YOUNG ADULT INSTITUTE, INC. AND AFFILIATES

YAI
Seeing beyond disability.

CONSOLIDATED FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
(Together with Independent Auditors' Report)

YEARS ENDED JUNE 30, 2019 AND 2018

MARKS PANETH
ACCOUNTANTS & ADVISORS

YOUNG ADULT INSTITUTE, INC. AND AFFILIATES

CONSOLIDATED FINANCIAL STATEMENTS
with Supplementary Information
(Together with Independent Auditors' Report)

YEARS ENDED JUNE 30, 2019 and 2018

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MARKS PANETH
ACCOUNTANTS & ADVISORS

INDEPENDENT AUDITORS' REPORT

The Board of Trustees of the
Young Adult Institute, Inc. and Affiliates

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of the Young Adult Institute, Inc. ("YAI") and its Affiliates: YAI/Rockland County Association for People with Disabilities ("YAI/RCAPD"), Premier HealthCare, Inc. ("PHC") and the International Institute for People with Disabilities of Puerto Rico, Inc. ("IIPD-PR") (YAI and its Affiliates are collectively referred to as the "Agency"), which comprise the consolidated statements of financial position as of June 30, 2019 and 2018, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Agency 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 Matter

As discussed in Note 2 to the consolidated financial statements, during the year ended June 30, 2019, the Agency has adopted Accounting Standards Update 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.

Morison KSi
Independent member

Other Matter - Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedules (shown on pages 18-19) are presented for the purposes of additional analysis of the consolidated financial statements, rather than to present the financial position, change in net assets and cash flows of the individual affiliates, and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

Marks Paneth LLP

New York, NY
November 27, 2019

YOUNG ADULT INSTITUTE, INC. AND AFFILIATES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2019 AND 2018

	2019	2018
ASSETS		
Cash and cash equivalents (Notes 2D and 10)	$ 9,783,009	$ 15,036,602
Short-term investments (Notes 2E and 5)	13,263,816	16,952,115
Accounts receivable, net (Notes 2F and 4)	30,832,434	26,216,748
Other receivables, net (Notes 2F and 8A)	12,931,833	780,353
Prepaid expenses and other assets	6,920,266	3,704,682
Property and equipment, net (Notes 2H, 6, 7 and 8B)	44,396,252	37,704,820
Debt service reserve (Note 2N)	2,632,962	2,651,718
TOTAL ASSETS	$ 120,760,572	$ 103,047,038
LIABILITIES		
Accounts payable and accrued expenses	$ 11,431,654	$ 9,217,691
Accrued salary	8,312,579	6,227,526
Accrued vacation	4,265,477	4,178,538
Accrued pension (Note 11)	2,139,603	2,205,311
Other liabilities (Note 8F)	10,199,143	1,525,022
Due to funding sources (Note 8D)	6,786,784	9,970,057
Notes and mortgages payable (Notes 2M and 7)	41,826,974	32,711,031
Capital lease obligations (Note 8B)	958,452	19,389
Deferred rent (Note 2L)	1,117,010	3,511,216
TOTAL LIABILITIES	87,037,676	69,565,781
COMMITMENTS AND CONTINGENCIES (Note 8)		
NET ASSETS (Note 2C)		
Net assets without donor restrictions		
Net invested in property and equipment	17,804,870	17,402,225
Available for operations	15,215,817	15,316,838
Total without donor restrictions	33,020,687	32,719,063
Net assets with donor restrictions (Note 9)	702,209	762,194
TOTAL NET ASSETS	33,722,896	33,481,257
TOTAL LIABILITIES AND NET ASSETS	$ 120,760,572	$ 103,047,038

YOUNG ADULT INSTITUTE, INC. AND AFFILIATES
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	Without Donor Restrictions	With Donor Restrictions	Total 2019	Total 2018	Without Donor Restrictions	With Donor Restrictions
Operating Revenue and Support						
Medicaid (Notes 2G, 2K and 12)	$ 171,807,267	$ -	$ 171,807,267	$ 167,293,418	$ 167,293,418	$ -
Government Grants (Note 2G)	21,156,094	-	21,156,094	20,594,384	20,594,384	-
Medicare and Client Fees (Notes 2G and 12)	10,804,314	-	10,804,314	10,451,114	10,451,114	-
Other Revenues	3,819,973	-	3,819,973	1,750,139	1,750,139	-
Contributions (Note 2I)	888,124	58,645	946,769	1,240,849	735,681	505,168
Special Events (net of direct costs of $587,972 and $354,100 for 2019 and 2018)	190,351	203,049	393,400	300,875	194,185	106,690
Investment Activity (Note 5)	798,942	-	798,942	69,797	69,797	-
Net Assets Released from Restrictions (Note 2C)	321,679	(321,679)	-	-	560,270	(560,270)
Total Operating Revenue and Support	209,786,744	(59,985)	209,726,759	201,700,576	201,648,988	51,588
Operating Expenses:						
Program Services:						
Residential Services	99,074,748	-	99,074,748	89,830,985	89,830,985	-
Day and Community Services	61,083,324	-	61,083,324	62,457,601	62,457,601	-
Clinical Services	21,444,941	-	21,444,941	21,554,624	21,554,624	-
Employment Services	1,900,321	-	1,900,321	1,921,949	1,921,949	-
Total Program Services	183,503,334	-	183,503,334	175,765,159	175,765,159	-
Supporting Services:						
Management and General (Note 2J)	25,354,153	-	25,354,153	23,598,986	23,598,986	-
Fundraising	520,700	-	520,700	600,604	600,604	-
Total Supporting Services	25,874,853	-	25,874,853	24,199,590	24,199,590	-
Total Operating Expenses	209,378,187	-	209,378,187	199,964,749	199,964,749	-
Change In Net Assets From Operations	408,557	(59,985)	348,572	1,735,827	1,684,239	51,588
Non-Operating Activities						
Gain from lease buyout (Note 8A)	8,407,333	-	8,407,333	-	-	-
Benefit obligation in excess of plan assets (Note 8F)	(8,514,266)	-	(8,514,266)	-	-	-
Total Non-Operating Activities	(106,933)	-	(106,933)	-	-	-
CHANGE IN NET ASSETS	301,624	(59,985)	241,639	1,735,827	1,684,239	51,588
Net Assets - Beginning of Year	32,719,063	762,194	33,481,257	31,745,430	31,034,824	710,606
NET ASSETS - END OF YEAR	$ 33,020,687	$ 702,209	$ 33,722,896	$ 33,481,257	$ 32,719,063	$ 762,194

The accompanying notes are an integral part of these consolidated financial statements.

