

**COMMUNITY COUNSELING AND  
MEDIATION SERVICES, INC.  
INDEPENDENT AUDITOR'S REPORT  
AND FINANCIAL STATEMENTS  
For the year ended June 30, 2017  
(With comparative totals for 2016)**

**COMMUNITY COUNSELING AND  
MEDIATION SERVICES, INC.**

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## **INDEPENDENT AUDITOR'S REPORT**

## **INDEPENDENT AUDITOR'S REPORT**

The Board of Directors of  
Community Counseling and  
Mediation Services, Inc.  
Brooklyn, New York

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of Community Counseling and Mediation Services, Inc., ("CCMS"), a Not-for-Profit organization, which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, functional expenses and cash flows for the year then ended and the related notes to the financial statements.

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

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Community Counseling and Mediation Services, Inc., as of June 30, 2017, and the change in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Report on Summarized Comparative Information**

We have previously audited Community Counseling and Mediation Services, Inc.'s 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 24, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 35 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole



Valley Stream, New York  
February 14, 2018

## **FINANCIAL STATEMENTS**

**COMMUNITY COUNSELING AND MEDIATION SERVICES, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**June 30, 2017 and 2016**

<u><b>ASSETS</b></u>		
	<u><b>2017</b></u>	<u><b>2016</b></u>
<u><b>Current Assets</b></u>		
Cash and Cash Equivalents	\$ 1,301,647	\$ 2,004,892
Patient Accounts Receivable - Medicaid (Note 2)	1,438,127	1,323,826
Contracts and Grants Receivable (Note 3)	2,394,418	1,721,667
Short-term Investments (Note 5)	639,634	595,238
Prepaid Expenses and other Current Assets	122,471	99,354
Due From Affiliates (Note 13)	<u>671,940</u>	<u>678,950</u>
Total Current Assets	<u>6,568,237</u>	<u>6,423,928</u>
Property and Equipment Net (Note 4)	436,054	454,893
<u><b>Other Assets</b></u>		
Security Deposits	136,111	131,351
Project Developer's Fees (Note 15)	1,027,017	1,135,017
Long-term Investments (Note 5)	<u>1,844,382</u>	<u>1,788,771</u>
Total Other Assets	<u>3,007,510</u>	<u>3,055,139</u>
Total Assets	<u><u>\$ 10,011,801</u></u>	<u><u>\$ 9,933,960</u></u>
<u><b>LIABILITIES AND NET ASSETS</b></u>		
<u><b>Current Liabilities</b></u>		
Accounts and Accrued Expenses Payable	\$ 473,228	\$ 494,545
Line of Credit (Note 7)	-	-
Due to Funding Sources (Note 8)	291,004	575,612
Accrued Pension Liability (Note 9)	852,522	1,066,629
Current Portion - Loan Payable (Note 6)	<u>100,000</u>	<u>100,000</u>
Total Current Liabilities	1,716,754	2,236,786
Long-term Debt - Loan Payable (Note 6)	241,667	341,667
Commitment and Contingencies (Note 12)	<u>-</u>	<u>-</u>
Total Liabilities	<u>1,958,421</u>	<u>2,578,453</u>
<u><b>Net Assets:</b></u>		
Unrestricted	8,053,380	7,355,507
Temporarily Restricted	-	-
Permanently Restricted	<u>-</u>	<u>-</u>
Total Net Assets	<u>8,053,380</u>	<u>7,355,507</u>
Total Liabilities and Net Assets	<u><u>\$ 10,011,801</u></u>	<u><u>\$ 9,933,960</u></u>

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

**COMMUNITY COUNSELING AND MEDIATION SERVICES, INC.**  
**STATEMENTS OF ACTIVITIES**  
**For the year ended June 30, 2017**  
**(With comparative totals for 2016)**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2017</u>	<u>2016</u>
<b><u>Support and Revenues:</u></b>					
Grants and Contract Services (Note 11)	\$ 7,011,116	\$ -	\$ -	\$ 7,011,116	\$ 6,952,529
Patient Services Net (Note 10)	7,056,570	-	-	7,056,570	5,572,511
Contributions and other Income	106,862	-	-	106,862	389,394
Developer's Fee Income (Note 15)	-	-	-	-	-
Management Fee (Note 13)	602,820	-	-	602,820	-
Investment Income (Note 5)	107,763	-	-	107,763	103,115
Total	14,885,131	-	-	14,885,131	13,017,549
NYCDOE - Pass Through Grant (Note 16)	593,393	-	-	593,393	369,494
Net Assets Released from Restriction: Program Restriction Satisfied	-	-	-	-	-
Total Support and Revenue	15,478,524	-	-	15,478,524	13,387,043
<b><u>Expenditures:</u></b>					
Program Services					
Mental Health and Substance Abuse	4,975,549	-	-	4,975,549	5,051,180
Youth Development	2,649,462	-	-	2,649,462	2,504,938
Housing	2,503,502	-	-	2,503,502	2,288,287
Preventive and Adoption Services for Youth and Families	2,146,331	-	-	2,146,331	2,141,277
Ryan White	1,455	-	-	1,455	200,876
NYCDOE - Pass Through Grant (Note 16)	593,393	-	-	593,393	369,494
Total Program Services	12,869,691	-	-	12,869,691	12,556,052
Supporting Services					
Management and General	2,188,293	-	-	2,188,293	531,882
Total Expenses	15,057,984	-	-	15,057,984	13,087,934
Change in Net Assets from Operations	420,539	-	-	420,539	299,109
Provision for Pension Obligation (Note 9)	(214,107)	-	-	(214,107)	395,593
Change in Net Assets	634,646	-	-	634,646	(96,483)
Prior Period Adjustment (Note 17)	63,226	-	-	63,226	130,950
Net Assets at Beginning of Year	7,355,508	-	-	7,355,508	7,321,041
Net Assets at End of Year	\$ 8,053,380	\$ -	\$ -	\$ 8,053,380	\$ 7,355,508

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



**COMMUNITY COUNSELING AND MEDIATION SERVICES, INC.**  
**STATEMENTS OF CASH FLOWS**  
**For the year ended June 30, 2017**  
**(With comparative totals for 2016)**

