

Bloomingtondale Family Program, Inc.

Independent Auditor's Report and Financial Statements

June 30, 2019 and 2018



Bloomingtondale Family Program, Inc.

June 30, 2019 and 2018

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Independent Auditor's Report

Board of Directors
Bloomingdale Family Program, Inc.
New York, New York

Report on the Financial Statements

We have audited the accompanying financial statements of Bloomingdale Family Program, Inc., which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America 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 Bloomingdale Family Program, Inc. as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As described in *Note 10* to the financial statements, during the year ended June 30, 2019, Bloomingdale Family Program, Inc. adopted ASU 2016-14, *Not-for-Profit Entities* (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

The accompanying financial statements have been prepared assuming Bloomingdale Family Program, Inc. will continue as a going concern. As discussed in *Note 12*, as of June 30, 2019, Bloomingdale Family Program, Inc. does not possess adequate liquid assets to pay its liabilities, which raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in *Note 12*. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

Others Matters

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we also have issued our report dated February 24, 2020, on our consideration of Bloomingdale Family Program, Inc.'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 solely 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 the effectiveness of Bloomingdale Family Program, Inc.'s 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 Bloomingdale Family Program, Inc.'s internal control over financial reporting and compliance.

BKD, LLP

New York, New York
February 24, 2020, except for the schedule of expenditures
of federal awards, as to which the date is April 30, 2020

Bloomingtondale Family Program, Inc.

Statements of Financial Position

June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Cash	\$ 20,639	\$ 215,711
Grants receivable	571,146	427,025
Prepaid expenses and deposits	14,039	14,039
Property and equipment	<u>193,610</u>	<u>168,324</u>
Total assets	<u>\$ 799,434</u>	<u>\$ 825,099</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 160,574	\$ 238,409
Accrued salaries and related liabilities	104,355	44,857
Deferred rent payable	44,942	47,997
Line of credit payable	71,585	73,571
Due to government agencies	<u>433,331</u>	<u>328,611</u>
Total liabilities	814,787	733,445
Net Assets (Deficit) Without Donor Restrictions	<u>(15,353)</u>	<u>91,654</u>
Total liabilities and net assets	<u>\$ 799,434</u>	<u>\$ 825,099</u>

Bloomingtondale Family Program, Inc.
Statements of Activities
Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Revenues		
Government grants	\$ 3,156,739	\$ 3,052,692
Program fees	32,047	39,908
Contributions	498,456	570,972
In-kind contributions	<u>528,064</u>	<u>515,886</u>
Total revenues	<u>4,215,306</u>	<u>4,179,458</u>
Expenses		
Program service, preschool	3,730,339	3,408,986
Supporting services		
Management and general	<u>591,974</u>	<u>522,482</u>
Total expenses	<u>4,322,313</u>	<u>3,931,468</u>
Change in Net Assets Without Donor Restrictions	(107,007)	247,990
Net Assets (Deficit) Without Donor Restrictions, Beginning of Year	<u>91,654</u>	<u>(156,336)</u>
Net Assets (Deficit) Without Donor Restrictions, End of Year	<u><u>\$ (15,353)</u></u>	<u><u>\$ 91,654</u></u>

Bloomingtondale Family Program, Inc.
Statements of Functional Expenses
Years Ended June 30, 2019 and 2018

	2019		
	Program Service - Preschool	Management and General	Total
Salaries	\$ 1,696,277	\$ 324,472	\$ 2,020,749
Payroll taxes and employee benefits	524,741	100,375	625,116
Professional fees	199,033	85,229	284,262
Rent	321,402	16,916	338,318
In-kind rent	500,165	26,324	526,489
Utilities	43,796	2,305	46,101
Dues and subscriptions	1,630	312	1,942
Insurance	19,313	3,694	23,007
Supplies and other	224,948	9,969	234,917
Telephone and internet	36,373	1,914	38,287
Repairs and maintenance	118,263	6,224	124,487
Interest	-	8,232	8,232
Staff development and recruiting	23,002	4,400	27,402
Travel	1,498	287	1,785
Depreciation and amortization	17,925	943	18,868
Miscellaneous	1,973	378	2,351
Total expenses reported by function on the statements of activities	<u>\$ 3,730,339</u>	<u>\$ 591,974</u>	<u>\$ 4,322,313</u>

Bloomington Family Program, Inc.
Statements of Functional Expenses (Continued)
Years Ended June 30, 2019 and 2018

	2018		
	Program Service - Preschool	Management and General	Total
Salaries	\$ 1,528,119	\$ 265,814	\$ 1,793,933
Payroll taxes and employee benefits	446,136	77,605	523,741
Professional fees	195,957	99,818	295,775
Rent	315,554	16,608	332,162
In-kind rent	490,091	25,795	515,886
Utilities	59,060	4,914	63,974
Dues and subscriptions	518	90	608
Insurance	24,405	4,245	28,650
Supplies and other	209,052	9,814	218,866
Telephone and internet	23,276	1,225	24,501
Repairs and maintenance	72,109	6,783	78,892
Interest	-	3,768	3,768
Staff development and recruiting	20,528	3,571	24,099
Travel	4,286	746	5,032
Depreciation and amortization	14,640	770	15,410
Miscellaneous	5,255	916	6,171
Total expenses reported by function on the statements of activities	<u>\$ 3,408,986</u>	<u>\$ 522,482</u>	<u>\$ 3,931,468</u>

Bloomingtondale Family Program, Inc.

Statements of Cash Flows

Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Operating Activities		
Change in net assets	\$ (107,007)	\$ 247,990
Items not requiring (providing) cash		
Depreciation and amortization	18,868	15,410
Changes in		
Grants receivable	(144,121)	(150,051)
Prepaid expenses and deposits	-	1,050
Accounts payable and accrued expenses	(13,335)	(64,203)
Accrued salaries and related liabilities	59,498	(4,750)
Deferred rent payable	(3,055)	3,460
Due to government agencies	104,720	29,046
Net cash (used in) provided by operating activities	<u>(84,432)</u>	<u>77,952</u>
Investing Activities		
Purchase of property and equipment	<u>(108,654)</u>	<u>(67,680)</u>
Net cash used in investing activities	<u>(108,654)</u>	<u>(67,680)</u>
Financing Activities		
Proceeds from line of credit	45,000	80,000
Principal payments on line of credit	<u>(46,986)</u>	<u>(74,573)</u>
Net cash (used in) provided by financing activities	<u>(1,986)</u>	<u>5,427</u>
Net Change in Cash	(195,072)	15,699
Cash, Beginning of Year	<u>215,711</u>	<u>200,012</u>
Cash, End of Year	<u><u>\$ 20,639</u></u>	<u><u>\$ 215,711</u></u>
Supplemental Cash Flows Information		
Cash paid for interest	\$ 8,232	\$ 3,768
Accounts payable - property and equipment	\$ -	\$ 64,500

Bloomingtondale Family Program, Inc.