YOUNG ADULT INSTITUTE, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019
(With Comparative Totals for the Year Ended June 30, 2018)

	For the Year Ended June 30, 2019									
	Program Services					Supporting Services				
	Residential Services	Day and Community Services	Clinical Services	Employment Services	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total 2019	Total 2018
Salaries	$ 61,349,078	$ 29,259,389	$ 12,004,916	$ 1,304,469	$ 103,917,852	$ 11,942,353	$ 260,734	$ 12,203,087	$ 116,120,939	$ 111,058,158
Payroll taxes and benefits (Note 11)	16,231,735	7,787,160	2,655,618	339,325	27,013,838	3,177,557	68,010	3,245,567	30,259,405	31,077,666
Total Personnel Costs	77,580,813	37,046,549	14,660,534	1,643,794	130,931,690	15,119,910	328,744	15,448,654	146,380,344	142,135,824
Contracted services	1,379,360	329,008	1,695,454	139	3,403,961	1,318,610	2,966	1,321,576	4,725,537	2,406,698
Professional fees	445,900	212,038	39,807	5,736	703,481	1,842,946	13,686	1,856,632	2,560,113	2,299,551
Program supplies	2,931,842	1,762,073	462,167	1,629	5,157,711	55,039	17,326	72,365	5,230,076	4,815,900
Food	2,557,864	250,831	457	283	2,809,435	197	971	1,168	2,810,603	2,120,713
Transportation (Note 8)	1,628,056	12,586,218	229,608	40,264	14,484,146	99,090	7,327	106,417	14,590,563	13,650,049
Office and equipment expense	808,440	294,434	139,142	8,081	1,250,097	696,513	46,288	742,801	1,992,898	1,960,257
Staff development and expenses	305,071	209,199	115,370	3,672	633,312	506,235	9,699	515,934	1,149,246	952,908
Occupancy (Note 8)	2,329,549	5,135,702	1,979,257	132,005	9,576,513	160,931	-	160,931	9,737,444	10,867,739
Repairs and maintenance	1,741,038	863,600	355,146	10,001	2,969,785	307,510	-	307,510	3,277,295	3,018,230
Insurance	1,016,975	405,581	13,703	9,414	1,445,673	1,239,420	-	1,239,420	2,685,093	2,412,232
Utilities	1,290,660	518,122	130,734	5,996	1,945,512	200,889	-	200,889	2,146,401	2,182,264
Telephone	573,827	323,060	143,887	16,034	1,056,808	288,851	1,081	289,932	1,346,740	1,516,723
Information technology	456,771	388,520	675,760	15,946	1,536,997	1,702,666	29,206	1,731,872	3,268,869	2,913,746
Depreciation and amortization (Notes 2H and 6)	2,697,926	483,400	759,424	6,054	3,946,804	947,025	54,696	1,001,721	4,948,525	4,345,011
Interest	1,167,323	138,741	-	90	1,306,154	628,575	-	628,575	1,934,729	1,571,012
Bad debt	9,341	6,532	40,274	1,135	57,282	-	-	-	57,282	514,853
Miscellaneous	153,992	129,716	4,217	48	287,973	239,746	8,710	248,456	536,429	281,039
TOTAL EXPENSES	$ 99,074,748	$ 61,083,324	$ 21,444,941	$ 1,900,321	$ 183,503,334	$ 25,354,153	$ 520,700	$ 25,874,853	$ 209,378,187	$ 199,964,749

The accompanying notes are an integral part of these consolidated financial statements.

YOUNG ADULT INSTITUTE, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2018

	Program Services					Supporting Services			
	Residential Services	Day and Community Services	Clinical Services	Employment Services	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total 2018
Salaries	$ 54,987,225	$ 30,415,414	$ 12,870,399	$ 1,297,861	$ 99,570,899	$ 11,125,290	$ 361,969	$ 11,487,259	$ 111,058,158
Payroll taxes and benefits (Note 11)	15,653,907	8,721,029	2,925,411	348,365	27,648,712	3,329,087	99,867	3,428,954	31,077,666
Total Personnel Costs	70,641,132	39,136,443	15,795,810	1,646,226	127,219,611	14,454,377	461,836	14,916,213	142,135,824
Contracted services	672,149	164,207	960,018	7,838	1,804,212	601,280	1,206	602,486	2,406,698
Professional fees	379,507	200,782	33,159	5,054	618,502	1,641,365	39,684	1,681,049	2,299,551
Program supplies	2,710,676	1,654,233	397,293	2,686	4,764,888	51,012	-	51,012	4,815,900
Food	1,912,176	203,168	425	117	2,115,886	-	4,827	4,827	2,120,713
Transportation (Note 8)	1,434,537	11,837,887	227,135	39,247	13,538,806	105,906	5,337	111,243	13,650,049
Office and equipment expense	788,628	332,419	163,001	15,050	1,299,098	606,066	55,093	661,159	1,960,257
Staff development and expenses	291,903	236,220	60,580	5,815	594,518	347,729	10,661	358,390	952,908
Occupancy (Note 8)	2,196,211	5,014,097	1,746,712	106,711	9,063,731	1,804,008	-	1,804,008	10,867,739
Utilities	1,292,321	522,739	145,072	14,727	1,974,859	207,405	-	207,405	2,182,264
Repairs and maintenance	1,684,320	719,980	316,060	13,688	2,734,048	284,182	-	284,182	3,018,230
Insurance	906,703	428,097	219,790	10,264	1,564,854	847,299	79	847,378	2,412,232
Telephone	593,934	320,589	129,618	27,991	1,072,132	443,408	1,183	444,591	1,516,723
Information technology	518,129	682,306	299,794	16,743	1,516,972	1,381,475	15,299	1,396,774	2,913,746
Depreciation and amortization (Notes 2H and 6)	2,686,291	466,000	921,948	5,750	4,079,989	263,418	1,604	265,022	4,345,011
Interest	1,035,464	110,762	-	-	1,146,226	424,786	-	424,786	1,571,012
Bad debt	-	378,029	133,290	3,534	514,853	-	-	-	514,853
Miscellaneous	86,904	49,643	4,919	508	141,974	135,270	3,795	139,065	281,039
TOTAL EXPENSES	$ 89,830,985	$ 62,457,601	$ 21,554,624	$ 1,921,949	$ 175,765,159	$ 23,598,986	$ 600,604	$ 24,199,590	$ 199,964,749

The accompanying notes are an integral part of these consolidated financial statements.