	<u>2017</u>	<u>2016</u>
<b><u>Cash Flows from Operating Activities:</u></b>		
Grants and Contract Services	\$ 6,622,973	\$ 7,438,348
Patient Services	6,942,269	6,373,277
Contributions and other Income	817,682	389,394
Investment Income	152,159	76,446
Cash Paid to Employees	(7,673,874)	(6,945,924)
Cash Paid for Direct Program Services	(5,744,223)	(5,269,960)
Cash Paid for other General and Administrative Expenses	<u>(1,579,013)</u>	<u>(531,882)</u>
<b>Net Cash (Used)/Provided In Operating Activities</b>	(462,027)	1,529,699
<b><u>Cash Flows from Investing Activities:</u></b>		
Purchase of Investments	(100,004)	(353,394)
Purchase of Fixed Assets	<u>(41,214)</u>	<u>(98,143)</u>
<b>Net Cash (Used) by Investing Activities</b>	<u>(141,218)</u>	<u>(451,537)</u>
<b><u>Cash Flows From Financing Activities:</u></b>		
(Decrease)/Increase in Loan Payable	(100,000)	441,667
(Decrease)/Increase in Line of Credit	<u>-</u>	<u>(299,734)</u>
<b>Net Cash Provided by Financing Activities</b>	<u>(100,000)</u>	<u>141,933</u>
<b>Net (Decrease)/Increase in Cash</b>	(703,245)	1,220,095
<b>Cash and Cash Equivalents at Beginning of Year</b>	<u>2,004,892</u>	<u>784,797</u>
<b>Cash and Cash Equivalents at End of Year</b>	<u><u>\$ 1,301,647</u></u>	<u><u>\$ 2,004,892</u></u>
Reconciliation of Change in Net Assets to Cash Provided by Operating Activities:		
Change in Net Assets	\$ 420,539	\$ 299,009
Provision for Pension Obligation	214,107	395,593
Prior Period Adjustment	63,226	131,050
Unrealized Gains/(Losses) on Short-term Investments	-	105,178
Depreciation	60,053	52,092
Changes in Assets (Increase)/Decrease:		
Contracts and Grants Receivable	(672,751)	485,819
Patient Accounts Receivable - Medicaid	(114,301)	800,766
Other Receivable	108,000	-
Prepaid Expenses and other Current Assets	(23,118)	(37,487)
Security Deposits	(4,760)	22,000
Due from Affiliates	7,010	(123,533)
Changes in Liabilities Increase/(Decrease):		
Accounts Payable and Accrued Expenses	(21,317)	(28,937)
Due to Funding Source	(284,608)	(176,258)
Accrued Pension Liability	<u>(214,107)</u>	<u>(395,593)</u>
<b>Net Cash (Used)/Provided by Operating Activities</b>	<u><u>\$ (462,027)</u></u>	<u><u>\$ 1,529,699</u></u>

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

## **NOTES TO FINANCIAL STATEMENTS**

**COMMUNITY COUNSELING AND MEDIATION SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2017**

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**NOTE 1. ORGANIZATION**

Community Counseling and Mediation Services, Inc., (“CCMS”) is a corporation formed under the Not-for-Profit Law of the State of New York on November 16, 1983. CCMS maintains multiple locations in New York City which provide program and administrative services. CCMS’ mission is to respond to the needs of the underserved, at-risk children, adults and families in a timely, linguistically and culturally sensitive manner.

CCMS serves over 15,000 children and families each year. The diversified program services are geared towards meeting the needs of its target population and promoting its mission. Programs offered by CCMS include:

a. **Mental Health and Substance Abuse Services**

- **CCM Mental Health Clinics** - Culturally sensitive psychiatric, psychotherapeutic, and psychopharmacological services to children and families from two clinics in Brooklyn and one in mid-town Manhattan.
- **Alcohol and Substance Abuse Program (ASAP)** - A chemical dependency outpatient program serving Central Brooklyn.
- **Crisis Counseling Services (CCS)** - Works with the NYC Department of Education Project Liberty Program to provide workshops in mediation, anger management, non-violent conflict resolution training, and dealing with trauma in schools citywide.
- **Project Bridge** - Multi-disciplinary mental health services for people living with HIV/AIDS who have severe mental illness and/or substance abuse disorders.
- **Minority Outreach Community Health Access (MOCHA)** – A case management outreach wellness program targeted towards minority populations, supporting individuals in need of comprehensive case management services and health problems in Central Brooklyn areas.

b. **Health Related and Housing Services**

- **Georgia’s Place** - Permanent supportive housing for homeless mentally ill, with a preference for the elderly.

**COMMUNITY COUNSELING AND MEDIATION SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2017**

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**NOTE 1. ORGANIZATION - (Continued)**

- **Rico's Place** - Permanent supportive housing for families where at least one member is living with AIDS.
- **HIV/AIDS Outreach Prevention and Education Program (HOPE)** - Services youth and other clients through individual and group sessions.
- **Out-of-School Time Program (OST)** - Utilizes after-school and summer hours, (when children are often without parental supervision) to develop the young person's social, emotional and academic capabilities.
- **Summer Youth Employment Program (SYEP)** - A program for high school aged youth, placing them in subsidized and monitored positions in the community.
- **Ruby's Place** - Permanent supportive housing for homeless mentally ill, serving adults and veterans.

c. **Education and Youth Development Services**

- **Adolescent Pregnancy Prevention Program** - A community service project providing a comprehensive array of pregnancy prevention and parenting services to at-risk teens in Fort Greene and Red Hook, Brooklyn.

d. **Preventive and Adoption Services for Youth and Families**

- **FTR and FTR II (Family Treatment and Rehabilitation Program) - (FRP)** - A program that meets the needs of families struggling with substance abuse issues that are threatening to disrupt the family structure.
- **General Preventive Program - (Functional Family Therapy – Child Welfare Program) - FFT-CW** - An evidence-based family intervention program for at-risk children and youth to improve communication, reduce negativity, and achieve positive outcomes through home-based services.

**COMMUNITY COUNSELING AND MEDIATION SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2017**

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**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES)**

(a) Basis of Presentation

The financial statements of CCMS are prepared on the accrual basis of accounting. Net assets and revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of CCMS and changes therein are classified and reported as follows:

- *Unrestricted net assets* - Net assets not subject to donor-imposed stipulations.
- *Temporarily restricted net assets* - Net assets subject to donor-imposed stipulations that will be met either by actions of CCMS and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.
- *Permanently restricted net assets* - Net assets subject to donor-imposed stipulations which must be maintained permanently. CCMS has no permanently restricted net assets.

Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets, unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets, (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

(b) Promises to Give

Contributions are recognized when the donor makes a promise to give to CCMS; that is, in substance, unconditional. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received.

Amortization of the discount is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

**COMMUNITY COUNSELING AND MEDIATION SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2017**

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**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

(c) Support and Revenues

CCMS derives a major portion of its Support and Revenues from the U.S. Department of Health and Human Services, the City and the State of New York. Support is derived from program amounts received as reimbursements of certain expenditures as stipulated under contract agreements. Patient service revenue is derived from a per diem rate as determined by the governmental agencies for the programs. Support and Revenues are recognized on the accrual basis of accounting.

(d) Accounts Receivable

The accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and credit to the respective accounts receivable account. At June 30, 2017 and 2016, the allowance for bad debts was \$133,737 and \$133,737, respectively.