Notes to Financial Statements

June 30, 2019 and 2018

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Bloomingtondale Family Program, Inc. (Bloomingtondale) is a community-based non-profit organization that provides quality early childhood education and other related services to low income preschool children and their families in upper Manhattan. Founded in 1960, Bloomingtondale delivers comprehensive educational services to two-, three- and four-year-olds in three locations and continues to serve the children after they transition into the community's elementary schools.

The primary sources of revenue are government grants and contributions.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Property and Equipment

Property and equipment acquisitions over \$1,000 are stated at cost less accumulated depreciation. Depreciation is charged to expense using the straight-line method over the estimated useful life of each asset. Leasehold improvements are depreciated over the shorter of the lease term or their respective estimated useful lives.

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Leasehold improvements	5-15 years
Furniture and fixtures	5-15 years

Long-Lived Asset Impairment

Bloomingtondale evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. No asset impairment was recognized during the years ended June 30, 2019 and 2018.

Bloomingtondale Family Program, Inc.

Notes to Financial Statements

June 30, 2019 and 2018

Receivables

Receivables are recorded when services are rendered and are stated at amount billed. Receivables are presented net of allowances for doubtful accounts. Receivables are ordinarily due upon issuance of the invoice. Receivables past due more than 30 days are considered delinquent. The allowances are based on management's evaluation of the collectability of the related accounts.

Allowance for Doubtful Accounts

Bad debt expense is charged if a receivable is determined to be uncollectible based on periodic review by management. Factors used to determine whether an allowance should be recorded include the age of the receivable and a review of payments subsequent to year end. Management deemed no allowance necessary for the years ended June 30, 2019 and 2018.

Due to Government Agencies

Due to government agencies includes overpayments and advances from funders, which are contractually repayable.

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor restrictions.

Net assets without donor restrictions are available for use in general operations and not subject to donor restrictions.

Government Grants

Support funded by grants is recognized as Bloomingtondale performs the contracted services or incurs outlays eligible for reimbursement under the grant agreements. Grant activities and outlays are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

Contributions

Contributions are provided to Bloomingtondale either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is recognized as follows:

Nature of the Gift	Value Recognized
<i>Conditional gifts, with or without restriction</i>	
Gifts that depend on Bloomingtondale overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, <i>i.e.</i> , the donor-imposed barrier is met

Bloomington Family Program, Inc.

Notes to Financial Statements

June 30, 2019 and 2018

Nature of the Gift	Value Recognized
<i>Unconditional gifts, with or without restriction</i>	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method.

When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service.

Gifts and investment income having donor stipulations which are satisfied in the period the gift is received are recorded as revenue and net assets without donor restrictions.

Conditional contributions having donor stipulations which are satisfied in the period the gift is received are recorded as revenue and net assets without donor restrictions.

In-Kind Contributions

In addition to receiving cash contributions, Bloomington receives in-kind contributions of reduced rent from various donors. It is the policy of Bloomington to record the estimated fair value of certain in-kind donations as an expense in its financial statements, and similarly increase contribution revenue by a like amount. For the years ended June 30, 2019 and 2018, \$528,064 and \$515,886, respectively, was received in in-kind contributions.

Rent Expense

All operating leases are reflected on the straight-line basis. Deferred rent has been recorded for the difference between the fixed payment and the rent expense.

Bloomington Family Program, Inc.

Notes to Financial Statements

June 30, 2019 and 2018

Income Taxes

Bloomington is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of state law. However, Bloomington is subject to federal income tax on any unrelated business taxable income. Bloomington files tax returns in the U.S. federal jurisdiction.

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Certain costs have been allocated among the program, management and general and fundraising categories based on estimates of time and effort and other methods.

Reclassifications

Certain reclassifications have been made to the 2018 financial statements to conform to the 2019 financial statement presentation. These reclassifications had no effect on the change in net assets.

Note 2: Property and Equipment

Property and equipment at June 30, 2019 and 2018 consists of:

	2019	2018
Leasehold improvements	\$ 197,140	\$ 191,440
Furniture and equipment	<u>54,142</u>	<u>15,688</u>
	251,282	207,128
Less accumulated depreciation and amortization	<u>(57,672)</u>	<u>(38,804)</u>
	<u><u>\$ 193,610</u></u>	<u><u>\$ 168,324</u></u>

Note 3: Line of Credit

Bloomington has a line of credit for \$100,000 with Citibank, N.A. The outstanding balances on the line of credit bear interest at Prime plus 5.25 percent, which was 10.75 percent and 10.25 percent at June 30, 2019 and 2018, respectively. The balance was \$71,585 and \$73,571 at June 30, 2019 and 2018, respectively. The line of credit is collateralized by all the assets of Bloomington. Interest expense on the line of credit was \$8,232 and \$3,768 in 2019 and 2018, respectively.

Bloomington Family Program, Inc.
Notes to Financial Statements
June 30, 2019 and 2018

Note 4: Due To Government Agencies

Bloomington had a liability to the NYC Administration for Children's Services (ACS) for the following amounts:

	<u>2019</u>	<u>2018</u>
FY 2009 disallowances	-	\$ 107,898
PY 02 disallowance	\$ 18,106	-
Equipment disallowance	194,512	-
FY 2013-2017 disallowances	<u>220,713</u>	<u>220,713</u>
Total	<u>\$ 433,331</u>	<u>\$ 328,611</u>

Note 5: Pension Plan

Bloomington established a Section 403(b) retirement plan covering all eligible employees. Pension expense for the years ended June 30, 2019 and 2018 was \$137,562 and \$137,474, respectively.

Note 6: Lease Commitments

Bloomington entered into a noncancelable operating lease agreement for office and classroom space on 109th Street that expires in September 2020. Monthly rental payments are subject to annual increases.

Bloomington entered into a noncancelable operating lease agreement for classroom space on 107th Street that expired in December 2019 and is currently paying on a month-to-month basis. Monthly rental payments were subject to annual increases.

Bloomington entered into a noncancelable operating lease agreement for five classrooms on Columbus Avenue that expires in January 2025. Monthly rental payments are subject to annual increases.

Bloomington entered into a noncancelable operating lease agreement for one additional classroom on Columbus Avenue that expires in January 2025. Monthly rental payments are subject to annual increases.

Bloomingtondale Family Program, Inc.

Notes to Financial Statements

June 30, 2019 and 2018

Future minimum payments are due as follows:

2020	\$	289,181
2021		145,335
2022		118,795
2023		122,358
2024		126,029
Thereafter		<u>194,788</u>
Total	\$	<u><u>996,486</u></u>

Bloomingtondale leases office equipment under a noncancelable operating lease agreement which expires in November 2022.