YOUNG ADULT INSTITUTE, INC. AND AFFILIATES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 241,639	$ 1,735,827
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	4,221,804	4,345,011
Accelerated Depreciation due to move	726,721	-
Non-cash interest expense	276,449	222,386
Unrealized loss (gain) on short-term investments	(291,132)	32,665
Realized gain on short-term investments	(144,776)	(1,279)
Bad debt	57,282	514,853
Loss on disposal of property and equipment	99,919	-
Subtotal	5,187,906	6,849,463
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	(4,672,968)	33,311
Prepaid expenses and other assets	(3,215,584)	784,800
Other receivables	(12,151,480)	216,857
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	2,213,963	(94,365)
Accrued salary	2,085,053	(188,986)
Accrued vacation	86,939	1,112,768
Accrued pension	(65,708)	(809,070)
Due to funding sources	(3,183,273)	(6,555,980)
Deferred rent	(2,394,206)	(261,196)
Other liabilities	8,674,121	(2,293,700)
Net Cash Used in Operating Activities	(7,435,237)	(1,206,098)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(11,739,876)	(4,367,415)
Purchases of short-term investments	(8,342,665)	(10,778,138)
Proceeds from sale of short-term investments	12,470,175	12,373,753
Decrease in debt service reserve	15,453	13,742
Net Cash Used in Investing Activities	(7,596,913)	(2,758,058)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from notes and mortgages	21,322,845	3,921,982
Principal repayments of notes and mortgages	(11,917,187)	(5,298,542)
Bond issuance Cost	(566,163)	-
Principal capital lease obligations	1,043,369	-
Principal repayments of capital lease obligations	(104,307)	(112,748)
Net Cash Provided by (Used in) Financing Activities	9,778,557	(1,489,308)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(5,253,593)	(5,453,464)
Cash and Cash Equivalents - Beginning of Year	15,036,602	20,490,066
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 9,783,009	$ 15,036,602
Supplemental Disclosure of Cash Flow Information:		
Cash paid for interest	$ 1,658,280	$ 1,348,626

The accompanying notes are an integral part of these consolidated financial statements.

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

The Young Adult Institute, Inc. ("YAI") is organized under the Not-for-Profit Corporation Law of New York State and was incorporated in 1964. YAI has been granted exemption from federal income tax under Section 501(c)(3) of the Internal Revenue Code. YAI has an equivalent exemption at the state and local levels.

YAI serves people of all ages with developmental and learning disabilities, from infants through the elderly, in a variety of community settings and at home through state-of-the-art programs that help to build skills, expand opportunities, and support community living. YAI's many programs and direct services benefit thousands of individuals and their families daily throughout the New York metropolitan area. YAI is funded primarily by Medicaid. YAI's has over 300 programs and direct services that benefit over 21,000 individuals and their families daily in ten counties throughout the New York metropolitan area. YAI is funded primarily by Medicaid.

YAI is part of a network of independent agencies, collectively known as the YAI Network. The network provides programs and support for people with intellectual and developmental disabilities throughout New York City, Westchester County, Rockland County, Long Island, New Jersey, and Puerto Rico. YAI is the sole corporate member of three of these agencies which have been included in the consolidated financial statements (collectively, the “Agency”). Further descriptions follow:

- YAI is the sole corporate member of Premier Healthcare, Inc. (“PHC”). PHC is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. PHC has an equivalent exemption at the state and local levels. PHC is an outpatient diagnostic and treatment center offering health care services to the general public with a specialty in medical services for people with developmental and learning disabilities and their families in many sites throughout the New York area. PHC is a quality health care practice providing outpatient clinic services which include: primary health, pediatrics, internal medicine, dentistry (including desensitization), nutrition, gynecology, neurology, podiatry, psychiatry, physical therapy, occupational therapy, ophthalmology, speech pathology and psychology. PHC’s primary source of revenue is patient service fees received from Medicaid, Medicare and other third-party payors.

- YAI is the sole corporate member of the YAI/Rockland County Association for People with Disabilities (“YAI/RCAPD”). YAI/RCAPD has been granted exemption from federal income tax under Section 501(c)(3) of the Internal Revenue Code. YAI/RCAPD has an equivalent exemption at the state and local levels. YAI/RCAPD provides a wide variety of employment, residential, family support and social/recreational programs which promote essential social and vocational skills that enable people with learning and other developmental disabilities to lead independent, productive and dignified lives. YAI/RCAPD provides extensive support and education to families and guidance and training to professionals who are assisting people with developmental and learning disabilities. YAI/RCAPD is funded primarily by service fees paid by various New York State agencies and government grants. Effective July 1, 2019, YAI/RCAPD merged into YAI.

- YAI is the sole corporate member of the International Institute for People with Disabilities of Puerto Rico, Inc. (“IIPD-PR”), which was incorporated in 1998 under the Not-for-Profit Corporation Law of the Commonwealth of Puerto Rico. IIPD-PR has been granted exemption from federal income tax under Section 501(c)(3) of the Internal Revenue Code and has a similar exemption at the state and local levels. IIPD-PR’s mission is to create employment opportunities for people with disabilities. By providing competitive employment opportunities for persons with disabilities, IIPD-PR demonstrated a commitment to independence, community inclusion and productivity for people with special needs. IIPD-PR did not have any programmatic operations during the fiscal years ending June 30, 2019 and 2018.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ***Basis of Accounting and Use of Estimates -*** The Agency’s consolidated financial statements have been prepared on the accrual basis of accounting. The Agency adheres to accounting principles generally accepted in the United States of America (“U.S. GAAP”). The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. ***Basis of Consolidation -*** The Agency's accompanying consolidated financial statements include the activities of: YAI; PHC; YAI/RCAPD and IIPD-PR. YAI has consolidated these entities pursuant to U.S. GAAP due to its financial interest and control over them. All material intercompany transactions and balances have been eliminated upon consolidation.