(e) Property and Equipment

Building, motor vehicle, furniture and equipment are carried at cost. Depreciation is computed using the straight-line basis over the estimated useful lives of the assets as follows:

Building and Capital Improvement	39 years
Leasehold Improvement	5-10 years
Motor Vehicle	5 years
Furniture and Equipment	5-10 years

CCMS follows the practice of capitalizing all expenditures for furniture and equipment in excess of \$500. Grant funds used for the acquisition of property and equipment are accounted for as a transfer from program funds and reported as a capital addition to property and equipment.

The property and equipment account is designated for property and equipment acquisitions, to record their costs and accumulated depreciation.

**COMMUNITY COUNSELING AND MEDIATION SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2017**

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**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

(f) Income Taxes

CCMS qualifies as a tax exempt organization under Section 501(c)(3) of the Internal Revenue Code, except as to income from unrelated business activities. Currently, all activities are directly related to CCMS's exempt purpose. As a result, no provision for federal or state income taxes has been made.

(g) Functional Expenses

The costs of providing the various programs and other activities of CCMS have been summarized on a functional basis in the schedule of functional expenses, which includes all expenses incurred for the year. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management in accordance with grant provisions and/or other equitable basis.

(h) 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. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(i) Concentrations and Credit Risk

Support and Revenue:

CCMS receives a substantial amount of its support from Federal, State and Local Governments. A significant reduction in the level of support, if this was to occur, may have an effect on the organization's programs and activities.

**COMMUNITY COUNSELING AND MEDIATION SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2017**

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**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

Deposits in Excess of Insured Limits:

Financial instruments that potentially subject CCMS to concentrations of credit risk consist primarily of cash and accounts receivable. The organization maintains its cash in bank deposit accounts which, at times may exceed federally insured limits. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000 per institution. Concentrations of credit risk with respect to contract receivables are limited through credit approvals, credit limits and various monitoring procedures.

(j) Accounts Receivable

The majority of CCMS's receivables is with the State of New York and other Governmental Institutions, and is considered to be low risk.

(k) Cash and Cash Equivalents

For the purposes of the statement of cash flows, CCMS considers all highly liquid investments with an original maturity of three months or less as cash equivalents

(l) Pension Benefits

As described in Note 8, CCMS maintains pension plans covering all employees. Employers' contributions to the defined contribution plan are expensed as incurred and are included in salary, wages and benefits.

The defined benefit plan is accounted for as follows:

The actuarial determination of the accrued benefit obligations for the pensions uses the projected benefit method prorated on service.

For the purpose of calculating the expected return on plan assets, those assets are measured at fair value.

Actuarial gains, (losses) arise from the difference between the actual long-term rate of return on plan assets for a period and the expected long-term rate for that period or from changes in actuarial assumptions used to determine the accrued benefit obligation. The organization's net benefit plan expenses are included in wages and benefits.



**COMMUNITY COUNSELING AND MEDIATION SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2017**

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**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

(m) Fair Value of Financial Instruments

The fair value of CCMS's financial instruments approximate the carrying amounts reported in the statement of financial position for cash and cash equivalents, accounts receivable, short-term investments and accounts payable and accrued expenses.

Fair value represents the price that would be received upon the sale of an asset or paid upon the transfer of a liability in an orderly transaction between market participants as of the measurement date. Valuation techniques that are consistent with the market, income or cost approach are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels as follows:

- Level I input are quoted prices, (unadjusted) in active markets for identical assets or liabilities to which the company has the ability to access.
- Level II inputs are inputs, (other than quoted prices included within Level I) that are observable for the asset or liability, either directly or indirectly.
- Level III inputs are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability.

**COMMUNITY COUNSELING AND MEDIATION SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2017**

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**NOTE 3. CONTRACTS AND GRANTS RECEIVABLE**

Contracts and Grants receivable consisted of the following as of June 30, 2017 and 2016:

	<u><b>2017</b></u>	<u><b>2016</b></u>
<b>New York City Administration for Children Services:</b>		
Regular Family Foster Care/Therapeutic Foster Homes	\$ 190,003	\$ 190,003
General Preventive Program	219,125	274,861
Family Treatment/Rehabilitation Program	105,462	162,728
Reinvestment Program/Aftercare Program	-	179,626
<b>New York State Department of Health:</b>		
Comprehensive Adolescent Pregnancy Prevention	62,966	71,715
<b>New York City Development of Youth and Community Development:</b>		
Out of School Time Programs	406,224	279,872
Summer Youth Employment Program	36,741	24,790
Work Learn and Grow	356,423	14,691
<b>U.S. Department of Housing and Urban Development:</b>		
Rico's Place	13,002	19,282
Ruby's Place	566,097	196,720
Georgia's Place	28,039	-
<b>New York City Department of Homeless Services:</b>		
Georgia's Place	37,798	37,798
<b>New York City Department of Health and Mental Hygiene:</b>		
CCM Guidance	-	22,794
Georgia's Place	302,676	158,154
<b>U.S. Health Resources Services:</b>		
Ryan White Comprehensive Aids Resources Emergency Act	6,126	26,126
U.S. Department of Health and Human Services	33,474	32,246
<b>New York City Department of Education:</b>		
Other	<u>30,263</u>	<u>30,262</u>
<b>Total</b>	<u><u>\$ 2,394,418</u></u>	<u><u>\$ 1,721,667</u></u>

**COMMUNITY COUNSELING AND MEDIATION SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2017**

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**NOTE 4. PROPERTY AND EQUIPMENT**

Property and Equipment consisted of the following as of June 30, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Land	\$ 82,935	\$ 82,935
Building	279,108	279,108
Equipment	666,298	625,084
Furniture and Fixtures	232,622	232,622
Leasehold Improvements	500,385	500,385
Capital Improvements	135,145	135,145
Vehicle	<u>18,545</u>	<u>18,545</u>
	1,915,038	1,873,824
Less: Accumulated Depreciation	<u>1,478,984</u>	<u>1,418,931</u>
	<u>\$ 436,054</u>	<u>\$ 454,893</u>

Depreciation expense recognized by CCMS in relation to its depreciable assets amounted to \$85,353 and \$52,092, respectively, for the fiscal years ended June 30, 2017 and 2016.

**NOTE 5. INVESTMENTS**

Short-Term Investments

Short-term investments are recorded at fair value. CCMS periodically invests excess operating cash generally in select fixed income securities on a short term basis. These investments have maturities of less than one year and can be used for CCMS' current operations.

Long-Term Investments

On January 16, 2003, CCMS entered into a single premium deferred Annuity Plan, (hereinafter referred to as the "Plan"). Under the Plan, CCMS is to make a single premium payment of \$500,000, which has an effective yield rate of 3.30% per annum. CCMS also entered into a Variable Annuity Plan, (herein referred to as "Life Insurance Plan"); whereby it named its President and CEO as the annuitant on August 11, 2003 for a premium payment of \$569,000, with an effective yield rate of 2.95% per annum, and an additional premium payment of \$518,580 on October 1, 2003. CCMS accounts for these annuities in accordance

**COMMUNITY COUNSELING AND MEDIATION SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2017**

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**NOTE 5. INVESTMENTS - (Continued)**

with FASB ASC 715 “Employers’ Accounting for Defined Benefit Pension and Other Post-Retirement Plans”, whereby in participating annuity contracts, the insurer pays the owner part of the earnings from investing the insurance premiums and the annuity payments are recorded at their fair market values.

