SCHUYLER CENTER FOR ANALYSIS
AND ADVOCACY, INC.

FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018
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<th>Section</th>
<th>Page</th>
</tr>
</thead>
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<td>9-14</td>
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INDEPENDENT AUDITOR’S REPORT

The Board of Trustees
Schuyler Center for Analysis and Advocacy, Inc.
Albany, New York

Report on the Financial Statements

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

Management’s Responsibility for the Financial Statements

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

Auditor’s Responsibility

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

Cusack & Company, CPAs LLC

Latham, New York
September 23, 2019
## ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$233,941</td>
<td>$241,705</td>
</tr>
<tr>
<td>Investments</td>
<td>6,151,237</td>
<td>6,094,785</td>
</tr>
<tr>
<td>Grants Receivable</td>
<td>402,466</td>
<td>75,256</td>
</tr>
<tr>
<td>Other Receivable</td>
<td>-</td>
<td>1,031</td>
</tr>
<tr>
<td>Prepaid Expenses</td>
<td>25,847</td>
<td>18,660</td>
</tr>
<tr>
<td>Total Current Assets</td>
<td>6,813,491</td>
<td>6,431,437</td>
</tr>
<tr>
<td>Property and Equipment, Net</td>
<td>11,373</td>
<td>10,549</td>
</tr>
<tr>
<td>Other Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted Investments</td>
<td>1,129,472</td>
<td>1,196,687</td>
</tr>
<tr>
<td>Total Assets</td>
<td>$7,954,336</td>
<td>$7,638,673</td>
</tr>
</tbody>
</table>

## LIABILITIES AND NET ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>$26,668</td>
<td>$1,696</td>
</tr>
<tr>
<td>Accrued Salaries</td>
<td>20,158</td>
<td>20,467</td>
</tr>
<tr>
<td>Accrued Vacation</td>
<td>46,297</td>
<td>44,434</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>93,123</td>
<td>66,597</td>
</tr>
<tr>
<td>Net Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Without Donor Restrictions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Undesignated</td>
<td>6,329,275</td>
<td>6,300,133</td>
</tr>
<tr>
<td>With Donor Restrictions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purpose Restricted</td>
<td>749,123</td>
<td>489,128</td>
</tr>
<tr>
<td>Perpetual in Nature</td>
<td>782,815</td>
<td>782,815</td>
</tr>
<tr>
<td>Total Net Assets</td>
<td>7,861,213</td>
<td>7,572,076</td>
</tr>
<tr>
<td>Total Liabilities and Net Assets</td>
<td>$7,954,336</td>
<td>$7,638,673</td>
</tr>
</tbody>
</table>

See accompanying notes and independent auditor’s report.
### SCHUYLER CENTER FOR ANALYSIS AND ADVOCACY, INC.

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED JUNE 30, 2019**

<table>
<thead>
<tr>
<th>Support, Revenue and Reclassifications</th>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions and Grants</td>
<td>$65,737</td>
<td>$1,082,405</td>
<td>$1,148,142</td>
</tr>
<tr>
<td>Investment Returns, Net</td>
<td>257,265</td>
<td>-</td>
<td>257,265</td>
</tr>
<tr>
<td>Dues and Other Revenue</td>
<td>2,436</td>
<td>43,549</td>
<td>45,985</td>
</tr>
<tr>
<td>Other Income</td>
<td>945</td>
<td>-</td>
<td>945</td>
</tr>
<tr>
<td>Net Assets Released from Restrictions:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Satisfaction of Restrictions</td>
<td>865,959</td>
<td>(865,959)</td>
<td>-</td>
</tr>
</tbody>
</table>

Total Support, Revenue and Reclassifications  

<table>
<thead>
<tr>
<th>Expenses</th>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Services</td>
<td>1,018,837</td>
<td>-</td>
<td>1,018,837</td>
</tr>
<tr>
<td>Management and General</td>
<td>48,253</td>
<td>-</td>
<td>48,253</td>
</tr>
<tr>
<td>Fundraising</td>
<td>96,110</td>
<td>-</td>
<td>96,110</td>
</tr>
</tbody>
</table>