C. ***Basis of Net Asset Presentation -*** The Agency maintains its net assets under the following three classes:

Without donor restrictions – represents resources available for support of the Agency's operations over which the Board of Trustees has discretionary control as well as investment in property, plant and equipment.

With donor restrictions – represents assets resulting from contributions and other inflows of assets whose use by the Agency is limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled and removed by actions of the Agency pursuant to those stipulations. When a restriction expires (that is, when a 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 consolidated statements of activities as net assets released from restrictions.

D. ***Cash and Cash Equivalents*** **-** The Agency considers highly liquid debt instruments with maturities of three months or less, when acquired, to be cash and cash equivalents. Program participant funds included in cash and cash equivalents amounted to approximately $758,000 and $1,226,000, respectively, for the years ended June 30, 2019 and 2018. Such amounts are also included as a liability in the accompanying consolidated financial statements.

E. ***Short-term Investments and Fair Value Measurements*** **-** Short-term investments are carried at fair value. Fair value measurements are based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three levels, as described in Note 5.

F. ***Allowance for Uncollectible Receivables -*** The Agency determines whether an allowance for uncollectible receivables should be provided for accounts receivable. Such estimate is based on management's assessment of the aged basis of its receivables, current economic conditions, historical experience, and collections subsequent to year end. As of June 30, 2019 and 2018, the Agency determined an allowance of $2,184,609 and $2,203,462, respectively, for accounts receivable was necessary. In addition, the Agency has established an allowance for doubtful accounts for other receivables due from network agencies of $1,223,376 and $1,182,988 as of June 30, 2019 and 2018, which representing nearly the entire balance due.

G. ***Revenue Recognition -*** The Agency records Medicaid revenue based on established rates multiplied by the number of units of service provided. Government grants are recorded as revenues to the extent that expenses have been incurred for the purposes specified by the grantors. To the extent amounts received exceed amounts spent, the Agency records a liability due to funding sources. Other revenue includes management programmatic services provided to other network agencies. Such revenue is recorded based on the support service agreement. Medicaid is accounted for under Accounting Standards Codification Topic 606. Government grants are accounted for under Accounting Standard Update ("ASU") 2018-08. Multi-year governmental contracts included under government grants are cancellable by the funder upon its sole discretion.

H. ***Property and Equipment -*** Property and equipment is stated at cost less accumulated depreciation or amortization. These amounts do not purport to represent replacement or realizable values. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. Leasehold improvements are amortized over the lesser of the useful lives of the improvements or the term of the applicable lease. Property and equipment is capitalized by the Agency provided its cost is $5,000 or more and its useful life is greater than one year.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. ***Contributions -*** Unconditional contributions, including promises to give cash and other assets, are reported at their fair value on the date the contribution is received. The Agency reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires, that is when a stipulated time restriction ends or purpose of restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. Contributions are accounted for under ASU 2018-08.

J. ***Functional Expenses -*** The costs of providing program and supporting services of the Agency have been summarized on a functional basis in the consolidated statements of functional expenses. Accordingly, expenses that are not directly charged to programs and supporting services are allocated among programs and supporting services. The expenses that are allocated include occupancy and maintenance which is allocated on a square footage basis, as well as payroll taxes and benefits, which are allocated on the basis of estimates of time and effort.

K. ***Prior Period Revenue -*** There are occasions when funding source reimbursements for prior years are adjusted in the current year. Such adjustments may be due to retroactive rate adjustments, funding source audit findings, additional monies available over and above original contract amounts, rate appeal results, etc. Included in Medicaid revenue for the years ended June 30, 2019 and 2018 is an increase of $2,040,224 and $7,182,865, respectively, of prior year revenues relating to such adjustments.

L. ***Deferred Rent -*** The Agency leases real property under various operating leases. The leases include rent escalations. Since the rent increases over time, the Agency records an adjustment to rent expense each year to reflect its straight-lining policy. Straight-lining of rent gives rise to a timing difference that is reflected as deferred rent in the accompanying consolidated statements of financial position.

M. ***Bond Issuance Costs -*** Bond issuance costs consist of financing costs which are amortized over the life of the bond. The amortization is on the straight-line method which does not differ materially from the effective interest rate method.

N. ***Debt Service Reserves -*** Under the terms of the Industrial Development Agency ("IDA"), and Dormitory Authority of State of New York ("DASNY"), the Agency is required to deposit with the bond trustee an amount to be held in a debt service reserve fund, which will be utilized to satisfy the last payment required on the mortgage, or can be used prior to that point under the direction of IDA or DASNY to make any loan payments due by reason of default or other causes spelled out in the loan agreement. The debt service reserve is carried at market value in the accompanying consolidated statements of financial position.

O. ***Recent Accounting Pronouncements*** - Financial Accounting Standards Board ("FASB") ASU 2016-14, "Not-for-Profit Entities" was adopted by or the year ended June 30, 2019. ASU 2016-14 provides for a number of changes, including the presentation of two classes of net assets and enhanced disclosure on liquid resources and expense allocation. This change has no impact on the change in net assets for the year ended June 30, 2019. Net assets as of June 30, 2018 were renamed to conform to the new presentation.

FASB ASU 2014-09, "Revenue from Contracts with Customers" (Topic 606) was also adopted by the Agency for the year ended June 30, 2019. The core guidance in ASU 2014-09 is to recognize revenue to depict the transfer of services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those services as described in Note 12.

FASB ASU 2018-08, "Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made" (Topic 958) was also adopted by the Agency for the year ended June 30, 2019. The core guidance is to assist entities in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions and determining whether a contribution is conditional as further descried in Note 2I.

NOTE 3 – LIQUIDITY AND AVAILABILITY

As of June 30, 2019, financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement financial position date, include the following:

Cash and cash equivalents	$ 9,783,009
Short-term investments	13,263,816
Accounts receivable, net	30,832,434
Other receivables	12,931,833
Total Financial Assets	66,811,092
Less: Other receivables due in more than one year	(5,684,202)
Less: Program participant funds	(758,000)
Less: Net assets with donor restrictions	(702,209)
	$ 59,666,681

The Agency strives to maintain liquid financial assets sufficient to cover expenditures. Revenue from funders are expected to cover most expenses. Financial assets are available to fund any programs or supporting services with unanticipated shortfalls. In addition, as noted in Note 7, the Agency has multiple lines of credit totaling a maximum drawdown of $36 million.