Gains and losses on dispositions are accounted for on a specific identification basis. Net realized and unrealized gains and losses are included in the statement of activities.

CCMS’s investments consisted of the following as of June 30, 2017 and 2016:

	<u>Cost</u>	<u>2017 Market</u>	<u>2016 Market</u>
First Sun America			
Genworth Life Insurance			
Company of New York:			
Contract No. NY-7207713	\$ N/A	\$ 892,051	\$ 866,077
Contract No. NY-500654129	N/A	809,021	783,555
Other	<u>N/A</u>	<u>143,310</u>	<u>139,139</u>
Total	<u>\$ N/A</u>	<u>\$ 1,844,382</u>	<u>\$ 1,788,771</u>

Interest and dividend earned on the above investments for the fiscal years ended June 30, 2017 and 2016 amounted to \$55,610 and \$49,775, respectively.

CCMS named its President and CEO as the Annuitant. CCMS reserves the right to designate a new annuitant within thirty days of the demise of currently named Annuitant. In the event that no declaration of a new annuitant is made, CCMS automatically becomes the Annuitant.

**COMMUNITY COUNSELING AND MEDIATION SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2017**

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**NOTE 5. INVESTMENTS - (Continued)**

**Investment Return**

The following schedule summarizes total investment return and its classification in the statement of activities for the years ended June 30, 2017 and 2016:

	<u><b>2017</b></u>	<u><b>2016</b></u>
Interest and Dividend Income	\$ 68,723	\$ 76,446
Net Realized and Unrealized Gains	<u>39,040</u>	<u>26,670</u>
Total Return on Investments	<u><u>\$ 107,763</u></u>	<u><u>\$ 103,116</u></u>

**NOTE 6 LONG-TERM DEBT**

Long-term debt consisted of the following for the years ended December 31, 2017 and 2016:

	<u><b>2017</b></u>	<u><b>2016</b></u>
5-year \$500,000 note payable to JP Morgan Chase Bank. The maturity date is November 24, 2020, with an interest rate at 3.23%	\$ 337,867	\$ 441,667
Less: Current portion	<u>(100,000)</u>	<u>(100,000)</u>
	<u><u>\$ 237,867</u></u>	<u><u>\$ 341,667</u></u>

The following are maturities of Long-Term Debt for each of the remaining years:

2019	\$ 100,000
2020	100,000
2021	37,867
2022	<u>-</u>
	<u><u>\$ 237,867</u></u>

**COMMUNITY COUNSELING AND MEDIATION SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2017**

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**NOTE 7.      LINE OF CREDIT**

CCMS has a \$300,000 revolving line of credit with a Bank. Advances on the credit line are payable on demand and carry an interest rate of 8% per annum. As of June 30, 2017 and 2016, the total amounts owed were \$-0- and \$-0-, respectively.

**COMMUNITY COUNSELING AND MEDIATION SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2017**

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**NOTE 8. DUE TO FUNDING SOURCES**

Due to Funding Sources consisted of the following as of June 30, 2017 and 2016:

	<u><b>2017</b></u>	<u><b>2016</b></u>
<b>New York City Administration for Children's Services:</b>		
General Prevention Program	\$ 19,172	\$ 113,845
Family Treatment/Rehabilitation Program	24,509	105,582
<b>New York State Department of Health:</b>		
Comprehensive Adolescent Pregnancy Prevention	56,250	75,000
Home and Community Based Services - HCBS	25,000	25,000
<b>New York City Development of Youth and Community Development:</b>		
Out of School Time Programs	94,733	184,845
Summer Youth Employment Program	9,923	9,923
<b>U.S. Department of Housing and Urban Development:</b>		
Rico's Place	83,835	83,835
<b>New York City Department of Homeless Services:</b>		
Georgia's Place	5,000	5,000
<b>New York City Department of Health and Mental Hygiene:</b>		
Ruby's Place DOHMH	4,352	4,352
CCM Guidance	247	247
<b>U.S. Health Resources Services:</b>		
Ryan White Comprehensive Aids Resources Emergency Act	788	788
<b>Administration</b>	<u>(32,805)</u>	<u>(32,805)</u>
<b>Total</b>	<u><u>\$ 291,004</u></u>	<u><u>\$ 575,612</u></u>

**NOTE 9. PENSION PLAN**

CCMS sponsors a defined benefit pension plan that covers substantially all employees. The plan calls for benefits to be paid to eligible employees at retirement, based primarily upon years of service with CCMS and compensation rates near retirement. Contributions to the plan reflect benefits attributed to employees' services to date, as well as services expected to be earned in the future.

**COMMUNITY COUNSELING AND MEDIATION SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2017**

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**NOTE 9. PENSION PLAN - (Continued)**

CCMS recognizes the overfunded or underfunded status of the defined benefit pension plan ("the Plan") as an asset or liability and recognizes changes in that funded status in the year they occur. CCMS uses a June 30 measurement date for the Plan. The Plan's funded status, amounts recognized, significant assumptions used, contributions made, and benefits paid included in CCMS's financial statements as of June 30, 2017 and 2016 are as follows:

	<u><b>2017</b></u>	<u><b>2016</b></u>
Change in Benefit Obligation:		
Benefit Obligation at Beginning of Year	\$ 1,585,484	\$ 1,211,612
Service Cost	-	13,697
Interest Cost	57,230	53,173
Actuarial (Gain) Loss	(63,492)	357,175
Benefits Paid	<u>(49,538)</u>	<u>(50,173)</u>
Benefit Obligation at End of Year	<u><u>\$ 1,529,684</u></u>	<u><u>\$ 1,585,484</u></u>

**Change in Plan Assets:**

Reconciliation of Plan Assets

	<u><b>2017</b></u>	<u><b>2016</b></u>
Fair Value of Assets at Beginning of Year	\$ 518,855	\$ 540,576
Actual Return on Assets	54,577	(26,048)
Contributions by Employer	153,268	54,500
Benefits Paid	<u>(49,538)</u>	<u>(50,173)</u>
Fair Value of Assets at End of Year	<u><u>\$ 677,162</u></u>	<u><u>\$ 518,855</u></u>



**COMMUNITY COUNSELING AND MEDIATION SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2017**

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**NOTE 9. PENSION PLAN - (Continued)**

The following sets forth the funded status of the plan:

	<u><b>2017</b></u>	<u><b>2016</b></u>
Accumulated Benefit Obligation	\$ 1,529,684	\$ 1,585,484
Fair Value of Plan Net Assets	<u>677,162</u>	<u>518,855</u>
Funded Status, (Accrued Pension Liability) \$	<u><u>852,522</u></u>	<u><u>1,066,629</u></u>

Amounts recorded in unrestricted net assets as of June 30, 2017 and 2016, not yet amortized as components of net periodic pension costs are as follows:

	<u><b>2017</b></u>	<u><b>2016</b></u>
Funded Status at Beginning of Year	\$ 1,066,629	\$ 671,036
Funded Status at End of Year	<u>852,522</u>	<u>1,066,629</u>
Amount recognized as decrease in Net Assets \$	<u><u>214,107</u></u>	<u><u>(395,593)</u></u>

The amortization of the above items expected to be recognized in net periodic pension costs for the year ending June 30, 2017 is approximately \$72,978.

