-	-	-	-	-	-	-
Licensing and permits	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-
Custodial services	-	-	-	-	-	-	-
Alarm	-	-	-	-	-	-	-
Telecommunications	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Maintenance and repairs	-	-	-	-	-	-	-
Capital expenditures and renovations	-	-	103,310	-	-	103,310	103,310
Other facilities costs	-	-	-	-	-	-	-
<b>Total Facilities Costs</b>	<b>-</b>	<b>-</b>	<b>103,310</b>	<b>-</b>	<b>-</b>	<b>103,310</b>	<b>103,310</b>
Family child care stipends	-	-	-	-	-	-	-
<b>Other than personnel services (OTPS):</b>							
Supplies	-	-	-	-	-	-	-
Equipment under \$3,000 - Head Start	-	-	-	-	-	-	-
Equipment over \$5,000 - Child Care	-	-	-	-	-	-	-
Postage	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-
Instructional field trips	-	-	-	-	-	-	-
Training/staff development	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-
Food - CACFP	-	-	-	-	-	-	-
Non-food related cost - CACFP	-	-	-	-	-	-	-
Audit	-	-	-	-	-	-	-
Parent services	-	-	-	-	-	-	-
Consultant - programmatic	-	-	-	-	-	-	-
Consultant - administrative	-	-	-	-	-	-	-
Indirect cost - Head Start	-	-	-	-	-	-	-
Other OTPS	-	-	-	-	-	-	-
<b>Total OTPS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>103,310</b>	<b>-</b>	<b>-</b>	<b>103,310</b>	<b>103,310</b>
<b>Excess (Deficiency) of Revenue Over (Under) Expenditures</b>	<b>\$1,512</b>	<b>\$6,047</b>	<b>\$ -</b>	<b>\$-</b>	<b>\$-</b>	<b>\$ 7,559</b>	<b>\$ 7,559</b>

# Kingsbridge Heights Community Center, Inc.

## EarlyLearn

### Statement of Revenues and Expenditures - Budgeted and Actual - Not ACS Funded Budget ID Number: FY16EL-0614

Year ended June 30, 2016

Budget Categories	Not ACS Funded				
	CACFP	Cash Contribution (Head Start)	In-Kind Contribution (Head Start)	Sponsor's Contribution (Other Than Head Start)	Other Funding Source
<b>Revenue:</b>					
EarlyLearn revenue	\$ -	\$-	\$-	\$-	\$-
Other revenue (disability, interest, etc.)	-	-	-	-	-
Teacher's incentive fund	-	-	-	-	-
HRA voucher	-	-	-	-	-
CACFP	168,594	-	-	-	-
Parent fees	-	-	-	-	-
In-kind contribution	-	-	-	-	-
Sponsor's contribution	-	-	-	-	-
Other funding source revenue	-	-	-	-	-
<b>Total Revenue</b>	<b>168,594</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenditures:</b>					
<b>Personnel costs:</b>					
Salaries	25,421	-	-	-	-
Salaries - COLA	-	-	-	-	-
Teacher's incentive	-	-	-	-	-
Accrued vacation	-	-	-	-	-
FICA	1,918	-	-	-	-
FICA - COLA	-	-	-	-	-
FICA - Teacher's incentive	-	-	-	-	-
Accrued vacation - FICA	-	-	-	-	-
Workers' compensation	532	-	-	-	-
Unemployment insurance	399	-	-	-	-
Pension	-	-	-	-	-
Welfare fund	-	-	-	-	-
Health insurance	3,288	-	-	-	-
Substitutes	-	-	-	-	-
<b>Total Personnel Costs</b>	<b>31,558</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Facilities costs:</b>					
Rent	-	-	-	-	-
Property taxes	-	-	-	-	-
Water and sewer	-	-	-	-	-
Licensing and permits	-	-	-	-	-
Insurance	-	-	-	-	-
Custodial services	-	-	-	-	-
Alarm	-	-	-	-	-
Telecommunications	-	-	-	-	-
Utilities	-	-	-	-	-
Maintenance and repairs	-	-	-	-	-
Capital expenditures and renovations	86	-	-	-	-
Other facilities costs	-	-	-	-	-
<b>Total Facilities Costs</b>	<b>86</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Family child care stipends</b>					
	-	-	-	-	-
<b>Other than personnel services (OTPS):</b>					
Supplies	8,303	-	-	-	-
Equipment under \$3,000 - Head Start	-	-	-	-	-
Equipment over \$5,000 - Child Care	-	-	-	-	-
Postage	-	-	-	-	-
Advertising	-	-	-	-	-
Instructional field trips	-	-	-	-	-
Training/staff development	-	-	-	-	-
Transportation	-	-	-	-	-
Food - CACFP	113,445	-	-	-	-
Non-food related cost - CACFP	-	-	-	-	-
Audit	-	-	-	-	-
Parent services	-	-	-	-	-
Consultant - programmatic	-	-	-	-	-
Consultant - administrative	-	-	-	-	-
Indirect cost - Head Start	-	-	-	-	-
Other OTPS	-	-	-	-	-
<b>Total OTPS</b>	<b>121,748</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>153,392</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (Deficiency) of Revenue Over (Under) Expenditures</b>	<b>\$ 15,202</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>