NOTE 4 – ACCOUNTS RECEIVABLE

Accounts receivable consists of the following as of June 30*:*

	2019	2018
Due from Medicaid	$ 21,474,728	$ 19,244,669
Due from the State of New York	7,634,546	6,297,129
Due from the City of New York	1,272,255	1,435,359
Due from other sources	2,635,514	1,443,053
	33,017,043	28,420,210
Less: allowance for doubtful accounts	(2,184,609)	(2,203,462)
	$ 30,832,434	$ 26,216,748

NOTE 5 – SHORT-TERM INVESTMENTS AND FAIR VALUE MEASUREMENTS

Short-term investments consist of the following as of June 30:

	2019	2018
Money market funds	$ 2,021,911	$ 8,322,485
Mutual funds	2,134,739	1,009,606
Corporate bonds	3,797,753	3,016,319
Government bonds	4,770,442	4,089,585
Alternative investments	538,971	514,120
	$ 13,263,816	$ 16,952,115

Investment activity consists of the following for the years ended June 30:

	2019	2018
Interest	$ 363,034	$ 101,183
Realized gain	144,776	1,279
Unrealized gain (loss)	291,132	(32,665)
	$ 798,942	$ 69,797

NOTE 5 – SHORT-TERM INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

The fair value hierarchy defines three levels as follows:

> Level 1: Valuations based on quoted prices (unadjusted) in an active market that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.
>
> Level 2: Valuations based on observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.
>
> Level 3: Valuations based on unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs. The Agency has no level 3 investments.

In determining fair value, the Agency utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible in its assessment of fair value. Investments in money markets and U.S. Treasury bills are valued using market prices in active markets (Level 1). Fair value of these investments is determined by management through the investment managers. Level 1 instrument valuations are obtained from real-time quotes in active exchange markets involving identical assets. Corporate bonds, U.S. Government bonds and alternative investments are designated as Level 2 instruments and valuations are obtained from similar market or model derived valuations in which all significant inputs are observable or can be derived primarily from or corroborated with observable market data (credit risk/grade, maturities, etc.).

Financial assets carried at fair value as of June 30, 2019 are classified in the table as follows:

	Level 1	Level 2	Total
Short-term Investments:			
Money market funds	$ 2,021,911	$ -	$ 2,021,911
Mutual funds	2,134,739	-	2,134,739
Corporate bonds	-	3,797,753	3,797,753
Government bonds	-	4,770,442	4,770,442
Alternative investments	-	538,971	538,971
Total Short-Term Investments	4,156,650	9,107,166	13,263,816
Debt Service Reserve Fund:			
U.S. Treasury bills	2,632,962	-	2,632,962
	$ 6,789,612	$ 9,107,166	$ 15,896,778

Financial assets carried at fair value as of June 30, 2018 are classified in the table as follows:

	Level 1	Level 2	Total
Short-term Investments:			
Money market funds	$ 8,322,485	$ -	$ 8,322,485
Mutual funds	1,009,606	-	1,009,606
Corporate bonds	-	3,016,319	3,016,319
Government bonds	-	4,089,585	4,089,585
Alternative investments	-	514,120	514,120
Total Short-Term Investments	9,297,154	7,654,961	16,952,115
Debt Service Reserve Fund:			
U.S. Treasury bills	2,651,718	-	2,651,718
	$ 11,948,872	$ 7,654,961	$ 19,603,833

NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of June 30:

	2019	2018	Estimated Useful Lives
Land	$ 11,772,584	$ 10,812,584	
Buildings and building improvements	64,447,640	59,354,338	15-25 years
Leasehold improvements	24,768,160	25,595,251	5-25 years
Furniture and equipment	17,069,390	17,530,447	3-10 years
Construction in progress	6,974,001	3,571,544	
	125,031,775	116,864,164	
Less: accumulated depreciation	(80,635,523)	(79,159,344)	
	$ 44,396,252	$ 37,704,820	

Depreciation and amortization expenses amounted to $4,948,525 and $4,345,011 for the years ended June 30, 2019 and 2018, respectively. During 2019, YAI accelerated the depreciation for leasehold improvements and furniture and equipment related to the central office move amounted to $726,721 of the depreciation and amortization expense. For the year ended June 30, 2019, fixed assets with a total cost of $3,572,265 and total accumulated depreciation of $3,472,346 were disposed. This resulted in a loss of $99,919 on disposal of property and equipment.

Construction in progress consists of construction at new locations and various renovations with a combined additional estimated cost to complete of approximately $12 million and estimated completion dates in fiscal year 2020.

NOTE 7 – NOTES AND MORTGAGES PAYABLE

	2019	2018
A. YAI has available an $18 million working capital line of credit with a bank carrying an interest rate of prime or 30-day London Inter-bank Offered Rate (“LIBOR”) (at YAI's election) plus 2% per annum, which at June 30, 2019 interest rates were between 4.68% and 4.72%. The loan is collateralized by YAI's accounts receivable and matures in December 2019. YAI is in the process of renewing the line of credit. The outstanding balance as of November 27, 2019 amounted to $15,793,606.	$ 10,842,911	$ 7,842,911
B. YAI has available a $14 million line of credit with a bank for the acquisition and renovation of program sites. Upon receipt of New York State prior property approvals, the funds drawn down on this line of credit are subsequently converted into notes. As of June 30, 2019, there were ten notes executed. The notes bear an interest rate of prime or 30-day LIBOR (at YAI's election) plus 2% per annum, resulting in a rate of between 4.68% and 4.72% at June 30, 2019. The notes are collateralized by related property and mature in December 2020. YAI is in the process of renewing the line of credit. The outstanding balance as of November 27, 2019 amounted to $10,324,023.	5,132,305	4,928,613
C. YAI has entered into various loan agreements with the Dormitory Authority of the State of New York. The loans carry interest rates ranging from 1.57% to 4.52% per annum, payable in semi-annual installments and have maturity dates ranging from August 2018 through July 2044. The loans are collateralized by YAI’s underlying real property.	24,668,963	18,486,967

NOTE 7 – NOTES AND MORTGAGES PAYABLE (Continued)