**COMMUNITY COUNSELING AND MEDIATION SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2017**

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**NOTE 9. PENSION PLAN - (Continued)**

A summary of the components of net periodic pension cost for the years ended June 30, 2017 and 2016 consisted of the following:

	<u>2017</u>	<u>2016</u>
Components of Net Periodic Pension Cost:		
Service Cost	\$ -	\$ 13,697
Interest Cost	57,230	53,173
Return on Assets:		
Expected Return	35,446	33,884
Asset Gain (Loss)	<u>19,131</u>	<u>(59,932)</u>
Actual Return	54,577	(26,048)
Net Amortization and Deferral:		
Amortization of (Gain) Loss	53,847	28,532
Asset Gain (Loss) Deferred	<u>19,131</u>	<u>(59,932)</u>
Total Amortization and Deferral	<u>72,978</u>	<u>(31,400)</u>
Net periodic Pension Cost *	<u>\$ 75,631</u>	<u>\$ 61,518</u>

\* Net Periodic Pension Cost is the sum of Interest Cost - Return on Assets + Net Amortization/Deferral

Reconciliation of (Accrued) Prepaid Pension Expense for the years ended June 30, 2017 and 2016 consisted of the following:

	<u>2017</u>	<u>2016</u>
(Accrued) Prepaid at Beginning of Period	\$ (100,383)	\$ (93,365)
Net Periodic Pension Cost	75,631	61,518
Employer Contribution	<u>153,268</u>	<u>54,500</u>
(Accrued) Prepaid at Measurement Date	<u>\$ (22,746)</u>	<u>\$ (100,383)</u>

**COMMUNITY COUNSELING AND MEDIATION SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2017**

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**NOTE 9. PENSION PLAN - (Continued)**

Other Items:

	<u><b>2017</b></u>	<u><b>2016</b></u>
Accumulated Benefit Obligation:		
Vested	\$ 1,529,684	\$ 1,585,484
Non-Vested	<u>-</u>	<u>-</u>
Total	<u><u>\$ 1,529,684</u></u>	<u><u>\$ 1,585,484</u></u>

The following benefit payments, which reflect expected future service are expected to be paid at each fiscal year ended June 30:

2018	\$ 73,269
2019	70,335
2020	68,385
2021	63,938
2022	65,392
Thereafter	\$ 334,926

**Actuarial Assumption:**

A summary of the weighted average assumptions used to determine the benefit obligation as of June 30, 2017 and 2016 is presented below:

Discount Rate	3.90%	3.65%
Long-term Rate of Return on Plan Assets	6.00%	6.00%
Salary Increases	N/A	N/A

Benefits frozen at 12/31/2005

As of June 30, 2017, the minimum funding requirement for the plan year December 31, 2016 amounts to \$225,560, of which \$225,560 was paid on September 15, 2017. In accordance with FASB ASC 715, these financial statements contain a provision for benefit obligation in the amount of \$ 852,522 which represents the excess of projected benefit obligations over the market value of these plan's assets.

**COMMUNITY COUNSELING AND MEDIATION SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2017**

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**NOTE 10. PATIENT SERVICES REVENUE**

For the years ended June 30, 2017 and 2016, Patient Services Revenue consisted of the following:

Medicaid	1,145,625	\$ 1,307,860
Self-pay	96,555	70,741
Other Third-party payors	5,577,011	3,937,514
Other Revenue	<u>237,380</u>	<u>256,396</u>
	<u>\$ 7,056,570</u>	<u>\$ 5,572,511</u>

**COMMUNITY COUNSELING AND MEDIATION SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2017**

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**NOTE 11. GRANTS AND CONTRACT SERVICES**

Grants and Contract Services Revenue consisted of the following for the years ended June 30, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
<b>New York City Administration for Children's Services:</b>		
Foster Boarding Homes and Therapeutic Boarding Homes	\$ 55,493	\$ 83,193
General Prevention Program	1,131,319	1,136,609
Family Treatment/Rehabilitation Program	984,000	973,137
<b>New York State Department of Health:</b>		
Comprehensive Adolescent Pregnancy Prevention	128,744	322,405
<b>New York City Department of Youth and Community Development:</b>		
Out of School Time Program	1,375,558	1,400,293
Summer Youth Employment Program	244,741	154,554
Work Learn and Grow	317,109	103,164
<b>U.S. Department of Housing and Urban Development:</b>		
Rico's Place	168,373	265,002
Georgia's Place	256,494	243,370
Ruby's Place	59,380	201,110
Other	29,250	-
<b>New York City Department of Homeless Service:</b>		
Georgia's Place	85,457	91,782
<b>U.S. Department of Health and Mental Hygiene:</b>		
Georgia's Place	455,804	439,605
Brooklyn Generation School (BGS)	240,763	150,395
<b>U.S. Department of Health and Human Services:</b>		
SAMHSA	409,958	442,066
<b>New York City Department of Health and Mental Hygiene:</b>		
Ruby DOHMH	830,801	685,784
<b>U.S. Health Resources Services:</b>		
Ryan White Comprehensive Aids Resources Emergency Act	-	142,794
<b>New York City Department of Education</b>		
DOE - SIMBA	133,455	99,210
<b>New York State HESC - CACG</b>	<u>104,417</u>	<u>18,056</u>
Total	<u>\$ 7,011,116</u>	<u>\$ 6,952,529</u>

**COMMUNITY COUNSELING AND MEDIATION SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2017**

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**NOTE 12. COMMITMENTS AND CONTINGENCIES**

Operating Leases

The organization is committed under various space and equipment operating leases expiring in various years through 2027.

Minimum future rental payments under non-cancelable operating leases having remaining terms in excess of one year at June 30, 2017 are as follows:

Year Ending June 30,

2018	\$558,061
2019	\$351,689
2020	\$356,236
2021	\$180,496
2022	\$180,496

Rent expense for the years ended June 30, 2017 and 2016 was \$948,673 and \$759,758, respectively.

Program Contract

Under the terms of certain program contracts, the grantors, (the Federal Government, the State of New York and the City of New York among others), reserve the right to review the grant costs related to individual programs prior to final contract close out. Since most of these funding sources have not yet reviewed the grant costs related to certain contracts for various years, management of the organization cannot determine whether any costs will be disallowed.