# Kingsbridge Heights Community Center, Inc.

## EarlyLearn Schedule of Head Start Expenses by Program Year Budget ID Number: FY16EL-0614

Year ended June 30, 2016

Budget Categories	Program Year 02 7/1/2015 - 1/31/2016	Program Year 03 2/1/2016 - 6/30/2016	Total Head Start Expenses
<b>Head Start Program Expenses:</b>			
Personnel and fringe cost:			
Salaries	\$314,108	\$310,387	\$ 624,495
FICA	24,595	23,982	48,577
Unemployment insurance	6,591	11,131	17,722
Pension	16,724	15,136	31,860
Welfare fund	-	2,408	2,408
Health insurance	23,361	24,157	47,518
Workers' compensation	8,436	4,702	13,138
Substitute staff	1,438	11,465	12,903
<b>Total Personnel and Fringe Cost</b>	<b>395,253</b>	<b>403,368</b>	<b>798,621</b>
Facilities costs:			
Rent (Delegate Agency Administered Costs)	-	-	-
Property taxes	-	-	-
Water/sewer	-	-	-
Utilities (Delegate Agency Administered Costs)	-	-	-
Insurance	5,268	4,371	9,639
Telecommunications	1,101	311	1,412
Maintenance and repairs	3,323	2,166	5,489
Other facilities cost	233	288	521
<b>Total Facilities Costs</b>	<b>9,925</b>	<b>7,136</b>	<b>17,061</b>
Other than personnel services (OTPS):			
Supplies (instructional)	2,809	8,272	11,081
Supplies (office)	1,127	506	1,633
Equipment over \$3,000	-	-	-
Training	4,725	1,249	5,974
Parent services/family involvement	730	349	1,079
Programmatic consultants	15	1,205	1,220
Administrative consultants	1,760	1,096	2,856
Transportation	327	214	541
Audit	-	-	-
Food (not funded by CACFP)	51	19	70
Postage	37	53	90
Other OTPS	397	370	767
<b>Total OTPS</b>	<b>11,978</b>	<b>13,333</b>	<b>25,311</b>
Indirect cost	-	-	-
<b>Total Expenses</b>	<b>417,156</b>	<b>423,837</b>	<b>840,993</b>
Health and safety	85,310	18,000	103,310
Less: Program income	-	-	-
<b>Total Head Start Funded Expenses</b>	<b>502,466</b>	<b>441,837</b>	<b>944,303</b>
<b>Non-Federal Share (NFS) Expenses:</b>			
Head start UPK	89,973	109,916	199,889
DOE HS UPK enhancement	-	720	720
Cash contributions - Head Start	-	-	-
In-kind contributions - Head Start	13,203	36,198	49,401
<b>Total NFS Expenses</b>	<b>103,176</b>	<b>146,834</b>	<b>250,010</b>
<b>Total Head Start Program Expense</b>	<b>605,642</b>	<b>588,671</b>	<b>1,194,313</b>
<b>NFS Program Percentage</b>	<b>17.0%</b>	<b>24.9%</b>	<b>20.9%</b>
<b>Administrative Expenses:</b>			
Personal and fringe cost	65,202	39,639	104,841
Facilities cost	1,034	1,341	2,375
OTPS	11,678	21,591	33,269
Indirect cost	-	-	-
NFS expenses	-	9,993	9,993
<b>Total Administrative Expenses</b>	<b>77,914</b>	<b>72,564</b>	<b>150,478</b>
<b>Total Head Start Program Expense</b>	<b>605,642</b>	<b>588,671</b>	<b>1,194,313</b>
<b>Administrative Expense Percentage</b>	<b>12.9%</b>	<b>12.3%</b>	<b>12.6%</b>
<b>Special Reporting:</b>			
CACFP funded expense	\$ -	\$ -	\$ -