The minimum annual lease payments are as follows:

2020	\$	10,344
2021		10,344
2022		10,344
2023		<u>4,310</u>
Total	\$	<u><u>35,342</u></u>

Note 7: Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Grants and Contracts

Certain grants and contracts may be subject to audit by the funding sources. Such audits might result in disallowances of costs submitted for reimbursement.

Bloomingtondale Family Program, Inc.

Notes to Financial Statements

June 30, 2019 and 2018

A significant portion of Bloomingtondale's revenues and receivables are funded through ACS EarlyLearn and Robin Hood Foundation. The outstanding grants revenues and receivables from these funders are as follows:

	2019	
	Revenues	Receivables
ACS EarlyLearn	\$ 3,204,527	\$ 556,365
Robin Hood Foundation	335,000	-

	2018	
	Revenues	Receivables
ACS EarlyLearn	\$ 2,939,976	\$ 289,603
Robin Hood Foundation	385,000	-

Note 8: Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2019, comprise the following:

Cash	\$ 20,639
Grants receivable	571,146
	<hr/>
Financial assets available to meet cash needs for general expenditures within one year	<hr/> <hr/> \$ 591,785

To help manage unanticipated liquidity needs, Bloomingtondale has a committed line of credit in the amount of \$100,000, which it could draw upon.

Bloomingtondale manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. Bloomingtondale monitors liquidity and cash flows on an ongoing basis to ensure an appropriate amount of cash is available to meet current expenditure needs.

Note 9: Beneficial Interest in Charitable Remainder Unitrust

Bloomingtondale is a named beneficiary in a charitable remainder unitrust. The value of Bloomingtondale's interest in the trust is not recorded in these financial statements since the trustee has the ability to change the beneficiary at any time. The value of the trust assets as of June 30, 2019 and 2018 was \$607,513 and \$618,904, respectively. As of June 30, 2019 and 2018, Bloomingtondale was named a 90 percent and 50 percent, respectively, beneficiary in the remainder interest of the trust.

Bloomington Family Program, Inc.

Notes to Financial Statements

June 30, 2019 and 2018

Note 10: Change in Accounting Principle

During the year ended June 30, 2019, Bloomington adopted Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities* (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities*. A summary of the changes is as follows:

Statement of Financial Position

- The statement of financial position distinguishes between two new classes of net assets – those with donor-imposed restrictions and those without. This is a change from the previously required three classes of net assets – unrestricted, temporarily restricted and permanently restricted.

Notes to the Financial Statements

- Enhanced quantitative and qualitative disclosures provide additional information useful in assessing liquidity and cash flows available to meet operating expenses for one year from the date of the statement of financial position.

This change had no impact on previously reported total change in net assets.

Note 11: Subsequent Events

Subsequent events have been evaluated through February 24, 2020, which is the date the financial statements were available to be issued.

Note 12: Management's Consideration of Going Concern Matters

As of June 30, 2019, Bloomington does not possess adequate liquid assets to pay its liabilities. This condition is a result of an ACS closeout report received in December 2019 that required Bloomington to reimburse ACS for \$212,618 of prior year ACS grants.

These conditions raise substantial doubt about Bloomington's ability to continue as a going concern. Management responded to the closeout report and is following ACS's appeals process to contest the results of the closeout report. However, there can be no assurance that Bloomington will be successful in achieving its objectives.

The accompanying financial statements have been prepared assuming that Bloomington will continue as a going concern; however, the above conditions raise substantial doubt about Bloomington's ability to do so. The financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classifications of liabilities that may result should Bloomington be unable to continue as a going concern.

Bloomington Family Program, Inc.

Notes to Financial Statements

June 30, 2019 and 2018

Note 13: Future Changes in Accounting Principles

Not-for-Profit Accounting Standard for Grants and Contributions

On June 21, 2018, the Financial Accounting Standards Board (FASB) issued ASU 2018-08. This standard clarifies existing guidance on determining whether a transaction with a resource provider, *e.g.*, the receipt of funds under a government grant or contract, is a contribution or an exchange transaction. The guidance requires all organizations to evaluate whether the resource provider is receiving commensurate value in a transfer of assets transaction, and whether contributions are conditional or unconditional.

If commensurate value is received by the resource provider, the transaction would be accounted for as an exchange transaction by applying Topic 606, *Revenue from Contracts with Customers*, or other topics. The standard clarifies that a resource provider is not synonymous with the general public. Indirect benefit received by the public as a result of the assets transferred is not equivalent to commensurate value received by the resource provider. If commensurate value is not received by the resource provider, *i.e.*, the transaction is nonexchange, the recipient organization would record the transaction as a contribution under Topic 958 and determine whether the contribution is conditional or unconditional.

FASB expects that the new standard could result in more grants and contracts being accounted for as contributions (often conditional contributions) than under current generally accepted accounting principles. Because of this, it believes the clarifying guidance about whether a contribution is conditional or unconditional, which affects the timing of revenue recognition, is important. Both the recipient and resource provider would equally apply the guidance.

The standard will be effective for reporting periods beginning on or after December 15, 2018. Bloomington is evaluating the impact the standard will have on the financial statements.

Accounting for Leases

FASB amended its standard related to the accounting for leases. Under the new standard, lessees will now be required to recognize substantially all leases on the balance sheet as both a right-of-use asset and a liability. The standard has two types of leases for income statement recognition purposes: operating leases and finance leases. Operating leases will result in the recognition of a single lease expense on a straight-line basis over the lease term similar to the treatment for operating leases under existing standards. Finance leases will result in an accelerated expense similar to the accounting for capital leases under existing standards. The determination of lease classification as operating or finance will be done in a manner similar to existing standards. The new standard also contains amended guidance regarding the identification of embedded leases in service contracts and the identification of lease and nonlease components in an arrangement. The new standard is effective for annual periods beginning after December 15, 2020, and any interim periods thereafter. Bloomington is evaluating the impact the standard will have on the financial statements.

Supplementary Information

Bloomingdale Family Program, Inc.