Total Expenses  

<table>
<thead>
<tr>
<th>Change in Net Assets</th>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>29,142</td>
<td>257,265</td>
<td>-</td>
<td>289,137</td>
</tr>
</tbody>
</table>

Net Assets, Beginning of Year  

<table>
<thead>
<tr>
<th>Net Assets, End of Year</th>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$6,329,275</td>
<td>$1,531,938</td>
<td>$7,861,213</td>
<td></td>
</tr>
</tbody>
</table>
**Schuyler Center for Analysis and Advocacy, Inc.**  
*Statement of Activities*  
*For the Year Ended June 30, 2018*

<table>
<thead>
<tr>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Support, Revenue and Reclassifications</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions and Grants</td>
<td>$ 84,257</td>
<td>$ 757,440</td>
</tr>
<tr>
<td>Investment Returns, Net</td>
<td>601,135</td>
<td>-</td>
</tr>
<tr>
<td>Dues and Other Revenue</td>
<td>7,263</td>
<td>43,969</td>
</tr>
<tr>
<td>Net Assets Released from Restrictions:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Satisfaction of Restrictions</td>
<td>908,714</td>
<td>(908,714)</td>
</tr>
<tr>
<td><strong>Total Support, Revenue and Reclassifications</strong></td>
<td>1,601,369</td>
<td>(107,305)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Expenses</strong></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Services</td>
<td>1,055,419</td>
<td>-</td>
</tr>
<tr>
<td>Management and General</td>
<td>67,262</td>
<td>-</td>
</tr>
<tr>
<td>Fundraising</td>
<td>56,539</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>1,179,220</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Change in Net Assets</strong></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>422,149</td>
<td>(107,305)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Net Assets, Beginning of Year</strong></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5,877,984</td>
<td>1,379,248</td>
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</table>

<table>
<thead>
<tr>
<th><strong>Net Assets, End of Year</strong></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ 6,300,133</td>
<td>$ 1,271,943</td>
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</tbody>
</table>

See accompanying notes and independent auditor’s report.
<table>
<thead>
<tr>
<th></th>
<th>Program Services</th>
<th>Management and General</th>
<th>Fund Raising</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$ 574,403</td>
<td>$ 26,345</td>
<td>$ 75,727</td>
<td>$ 676,475</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>92,108</td>
<td>8,887</td>
<td>6,588</td>
<td>107,583</td>
</tr>
<tr>
<td>Payroll Taxes</td>
<td>41,042</td>
<td>1,907</td>
<td>5,400</td>
<td>48,349</td>
</tr>
<tr>
<td><strong>Total Salaries and Related Expenses</strong></td>
<td><strong>707,553</strong></td>
<td><strong>37,139</strong></td>
<td><strong>87,715</strong></td>
<td><strong>832,407</strong></td>
</tr>
<tr>
<td>Professional Fees</td>
<td>26,442</td>
<td>3,295</td>
<td>716</td>
<td>30,453</td>
</tr>
<tr>
<td>Supplies and Office Expenses</td>
<td>6,730</td>
<td>1,304</td>
<td>587</td>
<td>8,621</td>
</tr>
<tr>
<td>Telephone</td>
<td>7,184</td>
<td>348</td>
<td>76</td>
<td>7,608</td>
</tr>
<tr>
<td>Occupancy</td>
<td>45,619</td>
<td>93</td>
<td>20</td>
<td>45,732</td>
</tr>
<tr>
<td>Travel</td>
<td>7,773</td>
<td>667</td>
<td>3,147</td>
<td>11,587</td>
</tr>
<tr>
<td>Conferences and Meetings</td>
<td>18,218</td>
<td>1,484</td>
<td>2,324</td>
<td>22,026</td>
</tr>
<tr>
<td>Equipment Rental and Maintenance</td>
<td>6,526</td>
<td>8</td>
<td>2</td>
<td>6,536</td>
</tr>
<tr>
<td>Dues and Subscriptions</td>
<td>1,933</td>
<td>1,764</td>
<td>1,055</td>
<td>4,752</td>
</tr>
<tr>
<td>Insurance</td>
<td>3,652</td>
<td>1,167</td>
<td>254</td>
<td>5,073</td>
</tr>
<tr>
<td>Grant Expenditures</td>
<td>180,225</td>
<td>-</td>
<td>-</td>
<td>180,225</td>
</tr>
<tr>
<td>Depreciation</td>
<td>2,487</td>
<td>645</td>
<td>140</td>
<td>3,272</td>
</tr>
<tr>
<td>Internet Service Expense</td>
<td>4,495</td>
<td>339</td>
<td>74</td>
<td>4,908</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>$ 1,018,837</strong></td>
<td><strong>$ 48,253</strong></td>
<td><strong>$ 96,110</strong></td>
<td><strong>$ 1,163,200</strong></td>
</tr>
</tbody>
</table>