	2019	2018
D. PHC has a $3 million revolving line of credit with a bank. The line has an interest rate equal to the prime rate plus 0.50% per annum. The line of credit is guaranteed by YAI. The outstanding balance as of November 27, 2019 amounted to $2,452,330.	$ 2,042,330	$ 1,282,331
E. YAI/RCAPD had a line of credit with a bank in the amount of $1 million. The line of credit had an interest rate at the lender's prime rate. The line of credit was guaranteed by YAI. The line of credit was paid off and closed in July 2019.	675,841	650,870
F. YAI/RCAPD financed the purchase and renovation of certain properties through the issuance of Civic Facility Revenue Bonds Series 2006J by the County of Rockland Industrial Development Agency (Special Needs Facilities Pooled Program) carrying average interest rates of: 4.75%, 4.74%, 4.78% and 4.75% per annum maturing in July 2020. The proceeds of the loan were used to finance the purchase and renovation of collateralized properties located in Rockland County, New York.	-	765,001
	43,362,350	33,956,693
Less: unamortized debt issuance costs	(1,535,376)	(1,245,662)
Notes and mortgages payable, net	$ 41,826,974	$ 32,711,031

Most of the loans have provisions for loan covenants. The Agency was in compliance with these covenants as of and during the years ended June 30, 2019 and 2018. The unamortized debt issuance costs increased due to an addition of closing costs of $512,100 for new loans less non-cash interest expense of $222,386.

Required future annual principal payments are payable as follows for the years ending June 30:

2020	$ 16,113,019
2021	7,144,125
2022	1,951,878
2023	2,543,641
2024	1,599,667
Thereafter	14,010,020
	$ 43,362,350

NOTE 8 – COMMITMENTS AND CONTINGENCIES

A. The Agency has a number of operating lease agreements. Annual future minimum rentals payable for real and personal property principally under long-term operating leases expiring at varying dates through 2038 follows:

	Real Property	Vehicles and Equipment	Total
2020	$ 7,294,906	$ 1,548,746	$ 8,843,652
2021	3,144,170	1,352,579	4,496,749
2023	2,678,774	895,121	3,573,895
2024	2,481,601	494,248	2,975,849
2025	2,317,244	-	2,317,244
Thereafter	8,949,941	-	8,949,941
	$ 26,866,636	$ 4,290,694	$ 31,157,330

YAI's 460 West 34th Street lease was due to expire in 2027. During 2019 fiscal year, the landlord bought out YAI's lease with a surrender agreement for approximately $8.4 million which, is included in other receivables as of June 30, 2019.

NOTE 8 – COMMITMENTS AND CONTINGENCIES (Continued)

YAI's 460 West 34th Street lease was due to expire in 2027. During 2019 fiscal year, the landlord bought out YAI's lease with a surrender agreement for approximately $8.4 million which, is included in other receivables as of June 30, 2019.

Rent expense (shown as occupancy and transportation in the accompanying consolidated statements of functional expenses) amounted to the following for the years ended June 30:

	2019	2018
Real property	$ 8,312,242	$ 9,732,662
Vehicles and equipment	1,507,656	938,977
	$ 9,819,898	$ 10,671,639

B. YAI has capital leases for computer and electronic equipment with maturities in 2024, and with the following annual payments:

2020	$ 185,360
2021	197,872
2022	211,229
2023	225,489
2024	138,500
	$ 958,450

C. The Agency believes it has no uncertain tax positions as of June 30, 2019 and 2018 in accordance with Accounting Standards Codification ("ASC") Topic 740, "Income Taxes," which provides standards for establishing and classifying any tax provisions for uncertain tax positions.

D. The Agency receives a significant portion of its revenue for services provided from third-party reimbursement through government agencies and Medicaid. These revenues are based on predetermined rates based on cost reimbursement principles and are subject to audit and retroactive adjustment by the government. The Agency, when appropriate, records an estimated liability to governmental agencies for any excess reimbursement over allowable costs and underspending of interim rates. As of June 30, 2019 and 2018, due to funding source represents overpayments from the 2012-2019 fiscal years for the Agency's programs. Such amounts are expected to be recouped by the funding sources.

E. The Agency is subject to legal proceedings and claims which have arisen in the ordinary course of its business and which have not been fully adjudicated. Management does not believe there will be a material adverse effect upon the financial position of the Agency.

F. During 2019 YAI recorded the benefit obligation for a Supplemental Pension Plan and Trust and Life Insurance Plan and Trust in excess of the assets of the plan for certain previous employees. The liability amounted to approximately $8.5 million and is included in other liabilities in the consolidated statements of financial position. The liability represents the present value of the future obligation calculated with a discount rate of 5.5% and social security life expectancy table.

G. Subsequent to year end, YAI has entered into a sale and purchase agreement of a condominium to relocate its central office. The purchase price for the unit is approximately $26 million, which shall be paid with interest calculated at the rate of 8% per annum and payable in monthly installments, commencing one hundred eighty days following the closing date of September 3, 2019.

NOTE 8 – COMMITMENTS AND CONTINGENCIES (Continued)

Installment purchase payments are as follows:

2020	$ 705,615
2021	2,116,844
2022	2,116,844
2023	2,116,844
2024	2,116,844
Thereafter	76,938,218
	$ 86,111,209

NOTE 9 – NET ASSETS WITH DONOR RESTRICTIONS

The Agency's net assets with donor restrictions subject to expenditure for the specified purpose of the passage of time consist of the following as of June 30:

	2019	2018
Community of Learners and Linking Individuals to Necessary Knowledge	$ 692,209	$ 752,194
Endowment fund held in perpetuity	10,000	10,000
	$ 702,209	$ 762,194

During the years ended June 30, 2019 and 2018, the Agency released net assets with donor restriction of $321,679 and $560,270, respectively, by satisfying donor-imposed purpose, passage of time restrictions and appropriation of endowment earnings by the Board of Trustees. Endowment net assets amounted to $10,000 as of both June 30, 2019 and 2018. As of June 30, 2019, and 2018, there were no underwater funds.

NOTE 10 – CONCENTRATION

Cash and cash equivalents that potentially subject the Agency to a concentration of credit risk include cash and short-term investment accounts with banks that exceed the Federal Deposit Insurance Corporation ("FDIC") insurance limits. Cash and short-term investment accounts are insured up to $250,000 per depositor. As of June 30, 2019 and 2018, there was approximately $9 million and $15 million of cash and cash equivalents and $12 million and $13 million, respectively, of short-term investments held by one bank that exceeded FDIC limits.