Schedule of Revenues and Expenditures – Budgeted and Actual

ACS Funded – EarlyLearn

Year Ended June 30, 2019

Budget Categories	ACS Funded										
	Budget		EarlyLearn								Questioned Cost
	EarlyLearn	Child Care	Child Care UPK	FCCN	CDBG	Head Start	Head Start UPK	CTL	Total EarlyLearn (A)	Variance	
Revenue											
EarlyLearn revenue	\$ 3,216,202	\$ 501,274	\$ 58,907	\$ -	\$ -	\$ 2,159,430	\$ 381,121	\$ -	\$ 3,100,732	\$ 115,470	\$ -
Other revenue (disability, interest, etc.)	-	-	-	-	-	-	-	-	-	-	-
Teacher's incentive fund	-	-	-	-	-	-	-	-	-	-	-
HRA voucher	-	-	-	-	-	-	-	-	-	-	-
CACFP	-	-	-	-	-	-	-	-	-	-	-
Parent fees	-	26,342	-	-	-	-	-	-	26,342	(26,342)	-
In-kind contribution	-	-	-	-	-	-	-	-	-	-	-
Sponsor's contribution	-	-	-	-	-	-	-	-	-	-	-
Other funding source revenue	-	-	-	-	-	4,244	-	-	4,244	(4,244)	-
Total revenue	3,216,202	527,616	58,907	-	-	2,163,674	381,121	-	3,131,318	84,884	-
Expenditures											
Personnel cost											
Salaries	1,734,941	243,960	32,100	-	-	1,072,546	252,282	-	1,600,888	134,053	-
Salaries - COLA	-	-	-	-	-	34,137	-	-	34,137	(34,137)	-
Teacher's incentive	-	-	-	-	-	-	-	-	-	-	-
Accrued vacation	-	4,470	-	-	-	18,903	-	-	23,373	(23,373)	-
FICA	128,181	23,469	2,736	-	-	88,190	20,090	-	134,485	(6,304)	-
FICA - COLA	-	-	-	-	-	2,649	-	-	2,649	(2,649)	-
FICA - Teacher's incentive	-	-	-	-	-	-	-	-	-	-	-
FICA - Accrued vacation	-	342	-	-	-	1,446	-	-	1,788	(1,788)	-
Workers' compensation	36,110	699	-	-	-	45,274	-	-	45,973	(9,863)	-
Unemployment insurance	22,192	2,965	231	-	-	3,866	1,990	-	9,052	13,140	-
Pension	169,992	21,228	-	-	-	116,334	-	-	137,562	32,430	-
Welfare fund	1,220	-	-	-	-	1,150	-	-	1,150	70	-
Health insurance	153,210	24,766	82	-	-	210,500	-	-	235,348	(82,138)	-
Substitutes	65,082	54,199	3,671	-	-	83,023	3,622	-	144,515	(79,433)	-
Total personnel cost	2,310,928	376,098	38,820	-	-	1,678,018	277,984	-	2,370,920	(59,992)	-
Facilities cost											
Rent	329,110	88,306	13,143	-	-	192,175	68,832	-	362,456	(33,346)	-
Property taxes	-	-	-	-	-	-	-	-	-	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-	-
Licensing and permits	-	-	-	-	-	-	-	-	-	-	-
Insurance	27,899	4,413	-	-	-	13,973	-	-	18,386	9,513	-
Custodial services	-	-	-	-	-	-	-	-	-	-	-
Alarm	-	-	-	-	-	-	-	-	-	-	-
Telecommunications	36,076	5,482	785	-	-	31,303	5,018	-	42,588	(6,512)	-
Utilities	54,796	13,087	1,549	-	-	28,899	2,566	-	46,101	8,695	-
Maintenance and repairs	139,513	1,826	704	-	-	79,148	9,767	-	91,445	48,068	-
Capital expenditures and renovations	-	11,093	-	-	-	33,061	-	-	44,154	(44,154)	-
Other facilities costs	13,102	-	-	-	-	9,308	2,482	-	11,790	1,312	-
Total facilities cost	600,496	124,207	16,181	-	-	387,867	88,665	-	616,920	(16,424)	-
Family Child Care Stipend	-	-	-	-	-	-	-	-	-	-	-
Other than personnel services (OTPS)											
Supplies	82,079	16,260	3,059	-	-	49,371	9,682	-	78,372	3,707	-
Equipment over \$5,000 - Head Start	-	-	-	-	-	-	-	-	-	-	-
Equipment over \$5,000 - Child Care	-	-	-	-	-	-	-	-	-	-	-
Postage	350	-	-	-	-	306	65	-	371	(21)	-
Advertising	1,500	-	-	-	-	366	224	-	590	910	-
Instructional field trips	-	-	-	-	-	-	-	-	-	-	-
Training/staff development	93,868	350	-	-	-	2,205	99	-	2,654	91,214	-
Transportation	200	-	-	-	-	-	-	-	-	200	-
Food - CACFP	-	-	-	-	-	-	-	-	-	-	-
Non-food related cost - CACFP	-	-	-	-	-	-	-	-	-	-	-
Audit	26,027	4,805	-	-	-	18,075	-	-	22,880	3,147	-
Parent services	6,663	664	48	-	-	3,340	253	-	4,305	2,358	-
Consultant - programmatic	-	-	-	-	-	-	-	-	-	-	-
Consultant - administrative	35,065	5,232	799	-	-	24,126	4,149	-	34,306	759	-
Indirect cost - Head Start	-	-	-	-	-	-	-	-	-	-	-
Other OTPS	59,026	-	-	-	-	-	-	-	-	59,026	-
Total OTPS	304,778	27,311	3,906	-	-	97,789	14,472	-	143,478	161,300	-
Total EarlyLearn cost	3,216,202	527,616	58,907	-	-	2,163,674	381,121	-	3,131,318	84,884	-
Excess (Deficiency) of Revenue Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Bloomington Family Program, Inc.
Schedule of Revenues and Expenditures – Budgeted and Actual
ACS Funded – Other than EarlyLearn
Year Ended June 30, 2019