**Kingsbridge Heights Community Center, Inc.**  
**EarlyLearn**  
**Schedule of Non-Federal Share Expenses by Program Year**  
**Budget ID Number: FY16EL-0614**

Year ended June 30, 2016

Category	HS UPK			DOE HS UPK Enhancement			Cash Contributions - Head Start			In-kind Contributions - Head Start (Schedule 1)		
	Program Year 02 7/1/15-1/31/16	Program Year 03 2/1/16-6/30/16	Total	Program Year 02 7/1/15-1/31/16	Program Year 03 2/1/16-6/30/16	Total	Program Year 02 7/1/15-1/31/16	Program Year 03 2/1/16-6/30/16	Total	Program Year 02 7/1/15-1/31/16	Program Year 03 2/1/16-6/30/16	Total
<b>Personnel and Fringe Cost:</b>												
Salaries	\$ 67,682	\$ 80,600	\$ 148,282	\$-	\$ -	\$ -	\$-	\$-	\$-	\$4,087	\$14,445	\$18,532
FICA	5,300	6,238	11,538	-	-	-	-	-	-	313	-	313
Unemployment insurance	1,420	2,890	4,310	-	-	-	-	-	-	-	-	-
Pension	3,601	3,953	7,554	-	-	-	-	-	-	-	-	-
Welfare fund	-	631	631	-	-	-	-	-	-	-	-	-
Health insurance	5,034	6,289	11,323	-	-	-	-	-	-	-	-	-
Workers' compensation	1,818	1,231	3,049	-	-	-	-	-	-	-	-	-
Substitute staff	457	2,839	3,296	-	-	-	-	-	-	-	-	-
<b>Total Personnel and Fringe Cost</b>	<b>85,312</b>	<b>104,671</b>	<b>189,983</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,400</b>	<b>14,445</b>	<b>18,845</b>
<b>Facilities Cost:</b>												
Rent (Delegate Agency Administered Costs)	-	-	-	-	-	-	-	-	-	-	-	-
Property taxes	-	-	-	-	-	-	-	-	-	-	-	-
Water/sewer	-	-	-	-	-	-	-	-	-	-	-	-
Utilities (Delegate Agency Administered Costs)	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	1,133	1,151	2,284	-	-	-	-	-	-	-	-	-
Telecommunications	237	75	312	-	-	-	-	-	-	-	-	-
Maintenance and repairs	820	516	1,336	-	-	-	-	-	-	-	-	-
Other facilities cost	52	68	120	-	-	-	-	-	-	-	-	-
<b>Total Facilities Cost</b>	<b>2,242</b>	<b>1,810</b>	<b>4,052</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Than Personnel Services (OTPS):</b>												
Supplies	770	2,215	2,985	-	-	-	-	-	-	-	-	-
Equipment over \$3,000	-	-	-	-	-	-	-	-	-	-	-	-
Training	1,018	328	1,346	-	-	-	-	-	-	3,345	-	3,345
Parent services/family involvement	162	91	253	-	-	-	-	-	-	1,404	-	1,404
Programmatic consultants	12	348	360	-	-	-	-	-	-	4,054	10,987	15,041
Administrative consultants	379	285	664	-	-	-	-	-	-	-	10,766	10,766
Transportation	70	51	121	-	-	-	-	-	-	-	-	-
Audit	-	-	-	-	-	-	-	-	-	-	-	-
Food (not funded by CACFP)	-	5	5	-	-	-	-	-	-	-	-	-
Other OTPS	8	112	120	-	720	720	-	-	-	-	-	-
<b>Total OTPS</b>	<b>2,419</b>	<b>3,435</b>	<b>5,854</b>	<b>-</b>	<b>720</b>	<b>720</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,803</b>	<b>21,753</b>	<b>30,556</b>
<b>Indirect Cost</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenses</b>	<b>\$89,973</b>	<b>\$109,916</b>	<b>\$199,889</b>	<b>\$-</b>	<b>\$720</b>	<b>\$720</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$13,203</b>	<b>\$36,198</b>	<b>\$49,401</b>
<b>Breakdown by Funding Source:</b>												
State	\$ -	\$ -	\$ -	\$-	\$ -	\$ -	\$-	\$-	\$-	\$ -	\$ -	\$ -
City	-	-	-	-	-	-	-	-	-	-	-	-
Private/third-party	-	-	-	-	-	-	-	-	-	-	-	-
Delegate agency	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$-</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Kingsbridge Heights Community Center, Inc.