NOTE 11 – RETIREMENT PLANS

On July 1, 2015, the Agency adopted the YAI Network Affiliates 401(a) Plan. Employees are eligible to participate in the plan upon completion of one year of service after July 1, 2015 and when the employee worked at least 1,000 hours. Contributions to this plan are based on amounts determined in accordance with the Internal Revenue Code Section 415. The liability for the Agency amounted to approximately $2,140,000 and $2,205,000 as of June 30, 2019 and 2018, respectively. The expense for the Agency amounted to $2,115,000 and $2,185,000 for the years ended June 30, 2019 and 2018, respectively. In December 2018 the Agency adopted changes to both the YAI Network Affiliates 401(a) Plan and the YAI Network Affiliates 403(b) Plan. The changes included ending employer contributions into the 401(a) plan effective after the year ending June 30, 2019 and replacing that benefit with a 403(b) match effective July 1, 2019.

NOTE 12 – REVENUE FROM CONTRACTS WITH CUSTOMERS

Service Contracts - The Agency receives Medicaid revenue from contracts with the New York State Office for People with Developmental Disabilities (OPWDD) to provide support and services to individuals with developmental and learning disabilities, from infants through the elderly, in a variety of community settings and at home through state-of-the-art programs that help to build skills, expand opportunities, and support community living.. Revenue is reported at the amount that reflects the consideration to which the Agency expects to be entitled in exchange for providing the contracted services. These amounts are due from OPWDD, third-party payors (Medicare), individuals (Client Fees) and others, and include variable consideration for retroactive revenue adjustments due to settlement of audits, reviews and investigations.

NOTE 12 – REVENUE FROM CONTRACTS WITH CUSTOMERS (Continued)

Generally, the Agency bills OPWDD, third-party payors and individuals after the services are performed or has completed their portion of the contract. Receivables are due in full when billed and revenue is recognized as performance obligations are satisfied.

Performance Obligations - Performance obligations are determined based on the nature of the services provided by the Agency in accordance with the contract. Revenue for performance obligations satisfied over time is recognized as the services are provided. This method depicts the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. The Agency measures the performance obligation from the beginning of the next month or day to the point when it is no longer required to provide services under the contract or has met the requirements to bill for the services provided, which is generally at the end of each month or period of time allowed based on the OPWDD stipulations.

All performance obligations relate to contracts with a duration of less than one year, therefore, there are no performance obligations or contract balances that are unsatisfied as of June 30, 2019. The performance obligations for these contracts are completed when the service is completed and upon submission of required documentation. The Agency determines the transaction price based on established rates and contracts for services provided.

Program service fees consist of revenues for the following programs:

	Medicaid	Medicare and Client Fees	Total
Residential Services	$ 86,933,165	$ 8,081,980	$ 95,015,145
Day and Community Services	60,157,357	97,910	60,255,267
Clinical Services	21,800,952	2,622,924	24,423,876
Employment Services	826,139	1,500	827,639
Other	2,089,654	-	2,089,654
	$ 171,807,267	$ 10,804,314	$ 182,611,581

NOTE 13 – SUBSEQUENT EVENTS

Management has evaluated, for potential recognition or disclosure, events subsequent to the date of the consolidated statement of financial position through November 27, 2019, the date the consolidated financial statements were available to be issued.

Effective July 1, 2019, YAI became the sole corporate member of The STAR Program d/b/a Manhattan Star Academy ("MSA"). MSA is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. MSA offers a continuum of care for school-age children with a diverse range of diagnoses, including developmental delays, autism spectrum disorders and speech language disorders.

Effective July 1, 2019, YAI became the sole corporate member of The International Academy of Hope ("iHOPE"). iHOPE is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. iHOPE provides educational and related services to children, adolescents, and young adults from ages 5 years to 21 years old, who have sustained acquired brain injuries or other brain-based disorders who cannot be served in their local school systems.

After receiving approval from the YAI and YAI/RCAPD Board of Trustees, OPWDD, and the New York State Attorney General's Office YAI and YAI/RCAPD entered into a transaction whereby all of YAI/RCAPD's program contracts, assets and liabilities were transferred to YAI. Effective July 1, 2019, YAI/RCAPD ceased operations with the Certificate of Incorporation of YAI being the Certificate of Incorporation of the surviving entity without any amendments or changes. Subsequent to the effective date of the transfer, the business of the combined corporations is conducted through YAI as the surviving organization.

YOUNG ADULT INSTITUTE, INC. AND AFFILIATES
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
AS OF JUNE 30, 2019

	YAI	YAI/RCAPD	PHC	IIPD-PR	Consolidating Eliminations	Total 2019
ASSETS						
Cash and cash equivalents	$ 9,068,076	$ 275,769	$ 437,415	$ 1,749	$ -	$ 9,783,009
Short-term investments	13,263,816	-	-	-	-	13,263,816
Accounts receivable, net	26,537,970	1,362,240	2,932,224	-	-	30,832,434
Other receivables, net	14,924,775	-	-	-	(1,992,942)	12,931,833
Prepaid expenses and other assets	6,460,561	147,003	307,163	5,539	-	6,920,266
Property and equipment, net	41,829,121	2,125,179	441,952	-	-	44,396,252
Debt service reserve	2,632,962	-	-	-	-	2,632,962
TOTAL ASSETS	$ 114,717,281	$ 3,910,191	$ 4,118,754	$ 7,288	$ (1,992,942)	$ 120,760,572
LIABILITIES						
Accounts payable and accrued expenses	$ 9,930,975	$ 714,134	$ 786,545	$ -	$ -	$ 11,431,654
Accrued salary	7,730,406	157,341	424,832	-	-	8,312,579
Accrued vacation	3,790,515	90,906	384,056	-	-	4,265,477
Accrued pension	2,000,915	44,057	94,631	-	-	2,139,603
Other liabilities	10,199,143	-	-	-	-	10,199,143
Due to funding sources	5,480,034	195,273	1,111,477	-	-	6,786,784
Notes and mortgages payable	39,108,803	675,841	2,042,330	-	-	41,826,974
Capital lease obligations	958,452	-	-	-	-	958,452
Due to related party	-	1,035,128	6,797,878	603,524	(8,436,530)	-
Deferred rent	992,920	34,067	90,023	-	-	1,117,010
TOTAL LIABILITIES	80,192,163	2,946,747	11,731,772	603,524	(8,436,530)	87,037,676
COMMITMENTS AND CONTINGENCIES						
NET ASSETS (DEFICIT)						
Net assets without donor restrictions						
Net invested in property and equipment	15,237,739	2,125,179	441,952	-	-	17,804,870
Available for operations	18,595,170	(1,171,735)	(8,054,970)	(596,236)	6,443,588	15,215,817
Total net assets without donor restrictions	33,832,909	953,444	(7,613,018)	(596,236)	6,443,588	33,020,687
Net Assets with donor restrictions	692,209	10,000	-	-	-	702,209
TOTAL NET ASSETS (DEFICIT)	34,525,118	963,444	(7,613,018)	(596,236)	6,443,588	33,722,896
TOTAL LIABILITIES AND NET ASSETS (DEFICIT)	$ 114,717,281	$ 3,910,191	$ 4,118,754	$ 7,288	$ (1,992,942)	$ 120,760,572