Budget Categories	Other Than EarlyLearn						[A+B] Total ACS Funded (C)
	DOE CC UPK Enhancement	DOE HS UPK Enhancement	Health & Safety	Sandy Relief Fund	Other Funding Use for EarlyLearn	Total Other Than EarlyLearn (B)	
Revenue							
EarlyLearn revenue	\$ 7,910	\$ 22,344	\$ 73,541	\$ -	\$ -	\$ 103,795	\$ 3,204,527
Other revenue (disability, interest, etc.)	-	-	-	-	-	-	-
Teacher's incentive fund	3,795	3,795	-	-	-	7,590	7,590
HRA voucher	-	-	-	-	-	-	-
CACFP	-	-	-	-	-	-	-
Parent fees	-	-	-	-	-	-	26,342
In-kind contribution	-	-	-	-	-	-	-
Sponsor's contribution	-	-	-	-	-	-	-
Other funding source revenue	-	-	-	-	-	-	4,244
Total revenue	11,705	26,139	73,541	-	-	111,385	3,242,703
Expenditures							
Personnel cost							
Salaries	-	-	-	-	-	-	1,600,888
Salaries - COLA	-	-	-	-	-	-	34,137
Teacher's incentive	3,500	3,500	-	-	-	7,000	7,000
Accrued vacation	-	-	-	-	-	-	23,373
FICA	-	-	-	-	-	-	134,485
FICA - COLA	-	-	-	-	-	-	2,649
FICA - Teacher's incentive	268	268	-	-	-	536	536
FICA - Accrued vacation	-	-	-	-	-	-	1,788
Workers' compensation	-	-	-	-	-	-	45,973
Unemployment insurance	27	27	-	-	-	54	9,106
Pension	-	-	-	-	-	-	137,562
Welfare fund	-	-	-	-	-	-	1,150
Health insurance	-	-	-	-	-	-	235,348
Substitutes	-	-	-	-	-	-	144,515
Total personnel cost	3,795	3,795	-	-	-	7,590	2,378,510
Facilities cost							
Rent	-	-	-	-	-	-	362,456
Property taxes	-	-	-	-	-	-	-
Water and sewer	-	-	-	-	-	-	-
Licensing and permits	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	18,386
Custodial services	-	-	-	-	-	-	-
Alarm	-	-	21,470	-	-	21,470	21,470
Telecommunications	-	-	-	-	-	-	42,588
Utilities	-	-	-	-	-	-	46,101
Maintenance and repairs	-	-	49,700	-	-	49,700	141,145
Capital expenditures and renovations	-	-	-	-	-	-	44,154
Other facilities costs	-	-	2,371	-	-	2,371	14,161
Total facilities cost	-	-	73,541	-	-	73,541	690,461
Family Child Care Stipend	-	-	-	-	-	-	-
Other than personnel services (OTPS)							
Supplies	-	-	-	-	-	-	78,372
Equipment over \$5,000 - Head Start	-	-	-	-	-	-	-
Equipment over \$5,000 - Child Care	-	-	-	-	-	-	-
Postage	-	-	-	-	-	-	371
Advertising	-	-	-	-	-	-	590
Instructional field trips	-	-	-	-	-	-	-
Training/staff development	3,960	14,454	-	-	-	18,414	21,068
Transportation	-	-	-	-	-	-	-
Food - CACFP	-	-	-	-	-	-	-
Non-food related cost - CACFP	-	-	-	-	-	-	-
Audit	-	-	-	-	-	-	22,880
Parent services	-	-	-	-	-	-	4,305
Consultant - programmatic	3,950	7,890	-	-	-	11,840	11,840
Consultant - administrative	-	-	-	-	-	-	34,306
Indirect cost - Head Start	-	-	-	-	-	-	-
Other OTPS	-	-	-	-	-	-	-
Total OTPS	7,910	22,344	-	-	-	30,254	173,732
Total EarlyLearn cost	11,705	26,139	73,541	-	-	111,385	3,242,703
Excess (Deficiency) of Revenue Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Bloomington Family Program, Inc.
Schedule of Revenues and Expenditures – Budgeted and Actual
Not ACS Funded
Year Ended June 30, 2019

Budget Categories	Not ACS Funded				
	Actual				
	CACFP	Cash Contribution (Head Start)	In-Kind Contribution (Head Start)	Sponsor's Contribution (Other than Head Start)	Other Funding Source
Revenue					
EarlyLearn revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Other revenue (disability, interest, etc.)	-	-	-	-	-
Teacher's incentive fund	-	-	-	-	-
HRA voucher	-	-	-	-	-
CACFP	89,375	-	-	-	-
Parent fees	-	-	-	-	-
In-kind contribution	-	-	528,064	-	-
Sponsor's contribution	-	-	-	-	-
Other funding source revenue	-	4,244	-	-	-
Total revenue	89,375	4,244	528,064	-	-
Expenditures					
Personnel cost					
Salaries	-	-	-	-	-
Salaries - COLA	-	-	-	-	-
Teacher's incentive	-	-	-	-	-
Accrued vacation	-	-	-	-	-
FICA	-	-	-	-	-
FICA - COLA	-	-	-	-	-
FICA - Teacher's incentive	-	-	-	-	-
FICA - Accrued vacation	-	-	-	-	-
Workers' compensation	-	-	-	-	-
Unemployment insurance	-	-	-	-	-
Pension	-	-	-	-	-
Welfare fund	-	-	-	-	-
Health insurance	-	-	-	-	-
Substitutes	-	-	-	-	-
Total personnel cost	-	-	-	-	-
Facilities cost					
Rent	-	-	526,489	-	-
Property taxes	-	-	-	-	-
Water and sewer	-	-	-	-	-
Licensing and permits	-	-	-	-	-
Insurance	-	-	-	-	-
Custodial services	-	-	-	-	-
Alarm	-	-	-	-	-
Telecommunications	-	-	-	-	-
Utilities	-	-	-	-	-
Maintenance and repairs	-	-	-	-	-
Capital expenditures and renovations	-	-	-	-	-
Other facilities costs	-	-	-	-	-
Total facilities cost	-	-	526,489	-	-
Family Child Care Stipend	-	-	-	-	-
Other than personnel services (OTPS)					
Supplies	-	4,244	1,575	-	-
Equipment over \$5,000 - Head Start	-	-	-	-	-
Equipment over \$5,000 - Child Care	-	-	-	-	-
Postage	-	-	-	-	-
Advertising	-	-	-	-	-
Instructional field trips	-	-	-	-	-
Training/staff development	-	-	-	-	-
Transportation	-	-	-	-	-
Food - CACFP	58,748	-	-	-	-
Non-food related cost - CACFP	30,627	-	-	-	-
Audit	-	-	-	-	-
Parent services	-	-	-	-	-
Consultant - programmatic	-	-	-	-	-
Consultant - administrative	-	-	-	-	-
Indirect cost - Head Start	-	-	-	-	-
Other OTPS	-	-	-	-	-
Total OTPS	89,375	4,244	1,575	-	-
Total EarlyLearn cost	89,375	4,244	528,064	-	-
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Bloomingdale Family Program, Inc.