Litigation

CCMS is named in various lawsuits arising in the ordinary course of business. The ultimate resolution of these lawsuits, including any related financial effects on CCMS is currently unknown. CCMS has not provided for any potential future losses arising from the resolution of these matters in the accompanying financial statements. Despite the inherent uncertainties of litigation, management does not believe that the lawsuits will have a material adverse impact on the financial condition of CCMS at this time.

**COMMUNITY COUNSELING AND MEDIATION SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2017**

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**NOTE 12. COMMITMENTS AND CONTINGENCIES - (Continued)**

Claims

In a letter to CCMS, dated December 16, 2014, the New York State Department of Labor, (NYSDOL) stated that the agency's contribution account was "underpaid" by \$199,732. The agency contracted with third party representation to contest NYSDOL's findings.

Deposits in Excess of Insured Limits

CCMS maintains its cash balances in three financial institutions. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2017 and 2016, the Organization's uninsured cash balances in Financial Institution I totaled \$1,332,403 and \$1,729,679, respectively.

As of June 30, 2017 and 2016, the cash balances consisted of the following:

<b>2017</b>	
<b><u>Description</u></b>	<b><u>Financial Institution I</u></b>
Checking	\$ 1,582,403
FDIC and SIPC Insurance	<u>(250,000)</u>
Uninsured Balance	<u><u>\$ 1,332,403</u></u>

  

<b>2016</b>	
<b><u>Description</u></b>	<b><u>Financial Institution I</u></b>
Checking	\$ 1,979,679
FDIC and SIPC Insurance	<u>(250,000)</u>
Uninsured Balance	<u><u>\$ 1,729,679</u></u>

**COMMUNITY COUNSELING AND MEDIATION SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2017**

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**NOTE 13. DUE FROM AFFILIATES**

Due from affiliates represents the amounts due to CCMS from Rico's Place, Georgia's Place and Ruby's Place Linden LP, related entities.

As the need arises, CCMS makes advances to its affiliates to meet their operating needs. At June 30, 2017 and 2016, intercompany receivables due to CCMS were \$809,662 and \$678,950, respectively as follows:

	<u>2017</u>	<u>2016</u>
Due to/from Ruby's Place, LLC	\$ (647,209)	\$ (351,061)
Due to/from Joyce's Place	550,324	504,987
Due to/from Beverly's Place	(47,940)	(72,508)
Due to/from Rico's Place	83,118	83,118
Due to/from Georgia's Place	530,664	507,090
Rico's Place PM	96,688	-
Georgia's Place PM	25,069	-
Ruby's Place PM	73,901	-
Other	<u>7,325</u>	<u>7,325</u>
	<u>\$ 671,940</u>	<u>\$ 678,950</u>

On June 2, 2015, an affiliated entity, Beverly's Place Housing Fund Corporation, purchased property in Brooklyn, New York. Amounts disbursed by CCM to satisfy this purchase are reflected in the balances above.

On June 2, 2015, an affiliated entity, Joyce's Place Housing Fund Corporation, purchased property in Brooklyn, New York. Amounts disbursed by CCM to satisfy this purchase are reflected in the balances above.

For the year ended June 30, 2017 and 2016, CCM charged management fees as follows to its affiliates:

	<u>2017</u>	<u>2016</u>
Georgia's Place Property Management	\$ 183,139	\$ -
Rico's Place Property Management	127,470	-
Ruby's Place Property Management	<u>292,210</u>	<u>-</u>
	<u>\$ 602,820</u>	<u>\$ -</u>



**COMMUNITY COUNSELING AND MEDIATION SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2017**

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**NOTE 14. SUBSEQUENT EVENTS**

The date to which events occurring after June 30, 2017, the date of the most recent statement of financial position, have been evaluated for possible adjustment to the financial statements or disclosures is February 14, 2018, which is the date the financial statements were made available to be issued. Management is not aware of any subsequent events that require recognition or disclosure in the financial statements.

**NOTE 15. RUBY'S PLACE PROJECT DEVELOPMENT**

As stated in the Funding and Disbursement Agreement for Ruby's Place Project Development, the borrower may pay a developer fee to the sponsor, (CCM) in the amount of \$1,340,017, of which \$595,017 shall be deposited into its reserve accounts. For the year ended June 30, 2017, CCM received \$108,000.

**NOTE 16. PASS THROUGH GRANT**

In a memorandum of understanding dated March 23, 2011, CCM agreed to perform the role of a fiscal conduit for a community organization with regards to a pass through grant with the New York City Department of Education, receiving administrative fees of 10% for its services.

**NOTE 17. PRIOR PERIOD ADJUSTMENT**

Prior Period Adjustment represents the adjustment to net assets to reflect increases in advances to affiliates in the years 2017 and 2016.

## **SUPPLEMENTARY INFORMATION**

**COMMUNITY COUNSELING SERVICES AND MEDIATION SERVICES, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
For the year ended June 30, 2017  
(With comparative totals for 2016)

	<b>Mental Health and Substance Abuse</b>	<b>Youth Development</b>	<b>Housing</b>	<b>Preventive and Adoption Services for Youth and Families</b>	<b>Ryan White</b>	<b>Total Program Services</b>	<b>Management and General</b>	<b>2017</b>	<b>2016</b>
Salaries and Wages	\$ 2,281,564	\$ 1,542,822	\$ 1,455,224	\$ 1,252,465	\$ -	\$ 6,532,076	\$ 1,141,798	\$ 7,673,874	\$ 6,945,924
Fringe Benefits and Payroll Taxes	346,517	301,808	342,841	324,995	-	1,316,160	192,818	1,508,979	1,573,114
Payroll Service and Bank Fee	-	-	-	-	-	-	50,220	50,220	44,021
Professional Fees	616,260	1,770	78,741	60,965	-	757,736	473,643	1,231,379	1,072,696
Stipends	357	-	-	-	-	357	-	357	4,205
Consumable Supplies	107,272	112,819	47,460	16,784	-	284,335	18,458	302,793	263,536
Space Costs	551,003	24,600	32,500	193,113	255	801,471	147,203	948,673	759,758
Insurance	1,500	-	165,636	16,110	-	183,246	31,996	215,241	221,416
Equipment Rental and Purchase	63,874	27,111	43,769	18,718	-	153,472	9,396	162,868	273,673
Repairs and Maintenance	67,365	24,602	56,762	18,088	-	166,817	4,366	171,183	234,138
Telephone and Utilities	93,445	37,934	8,552	40,893	-	180,823	25,936	206,759	200,291
Travel, Conferences, and Meetings	320,483	282,428	66,063	27,096	1,200	697,271	92,766	790,037	757,476
Depreciation	-	-	-	-	-	-	60,053	60,053	52,092
Dues and Subscriptions	20,597	4,851	13,200	-	-	38,648	5,935	44,583	65,365
Printing, Publication and Postage	5,660	577	345	309	-	6,891	16,704	23,595	51,124
Personnel Recruitment	721	5,295	103	182	-	6,301	15,953	22,254	7,640
Training	1,579	1,984	3,179	(487)	-	6,255	2,850	9,105	18,503
Temporary Services	1,462	13,198	1,600	-	-	16,260	2,869	19,129	39,168
Interest	-	-	-	-	-	-	19,709	19,709	50,376
Bad Debts	-	-	-	-	-	-	770,505	770,505	-
Miscellaneous	45,665	10,684	11,223	7,899	-	75,471	126,799	202,270	83,925
Admin Overhead	450,223	256,980	176,305	169,201	-	1,052,709	(1,021,683)	31,026	-
	4,975,549	2,649,462	2,503,502	2,146,331	1,455	12,276,299	2,188,293	14,464,592	12,718,440
NYCDOE Pass-Through Grant	-	593,393	-	-	-	593,393	-	593,393	369,494
Total	\$ 4,975,549	\$ 3,242,855	\$ 2,503,502	\$ 2,146,331	\$ 1,455	\$ 12,869,692	\$ 2,188,293	\$ 15,057,985	\$ 13,087,934