See independent auditors' report.

YOUNG ADULT INSTITUTE, INC. AND AFFILIATES
CONSOLIDATING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

	Young Adult Institute, Inc.			YAI/Rockland County Association for People with Disabilities			Premier Healthcare, Inc.		International Institute for People with Disabilities of Puerto Rico, Inc.			Consolidated Total		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	**Without Donor Restrictions**	**With Donor Restrictions**	**Total**	**Without Donor Restrictions**	**Total**	**Unrestricted**	**Total**	**Consolidating Eliminations**	**Without Donor Restrictions**	**With Donor Restrictions**	**Total 2019**
Operating Revenue and Support														
Medicaid	$ 153,844,277	$ -	$ 153,844,277	$ 4,551,789	$ -	$ 4,551,789	13,411,201	$ 13,411,201	$ -	$ -	$ -	$ 171,807,267	$ -	$ 171,807,267
Government Grants	18,957,757	-	18,957,757	2,198,337	-	2,198,337	-	-	-	-	-	21,156,094	-	21,156,094
Medicare and Client fees	7,732,305	-	7,732,305	449,085	-	449,085	2,622,924	2,622,924	-	-	-	10,804,314	-	10,804,314
Other Revenues	5,843,427	-	5,843,427	-	-	-	-	-	-	-	(2,023,454)	3,819,973	-	3,819,973
Contributions	880,393	58,645	939,038	7,328	-	7,328	403	403	-	-	-	888,124	58,645	946,769
Special Events (net of direct costs of								-						
$587,972 and $354,100 for 2019 and 2018, respectively)	190,351	203,049	393,400	-	-	-	-	-	-	-	-	190,351	203,049.00	393,400
Investment Activity	781,321	-	781,321	14,614	-	14,614	3,007	3,007	-	-	-	798,942	-	798,942
Net Assets Released from Restrictions	321,679	(321,679)	-	-	-	-	-	-	-	-	-	321,679.00	(321,679.00)	-
Total Operating Revenue and Support	188,551,510	(59,985)	188,491,525	7,221,153	-	7,221,153	16,037,535	16,037,535	-	-	(2,023,454)	209,786,744	(59,985)	209,726,759
Operating Expenses:														
Program Services:														
Residential Services	94,598,475	-	94,598,475	4,476,273	-	4,476,273	-	-	-	-		99,074,748	-	99,074,748
Day and Community Services	60,586,699	-	60,586,699	496,625	-	496,625	-	-	-	-	-	61,083,324	-	61,083,324
Clinical Services	8,064,462	-	8,064,462	-	-	-	13,380,479	13,380,479	-	-	-	21,444,941	-	21,444,941
Employment Services	1,194,977	-	1,194,977	705,344	-	705,344	-	-	-	-	-	1,900,321	-	1,900,321
Total Program Services	164,444,613	-	164,444,613	5,678,242	-	5,678,242	13,380,479	13,380,479	-	-	-	183,503,334	-	183,503,334
Supporting Services:														
Management and General	23,338,774	-	23,338,774	1,069,668	-	1,069,668	2,965,371	2,965,371	3,794	3,794	(2,023,454)	25,354,153	-	25,354,153
Fundraising	520,700	-	520,700	-	-	-	-	-	-	-	-	520,700	-	520,700
Total Supporting Services	23,859,474	-	23,859,474	1,069,668	-	1,069,668	2,965,371	2,965,371	3,794	3,794	(2,023,454)	25,874,853	-	25,874,853
Total Operating Expenses	188,304,087	-	188,304,087	6,747,910	-	6,747,910	16,345,850	16,345,850	3,794	3,794	(2,023,454)	209,378,187	-	209,378,187
Change In Net Assets From Operations	247,423	(59,985)	187,438	473,243	-	473,243	(308,315)	(308,315)	(3,794)	(3,794)	-	408,557	(59,985)	348,572
Non-Operating:														
Gain from lease buyout	8,407,333		8,407,333	-	-	-	-	-	-	-	-	8,407,333		8,407,333
Benefit obligation in excess of plan assets	(8,514,266)	-	(8,514,266)	-	-	-	-	-	-	-	-	(8,514,266)	-	(8,514,266)
Total Non-Operating	(106,933)	-	(106,933)	-	-	-	-	-	-	-	-	(106,933)	-	(106,933)
CHANGE IN NET ASSETS	140,490	(59,985)	80,505	473,243	-	473,243	(308,315)	(308,315)	(3,794)	(3,794)	-	301,624	(59,985)	241,639
Net Assets - Beginning of Year	33,692,419	752,194	34,444,613	480,201	10,000	490,201	(7,304,703)	(7,304,703)	(592,442)	(592,442)	6,443,588	32,719,063	762,194	33,481,257
NET ASSETS - END OF YEAR	$ 33,832,909	$ 692,209	$ 34,525,118	$ 953,444	$ 10,000	$ 963,444	$ (7,613,018)	$ (7,613,018)	$ (596,236)	$ (596,236)	$ 6,443,588	$ 33,020,687	$ 702,209	$ 33,722,896

See independent auditors' report.