Schedule of Head Start Expenses by Program Year

Year Ended June 30, 2019

Category	Program Year 05 7/1/18-1/31/19	Program Year 06 2/1/19-6/30/19	Total Head Start Expenses
Personnel and fringe cost			
Salaries	\$ 656,592	\$ 468,994	\$ 1,125,586
FICA	53,833	38,452	92,285
Unemployment insurance	2,255	1,611	3,866
Pension	67,862	48,472	116,334
Welfare fund	671	479	1,150
Health insurance	122,792	87,708	210,500
Workers' compensation	26,410	18,864	45,274
Substitute staff	48,430	34,593	83,023
Total personnel and fringe cost	978,845	699,173	1,678,018
Facilities cost			
Rent (delegate agency administered costs)	112,102	80,073	192,175
Property taxes	-	-	-
Water/sewer	-	-	-
Utilities (delegate agency administered costs)	16,858	12,041	28,899
Insurance	8,151	5,822	13,973
Telecommunications	18,260	13,043	31,303
Maintenance and repairs	46,170	32,978	79,148
Other facilities cost	24,715	17,654	42,369
Total facilities cost	226,256	161,611	387,867
Other than personnel services (OTPS)			
Supplies	29,192	20,851	50,043
Equipment over \$5,000	-	-	-
Training	1,286	919	2,205
Parent services/family involvement	1,948	1,392	3,340
Programmatic consultants	-	-	-
Administrative consultants	14,074	10,052	24,126
Transportation	-	-	-
Audit	10,544	7,531	18,075
Food (not funded by CACFP)	-	-	-
Other OTPS	-	-	-
Total OTPS	57,044	40,745	97,789
Indirect cost	-	-	-
Total expenses	1,262,145	901,529	2,163,674
Health and safety	42,899	30,642	73,541
Less: program income	-	-	-
Total Head Start funded expenses	1,305,044	932,171	2,237,215
Non-federal share (NFS) expenses			
Head Start UPK	222,321	158,800	381,121
DOE HS UPK enhancement	15,249	10,890	26,139
Cash contributions - Head Start	2,476	1,768	4,244
In-kind contributions - Head Start	308,037	220,027	528,064
Total NFS Expenses	548,083	391,485	939,568
Total Head Start program expenses	\$ 1,853,127	\$ 1,323,656	\$ 3,176,783
NFS program percentage	29.6%	29.6%	29.6%
Administrative expenses			
Personnel and fringe cost	\$ 205,196	\$ 146,569	\$ 351,765
Facilities cost	12,990	9,278	22,268
OTPS	31,079	22,199	53,278
Indirect cost	-	-	-
NFS expenses	10,163	7,260	17,423
Total administrative expenses	\$ 259,428	\$ 185,306	\$ 444,734
Total Head Start program expenses	\$ 1,853,127	\$ 1,323,656	\$ 3,176,783
Administrative expense percentage	14.0%	14.0%	14.0%
Special reporting			
CACFP funded expenses	\$ 52,135	\$ 37,240	\$ 89,375

Bloomingdale Family Program, Inc.

Schedule of Non-Federal Share Expenses by Program Year – Head Start

Year Ended June 30, 2019

Category	HS UPK			DOE HS UPK Enhancement			Cash Contributions - Head Start			In-Kind Contributions - Head Start		
	Program Year 05	Program Year 06	Total	Program Year 05	Program Year 06	Total	Program Year 05	Program Year 06	Total	Program Year 05	Program Year 06	Total
	7/1/18-1/31/19	2/1/19-6/30/19		7/1/18-1/31/19	2/1/19-6/30/19		7/1/18-1/31/19	2/1/19-6/30/19		7/1/18-1/31/19	2/1/19-6/30/19	
Personnel and fringe cost												
Salaries	\$ 147,165	\$ 105,117	\$ 252,282	\$ 2,042	\$ 1,458	\$ 3,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FICA	11,719	8,371	20,090	156	112	268	-	-	-	-	-	-
Unemployment insurance	1,161	829	1,990	16	11	27	-	-	-	-	-	-
Pension	-	-	-	-	-	-	-	-	-	-	-	-
Welfare fund	-	-	-	-	-	-	-	-	-	-	-	-
Health insurance	-	-	-	-	-	-	-	-	-	-	-	-
Workers' compensation	-	-	-	-	-	-	-	-	-	-	-	-
Substitute staff	2,113	1,509	3,622	-	-	-	-	-	-	-	-	-
Total personnel and fringe cost	162,158	115,826	277,984	2,214	1,581	3,795	-	-	-	-	-	-
Facilities cost												
Rent (delegate agency administered costs)	40,152	28,680	68,832	-	-	-	-	-	-	307,119	219,370	526,489
Property taxes	-	-	-	-	-	-	-	-	-	-	-	-
Water/sewer	-	-	-	-	-	-	-	-	-	-	-	-
Utilities (delegate agency administered costs)	1,497	1,069	2,566	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-	-	-
Telecommunications	2,927	2,091	5,018	-	-	-	-	-	-	-	-	-
Maintenance and repairs	5,697	4,070	9,767	-	-	-	-	-	-	-	-	-
Other facilities cost	1,448	1,034	2,482	-	-	-	-	-	-	-	-	-
Total facilities cost	51,721	36,944	88,665	-	-	-	-	-	-	307,119	219,370	526,489
Other than personnel services (OTPS)												
Supplies	5,816	4,155	9,971	-	-	-	2,476	1,768	4,244	919	656	1,575
Equipment over \$5,000	-	-	-	-	-	-	-	-	-	-	-	-
Training	58	41	99	8,432	6,022	14,454	-	-	-	-	-	-
Parent services/family involvement	148	105	253	-	-	-	-	-	-	-	-	-
Programmatic consultants	-	-	-	4,603	3,287	7,890	-	-	-	-	-	-
Administrative consultants	2,420	1,729	4,149	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-	-	-
Audit	-	-	-	-	-	-	-	-	-	-	-	-
Food (not funded by CACFP)	-	-	-	-	-	-	-	-	-	-	-	-
Other OTPS	-	-	-	-	-	-	-	-	-	-	-	-
Total OTPS	8,442	6,030	14,472	13,035	9,309	22,344	2,476	1,768	4,244	919	656	1,575
Indirect cost	-	-	-	-	-	-	-	-	-	-	-	-
Total expenses	222,321	158,800	381,121	15,249	10,890	26,139	2,476	1,768	4,244	308,038	220,026	528,064
Breakdown by funding source:												
State	\$ -	\$ -	\$ -	\$ 15,249	\$ 10,890	\$ 26,139	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City	222,321	158,800	381,023	-	-	-	-	-	-	-	-	-
Private/third-party	-	-	-	-	-	-	2,476	1,768	4,244	308,038	220,026	528,064
Delegate agency	-	-	-	-	-	-	-	-	-	-	-	-
Total	\$ 222,321	\$ 158,800	\$ 381,121	\$ 15,249	\$ 10,890	\$ 26,139	\$ 2,476	\$ 1,768	\$ 4,244	\$ 308,038	\$ 220,026	\$ 528,064

Bloomingtondale Family Program, Inc.