See paragraph on required supplementary information included in auditor's report.



CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT  
ON SUPPLEMENTARY INFORMATION**

The Board of Directors  
Community Counseling and  
Mediation Services, Inc.  
Brooklyn, New York

We have audited the financial statements of Community Counseling and Mediation Services, Inc. ("CCMS") as of and for the year ended June 30, 2017, and have issued our report thereon dated February 14, 2018, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of CCMS's 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

*Deans • Archer & Co.*

Valley Stream, New York  
February 14, 2018

**COMMUNITY COUNSELING AND MEDIATION SERVICES, INC.**  
**GENERAL PREVENTION PROGRAM**  
**PROGRAM BUDGET ID # 12-GP-CCM-BK**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**For the year ended June 30, 2017**

	<b>CAPS APPROVED BUDGET</b>	<b>CAPS ACTUAL AMOUNTS</b>	<b>CAPS VARIANCE</b>	<b>QUESTIONED COSTS</b>
<b><u>REVENUES</u></b>				
ACS	\$ 1,162,026	\$ 1,109,492	\$ 52,534	\$ -
Total Revenues	<u>1,162,026</u>	<u>1,109,492</u>	<u>52,534</u>	<u>-</u>
Total Expenditures	1,162,026	1,109,492	52,534	-
(Less) Questioned Costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Allowable Costs	<u>1,162,026</u>	<u>1,109,492</u>	<u>52,534</u>	<u>-</u>
(Deficiency)/Excess of Revenue Over Expense	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

*See paragraph on required supplementary information included in auditor's report.*

**COMMUNITY COUNSELING AND MEDIATION SERVICES, INC.**  
**GENERAL PREVENTION PROGRAM**  
**PROGRAM BUDGET ID # 12-GP-CCM-BK**  
**SCHEDULE OF SALARIES**  
**For the year ended June 30, 2017**

<u>Employee Identification Code</u>	<u>Title</u>	<u>Budgeted Salary</u>	<u>Actual Paid</u>	<u>Variance</u>
100179	Program Director	\$ 63,168	\$ 62,783	\$ (385)
100532	Program Supervisor	61,500	61,125	(375)
100917	Program Supervisor	58,938	55,230	(3,708)
101075	Therapist (MSW)	45,100	45,100	-
100903	Therapist (MSW)	48,175	48,175	-
101264	Therapist (MSW)	44,075	28,040	(16,035)
100617	Therapist (MSW)	46,125	45,100	(1,025)
100728	Interventionist (BA)	37,925	36,957	(968)
101072	Interventionist (BA)	37,850	37,850	-
100846	Interventionist (BA)	41,000	41,000	-
100821	Interventionist (BA)	37,925	37,925	-
000752	Secretary	32,800	32,800	-
000066	President and CEO	17,897	17,787	(110)
101113	Chief of Program	14,606	14,517	(89)
101775	Development Director	8,456	8,405	(51)
101740	Controller	14,094	14,008	(86)
101604	Fiscal Officer	10,686	10,620	(66)
101653	Fiscal Officer	10,686	10,620	(66)
101400	Quality Assurance	16,031	15,933	(98)
100932	Administrative Assistant-FD	-	-	-
101167	Intake Worker	37,925	37,925	-
101144	Group Facilitator	1,500	-	(1,500)
100996	Custodian	8,400	900	(7,500)
101215	Quality Assurance Director	16,031	15,933	(98)
		<u>\$ 710,893</u>	<u>\$ 678,733</u>	<u>\$ (32,160)</u>

*See paragraph on required supplementary information included in auditor's report.*

**COMMUNITY COUNSELING AND MEDIATION SERVICES, INC.**  
**GENERAL PREVENTION PROGRAM**  
**PROGRAM BUDGET ID # 12-GP-CCM-BK**  
**SCHEDULE OF FIXED ASSETS INVENTORY**  
**As of June 30, 2017**

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<u>Description</u>	<u>Serial Number</u>	<u>Date Purchased with ACS Funds</u>	<u>Cost</u>
Lenovo desktop PC		2/27/2017	\$ 720.00
HP 15 inch Laptop		2/27/2017	780.00
File LLR 60555 Desk - Silver		6/21/2017	343.00
File LLR 60555 Desk		6/21/2017	<u>375.00</u>
			<u>\$ 2,218.00</u>

**COMMUNITY COUNSELING AND MEDITATION SERVICES, INC.**  
**GENERAL PREVENTION PROGRAM**  
**PROGRAM BUDGET ID # 12-GP-CCM-BK**  
**SCHEDULE OF FRINGE BENEFITS**  
**For the year ended June 30, 2017**

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<u>Descriptions</u>	<u>Budgeted</u>	<u>Actual</u>	<u>Actual Fringe 26% of PS Total Cost</u>	<u>Variance</u>
FICA	\$ 54,427	\$ 51,923	7.65%	\$ (2,504)
Health and Others	92,491	88,236	13.00%	(4,255)
Worker's Compensation	7,115	6,787	1.00%	(328)
Unemployment	22,767	21,720	3.20%	(1,047)
Pension	6,332	6,041	0.89%	(291)
Disability	1,850	1,764	0.26%	(86)
	<hr/>	<hr/>	<hr/>	<hr/>
Total	\$ 184,982	\$ 176,471	26%	\$ (8,511)
	<hr/>	<hr/>	<hr/>	<hr/>

*See paragraph on required supplementary information included in auditor's report.*



**COMMUNITY COUNSELING AND MEDIATION SERVICES, INC.**  
**GENERAL PREVENTION PROGRAM**  
**PROGRAM BUDGET ID # 12-GP-CCM-BK**  
**SCHEDULE OF QUESTIONED COSTS**  
**As of June 30, 2017**