EarlyLearn  
Schedule of Equipment Inventory  
Budget ID Number: FY16EL-0614

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*Year ended June 30, 2016*

Description	Date Purchased	Cost
Current year purchases: N/A		\$ -
Prior year inventory: Leasehold Improvements: Awning at 231 St. Site	9/26/2013	1,500
Equipment: Telephone System	7/16/2013	2,409
Telephone System	7/16/2013	12,583
<b>Total Equipment Inventory</b>		<b>14,992</b>
<b>Total Prior Year Inventory</b>		<b>\$16,492</b>

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# Kingsbridge Heights Community Center, Inc.

## EarlyLearn Schedule of Quantitative Program Results Budget ID Number: FY16EL-0614

*Year ended June 30, 2016*

### Enrollment

1.	<u>Contracted slots per site</u>	
	a) 3101 Kingsbridge Terrace Site 1	74
	b) 295 W 231 St Site 2	64
	c) FCCN	200
	Total	338
<hr/>		
2.	<u>Number of classrooms per site</u>	
	a) 3101 Kingsbridge Terrace Site 1	4
	b) 295 W 231 St Site 2	4
	c) FCCN	37
	Total	45
<hr/>		
3.	<u>Number of children enrolled by site</u>	
	a) 3101 Kingsbridge Terrace Site 1	79
	b) 295 W 231 St Site 2	74
	c) FCCN	202
	Total	355
<hr/>		
4.	<u>Number of children in attendance by site</u>	
	a) 3101 Kingsbridge Terrace Site 1	73
	b) 295 W 231 St Site 2	67
	c) FCCN	174
	Total	314
<hr/>		
5.	<u>The average attendance for contract by site (#4 divided by #3)</u>	
	a) 3101 Kingsbridge Terrace Site 1	93%
	b) 295 W 231 St Site 2	91
	c) FCCN	86
	Total Average	92%

### Cost

1.	Total expense for the contract. (Total EL expense in Schedule 1-A)	\$3,142,855
<hr/>		
2.	Total expense by site	
	a) 3101 Kingsbridge Terrace Site 1	\$ 809,430
	b) 295 W 231 St Site 2	865,614
	c) FCCN	1,467,811
	Total	\$3,142,855
<hr/>		
3.	Average cost slots (total expenses/total attendance by sites)	10,003
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4.	Average cost per site/total cost per site/attendance by site	
	a) 3101 Kingsbridge Terrace Site 1	11,076
	b) 295 W 231 St Site 2	12,901
	c) FCCN	8,436