Schedule of Equipment Inventory

June 30, 2019

Current Year Purchases (with total acquisition cost per unit of at least \$5,000 or above and purchased between 7/1/18 to 6/30/19):

Description	Quantity	Serial # or Asset Tag #	Date Purchased or Acquired	Date Sold or Disposed	Funding Source (Either GP or ACQ)	Acquisition Cost Allocated to Child Care	Acquisition Cost Allocated to Head Start	Acquisition Cost Allocated to Health and Safety	Acquisition Cost Allocated to Sandy Relief	Total Cost
Freezer	1		04/12/19		ACQ	\$ -	\$ 6,241	\$ -	\$ -	\$ 6,241
Under- Counter Refrigerator	1		04/12/19		ACQ	-	3,250	-	-	3,250
Security Camera	3		03/14/19		ACQ	4,639	16,831	-	-	21,470
Doors	2		02/01/19		ACQ	5,393	2,100	-	-	7,493
Hot Water Heater	1		01/26/19		ACQ	5,700	-	-	-	5,700
Grand total										<u>\$ 44,154</u>

Prior Years Purchases (with total acquisition cost per unit of at least \$5,000 or above and purchased between 7/1/12 to 6/30/18):

Description	Quantity	Serial # or Asset Tag #	Date Purchased or Acquired	Date Sold or Disposed	Funding Source (Either GP or ACQ)	Acquisition Cost Allocated to Child Care	Acquisition Cost Allocated to Head Start	Acquisition Cost Allocated to Health and Safety	Acquisition Cost Allocated to Sandy Relief	Total Cost
Playground	1		11/17/17		ACQ	\$ -	\$ -	\$ 131,930	\$ -	\$ 131,930
Hot Water Pump	1		03/09/17		ACQ	-	5,350	-	-	5,350
Electric Wall Heaters	3		11/08/16		ACQ	-	2,980	-	-	2,980
Hot Water Loop System	1		02/20/15		ACQ	-	15,050	-	-	15,050
Emergency Combo Lights	6		12/16/14		ACQ	-	4,950	-	-	4,950
Heating System	1		11/13/14		ACQ	-	14,700	-	-	14,700
Fire Rated Classroom Doors	6		11/30/14		ACQ	-	16,480	-	-	16,480
Champion Dishwasher	1		05/05/14		ACQ	-	4,932	-	-	4,932
Champion Dishwasher	1		05/05/14		ACQ	-	10,756	-	-	10,756
Grand total										<u>\$ 207,128</u>

Note:

The schedule must only disclose equipment with acquisition cost per unit of at least \$5,000 or above.

GP - item which is federally-owned property

GP - item which is federally-owned property

ACQ - item acquired with awards funds

Bloomingdale Family Program, Inc.

Schedule of Quantitative Program Results

Year Ended June 30, 2019

Enrollment

1	Contracted slots per site	
a)	Bloomingdale Family Program, Inc. - Project Hope	76
b)	Bloomingdale Family Program, Inc. - Main	19
c)	Bloomingdale Family Program, Inc. - Project Growth	40
	Total	135
2	Number of classrooms per site	
a)	Bloomingdale Family Program, Inc. - Project Hope	6
b)	Bloomingdale Family Program, Inc. - Main	1
c)	Bloomingdale Family Program, Inc. - Project Growth	3
	Total	10
3	Number of children enrolled by site	
a)	Bloomingdale Family Program, Inc. - Project Hope	64
b)	Bloomingdale Family Program, Inc. - Main	8
c)	Bloomingdale Family Program, Inc. - Project Growth	24
	Total	96
4	Number of children in attendance by site	
a)	Bloomingdale Family Program, Inc. - Project Hope	46
b)	Bloomingdale Family Program, Inc. - Main	5
c)	Bloomingdale Family Program, Inc. - Project Growth	17
	Total	68
5	The average attendance for contract by site (#4 divided by #3)	
a)	Bloomingdale Family Program, Inc. - Project Hope	72%
b)	Bloomingdale Family Program, Inc. - Main	63%
c)	Bloomingdale Family Program, Inc. - Project Growth	71%
	Total Average	68%

Cost

1	Total expense for the contract. (Total EL expense in the Schedule of Revenues and Expenditures - Budgeted and Actual - ACS Funded - EarlyLearn)	\$ 3,131,318
2	Total expense by site	
a)	Bloomingdale Family Program, Inc. - Project Hope	\$ 1,701,586
b)	Bloomingdale Family Program, Inc. - Main	716,738
c)	Bloomingdale Family Program, Inc. - Project Growth	712,994
	Total	\$ 3,131,318
3	Average cost slots (Total expenses/Total attendance by sites)	46,049
4	Average cost per site/Total cost per site/Attendance by site)	
a)	Bloomingdale Family Program, Inc. - Project Hope	\$ 36,991
b)	Bloomingdale Family Program, Inc. - Main	143,348
c)	Bloomingdale Family Program, Inc. - Project Growth	41,941
	Total	\$ 222,279

Bloomingtondale Family Program, Inc.
Schedule of Due To or Due From ACS
Year Ended June 30, 2019

Due To or Due From ACS at 6/30/2018		<u>\$ (90,505)</u>
Cash received/advances from ACS		3,170,972
Plus other funds collected:		
Parent fees		26,342
Other revenue (disability, interest, etc.)		<u>-</u>
Total funds available		<u>3,197,314</u>
Less claimable expenditures:		
Expenditures	\$ (3,242,703)	
Less: Accrued Vacation	12,861	
Less: FICA - Accrued Vacation	-	
Less: Questioned Costs	<u>-</u>	<u>(3,229,842)</u>
Due To or Due From ACS at 6/30/2019		<u><u>\$ (123,033)</u></u>

Note: Claimable expenditures should be reported net of Accrued Vacation,
FICA - Accrued Vacation (charged to ACS Funded Programs) and Questioned Costs.

Bloomington Family Program, Inc.
Schedule of Accrued Vacation
Year Ended June 30, 2019

Schedule of Unused Earned Vacation and Sick Leave charged to ACS Funded Programs:

Payroll Date	Employee # or position	Accrued Vacation	FICA - Accrued Vacation	Total as at 6/30/2019
6/30/2019	Cook(s)	\$ 1,688	\$ 129	\$ 1,817
6/30/2019	Teacher(s)	1,545	118	1,663
6/30/2019	Disability Services	(28)	(2)	(30)
6/30/2019	Administrative	6,194	474	6,668
6/30/2019	Family Services	1,708	131	1,839
6/30/2019	Custodial	840	64	904
Total Accrued Vacation and FICA - Accrued Vacation				<u>\$ 12,861</u>

Note: The total Accrued Vacation and FICA - Accrued Vacation charged to ACS Funded Programs must agree per the Schedule of Revenues and Expenditures: ACS Funded - EarlyLearn.