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<b><u>Detailed Explanation of Questioned Costs</u></b>	<b><u>Questioned Cost</u></b>
NOT APPLICABLE	\$ -
	<hr/>
	\$ <hr/> <hr/>

**COMMUNITY COUNSELING AND MEDIATION SERVICES, INC.**  
**GENERAL PREVENTION PROGRAM**  
**PROGRAM BUDGET ID # 12-GP-CCM-BK**  
**SCHEDULE OF QUANTITATIVE PROGRAM RESULTS**  
**As of June 30, 2017**

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**QUANTIFIABLE INDICATORS**

Number of open cases at beginning of period	65
Number of new cases during audit period	84
Number of cases serviced during audit period	149
Cases terminated	96
Cases open as of current year	102
Cost per family	\$ <u>7,466</u>

\*(GP program has ended and has been replaced with FFT-CW)

**COMMUNITY COUNSELING AND MEDIATION SERVICES, INC.**  
**FAMILY TREATMENT/REHABILITATION PROGRAM**  
**PROGRAM BUDGET ID # 12-FTR-CCM-BK**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**For the year ended June 30, 2017**

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	<b>CAPS APPROVED <u>BUDGET</u></b>	<b>CAPS ACTUAL <u>AMOUNTS</u></b>	<b>CAPS <u>VARIANCE</u></b>	<b>QUESTIONED <u>COSTS</u></b>
REVENUES				
ACS	\$ 991,910	\$ 966,996	\$ (24,914)	\$ -
Total Revenues	<u>991,910</u>	<u>966,996</u>	<u>(24,914)</u>	<u>-</u>
Total Expenditures	<u>991,910</u>	<u>966,996</u>		<u>-</u>
(Less) Questioned Costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Allowable Costs	<u>991,910</u>	<u>966,996</u>	<u>-</u>	<u>-</u>
(Deficiency)/Excess of Revenue				
Over Expense	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

*See paragraph on required supplementary information included in auditor's report.*

**COMMUNITY COUNSELING AND MEDIATION SERVICES, INC.**  
**FAMILY TREATMENT/REHABILITATION PROGRAM**  
**PROGRAM BUDGET ID # 12-FTR-CCM-BK**  
**SCHEDULE OF SALARIES**  
**For the year ended June 30, 2017**

<u>Employee Identification Code</u>	<u>Title</u>	<u>Budgeted Salary</u>	<u>Actual Paid</u>	<u>Variance</u>
100179	Program Director	\$ 15,792	\$ 15,696	\$ (96)
100532	Program Supervisor	39,000	38,467	(533)
101201	Program Supervisor	61,500	61,079	(421)
101201	CASAC	17,604	17,604	-
101499	LMSW Case Planner	43,050	43,050	-
101759	MSW Case Planner	45,100	45,100	-
101500	MSW Case Planner	41,969	41,969	-
101383	MSW Case Planner	46,125	46,125	-
101037	MS Case Planner	41,471	41,000	(471)
100811	MS Case Planner	46,125	46,125	-
101757	MS Case Planner	-	-	-
100811	Group Facilitator	9,500	9,747	247
100527	Intake/Office Manager	32,444	32,444	-
101233	Custodian/Maintenance	10,200	3,427	(6,773)
101113	Chief of Program	9,738	9,678	(60)
101167	Controller	28,188	28,016	(172)
101775	Development Director	28,188	28,016	(172)
101604	Fiscal Officer	21,525	21,394	(131)
101952	Fiscal Officer	21,525	21,394	(131)
101215	Quality Assurance Director	8,016	7,967	(49)
10578	QA Assistant	8,016	7,967	(49)
		<u>\$ 575,076</u>	<u>\$ 566,265</u>	<u>\$ (8,811)</u>

*See paragraph on required supplementary information included in auditor's report.*

**COMMUNITY COUNSELING AND MEDIATION SERVICES, INC.**  
**FAMILY TREATMENT/REHABILITATION PROGRAM**  
**PROGRAM BUDGET ID # 12-FTR-CCM-BK**  
**SCHEDULE OF FIXED ASSETS INVENTORY**  
**For the year ended June 30, 2017**

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<u>Description</u>	<u>Serial Number</u>	<u>Date Purchased with ACS Funds</u>	<u>Cost</u>
Samsung Galaxy J7 Phone	357218076062303	08/19/16	\$ 268.90
Samsung Galaxy J7 Phone	357218073490010	08/26/16	268.90
HP Slimline 260-a010 desktop		08/24/16	329.59
Samsung Galaxy J7 Phone	357218073490556	09/02/16	272.18
			<u>\$ 1,139.57</u>

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*See paragraph on required supplementary information included in auditor's report.*

**COMMUNITY COUNSELING AND MEDIATION SERVICES, INC.**  
**FAMILY TREATMENT/REHABILITATION PROGRAM**  
**PROGRAM BUDGET ID # 12-FTR-CCM-BK**  
**SCHEDULE OF FRINGE BENEFITS**  
**For the year ended June 30, 2017**

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<u>Description</u>	<u>Budgeted</u>	<u>Actual</u>	<u>Actual Fringe 26% of PS Total Cost</u>	<u>Variance</u>
FICA	\$ 43,995	\$ 43,319	7.65%	\$ -
Health and Others	74,762	73,614	13.00%	-
Worker's Compensation	5,751	5,663	1.00%	-
Unemployment	18,403	18,120	3.20%	-
Pension	5,118	5,040	0.89%	-
Disability	<u>1,495</u>	<u>1,472</u>	<u>0.26%</u>	<u>-</u>
TOTAL	<u>\$ 149,524</u>	<u>\$ 147,228</u>	<u>26%</u>	<u>\$ -</u>

*See paragraph on required supplementary information included in auditor's report.*

**COMMUNITY COUNSELING AND MEDIATION SERVICES, INC.  
FAMILY TREATMENT/REHABILITATION PROGRAM  
PROGRAM BUDGET ID # 12-FTR-CCM-BK  
SCHEDULE OF QUESTIONED COSTS  
For the year ended June 30, 2017**

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<u>Detailed Explanation of Questioned Costs</u>	<u>Questioned Costs</u>
NOT APPLICABLE	\$ -
	<hr/>
	<u>\$ -</u>

**COMMUNITY COUNSELING AND MEDIATION SERVICES, INC.**  
**FAMILY TREATMENT/REHABILITATION PROGRAM**  
**PROGRAM BUDGET ID # 12-FTR-CCM-BK**  
**SCHEDULE OF QUANTITATIVE PROGRAM RESULTS**  
**For the year ended June 30, 2017**

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**QUANTIFIABLE INDICATORS**

Number of open cases at beginning of period	61
Number of new cases during audit period	45
Number of cases services during audit period	106
Cases terminated	38
Cases open as of current year	118
Cost per family	\$ <u>9,123</u>