Bloomington Family Program, Inc.
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
U.S. Department of Health and Human Services			
Administration for Children and Families			
Head Start	93.600		
Passed through the City of New York			
Administration for Children's Services		806	\$ 2,126,551
Total U.S. Department of Health and Human Services			2,126,551
U.S. Department of Agriculture			
Child and Adult Care Food Program (CACFP)	10.558		
Pass-through program from New York State			
Department of Health		3456	89,375
Total U.S. Department of Agriculture			89,375
Federal Communications Commission			
Universal Service Fund - Schools and Libraries	32.004		21,358
Total Federal Communications Commission			21,358
Total expenditures of federal awards			\$ 2,237,284

Bloomingtondale Family Program, Inc.
Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

Notes to Schedule

1. The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Bloomingtondale under programs of the federal government for the year ended June 30, 2019. 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 Bloomingtondale, it is not intended to and does not present the financial position, changes in net assets or cash flows of Bloomingtondale.
2. 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. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.
3. Bloomingtondale has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.
4. There were no payments made to subrecipients for federal awards received during the year ended June 30, 2019.
5. There were no federal loan programs administered by Bloomingtondale during the year ended June 30, 2019.

**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***

Independent Auditor's Report

Board of Directors
Bloomingdale Family Program, Inc.
New York, New York

We have audited, 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, the financial statements of Bloomingdale Family Program, Inc., which comprise the statement of financial position as of June 30, 2019, 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 February 24, 2020. Our report contained "Emphasis of Matters" paragraphs regarding a change in accounting principle and substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Bloomingdale Family Program, Inc.'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 Bloomingdale Family Program, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Bloomingdale Family Program, Inc.'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 a 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, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2019-001 and 2019-002, that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bloomingdale Family Program, Inc.'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*.

Bloomingdale Family Program, Inc.'s Response to Findings

Bloomingdale Family Program, Inc.'s response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Bloomingdale Family Program, Inc.'s response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

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 result 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.

BKD, LLP

New York, New York
February 24, 2020

Report on Compliance for the Major Federal Program and Report on Internal Control Over Compliance

Independent Auditor's Report

Board of Directors
Bloomingdale Family Program, Inc.
New York, New York

Report on Compliance for the Major Federal Program

We have audited Bloomingdale Family Program, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Bloomingdale Family Program, Inc.'s major federal program for the year ended June 30, 2019. Bloomingdale Family Program, Inc.'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 program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for Bloomingdale Family Program, Inc.'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 Bloomingdale Family Program, Inc.'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 opinion on compliance for the major federal program. However, our audit does not provide a legal determination of Bloomingdale Family Program, Inc.'s compliance.

Opinion on the Major Federal Program

In our opinion, Bloomingdale Family Program, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2019.

Report on Internal Control over Compliance

Management of Bloomingdale Family Program, Inc. 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 Bloomingdale Family Program, Inc.'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 an 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 Bloomingdale Family Program, Inc.'s internal control over compliance.

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. *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.

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

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.

BKD, LLP

New York, New York
April 30, 2020

Bloomingtondale Family Program, Inc.
Schedule of Findings and Questioned Costs
Year Ended June 30, 2019

Summary of Auditor's Results

Financial Statements

1. The type of report the auditor issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) was:

☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

2. The independent auditor's report on internal control over financial reporting disclosed:

Significant deficiency(ies)? ☒ Yes ☐ None reported

Material weakness(es)? ☐ Yes ☒ No

3. Noncompliance considered material to the financial statements was disclosed by the audit?

☐ Yes ☒ No

Federal Awards

4. The independent auditor's report on internal control over compliance for the major federal award program disclosed:

Significant deficiency(ies)? ☐ Yes ☒ None reported

Material weakness(es)? ☐ Yes ☒ No

5. The opinion(s) expressed in the independent auditor's report on compliance for the major federal award was:

☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

6. The audit disclosed findings required to be reported by 2 CFR 200.516(a)?

☐ Yes ☒ No

7. Bloomingtondale's major program was:

Cluster/Program	CFDA Number
Head Start	93.600

Bloomington Family Program, Inc.
Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2019

8. The threshold used to distinguish between Type A and Type B programs was \$750,000.

9. Bloomington qualified as a low-risk auditee? ☐ Yes ☒ No

Findings Required to be Reported by Government Auditing Standards

Reference Number	Findings
2019-001	Account Analysis and Timely Close
	<p><i>Criteria</i> – Management is responsible for preparing financial statements in accordance with GAAP.</p> <p><i>Condition</i> – During the course of the audit, various adjusting journal entries were identified and recorded.</p> <p><i>Effect</i> – Adjustments were required to be proposed during the audit.</p> <p><i>Cause</i> – The fiscal department did not plan effectively for the annual close.</p> <p><i>Recommendation</i> – All accounts should be reconciled, adjusted as necessary, and reviewed on a consistent and timely manner prior to the beginning of our audit.</p> <p><i>Views of responsible officials and planned corrective actions</i> – Management agrees - see corrective action plan.</p>

Bloomington Family Program, Inc.
Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2019

Reference Number	Findings
2019-002	<p style="text-align: center;">Segregation of Duties</p> <p><i>Criteria</i> – Management is responsible for establishing and maintaining effective internal control over financial reporting.</p> <p><i>Condition</i> – Within the cash disbursement cycle, the finance officer and controller have many responsibilities within the process that create conflicts in internal control.</p> <p><i>Effect</i> – Duties in these transaction cycles are not adequately segregated to safeguard Bloomington’s assets.</p> <p><i>Cause</i> – There is a lack of segregation of duties.</p> <p><i>Recommendation</i> – Management should implement a formal approval process over <i>disbursements</i> as a mitigating control including consideration of a positive pay program with the bank.</p> <p><i>Views of responsible officials and planned corrective actions</i> – Management agrees - see corrective action plan.</p>

Findings Required to be Reported by the Uniform Guidance

Reference Number	Findings
	No matters are reportable.

Bloomingtondale Family Program, Inc.
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2019

Reference Number	Summary of Prior Audit Findings	Status
2018-001	The books and records were not analyzed in a timely manner.	Unresolved (see 2019-001)
2018-002	Within the cash disbursement cycle, the finance officer and controller have many responsibilities within the process that create conflicts in internal control.	Unresolved (see 2019-002)



The Bloomingdale Family Program

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New York, NY 10025
Tel: 212-663-4070

www.bloomingdalefamilyprogram.org ■ info@bloomingdalefamilyprogram.org

Finding: 2019-001 – Account Analysis and Timely Close

Name of Contact Person and Title: Tommy Allen, Controller

Anticipated Implementation Date: 12/31/2020

The books and records will be reconciled and closed on a monthly basis and reviewed by the Controller.

Finding: 2019-002 – Segregation of Duties

Name of Contact Person and Title: Tommy Allen, Controller

Anticipated Implementation Date: 12/31/2020

Management will implement a formal approval process over disbursements as a mitigating control.