See accompanying notes and independent auditor’s report.
<table>
<thead>
<tr>
<th></th>
<th>Program Services</th>
<th>Management and General</th>
<th>Fund Raising</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$ 559,680</td>
<td>$ 30,682</td>
<td>$ 34,857</td>
<td>$ 625,219</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>87,407</td>
<td>12,494</td>
<td>5,763</td>
<td>105,664</td>
</tr>
<tr>
<td>Payroll Taxes</td>
<td>39,806</td>
<td>2,199</td>
<td>2,548</td>
<td>44,553</td>
</tr>
<tr>
<td><strong>Total Salaries and Related Expenses</strong></td>
<td>686,893</td>
<td>45,375</td>
<td>43,168</td>
<td>775,436</td>
</tr>
<tr>
<td>Professional Fees</td>
<td>19,683</td>
<td>4,007</td>
<td>1,449</td>
<td>25,139</td>
</tr>
<tr>
<td>Supplies and Office Expenses</td>
<td>6,104</td>
<td>1,026</td>
<td>1,226</td>
<td>8,356</td>
</tr>
<tr>
<td>Telephone</td>
<td>5,816</td>
<td>1,193</td>
<td>448</td>
<td>7,457</td>
</tr>
<tr>
<td>Occupancy</td>
<td>34,902</td>
<td>7,159</td>
<td>2,685</td>
<td>44,746</td>
</tr>
<tr>
<td>Travel</td>
<td>4,747</td>
<td>558</td>
<td>1,218</td>
<td>6,523</td>
</tr>
<tr>
<td>Conferences and Meetings</td>
<td>9,179</td>
<td>2,160</td>
<td>3,393</td>
<td>14,732</td>
</tr>
<tr>
<td>Equipment Rental and Maintenance</td>
<td>8,672</td>
<td>91</td>
<td>1,066</td>
<td>9,829</td>
</tr>
<tr>
<td>Dues and Subscriptions</td>
<td>3,997</td>
<td>1,301</td>
<td>453</td>
<td>5,751</td>
</tr>
<tr>
<td>Insurance</td>
<td>3,516</td>
<td>1,312</td>
<td>420</td>
<td>5,248</td>
</tr>
<tr>
<td>Grant Expenditures</td>
<td>262,318</td>
<td>-</td>
<td>-</td>
<td>262,318</td>
</tr>
<tr>
<td>Depreciation</td>
<td>1,586</td>
<td>358</td>
<td>115</td>
<td>2,059</td>
</tr>
<tr>
<td>Internet Service Expense</td>
<td>4,656</td>
<td>1,472</td>
<td>498</td>
<td>6,626</td>
</tr>
<tr>
<td>Bad Debt Expense</td>
<td>3,350</td>
<td>1,250</td>
<td>400</td>
<td>5,000</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>$ 1,055,419</td>
<td>$ 67,262</td>
<td>$ 56,539</td>
<td>$ 1,179,220</td>
</tr>
</tbody>
</table>

See accompanying notes and independent auditor’s report.
## SCHUYLER CENTER FOR ANALYSIS AND ADVOCACY, INC.

### STATEMENTS OF CASH FLOWS

**FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash Flows from Operating Activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in Net Assets</td>
<td>$ 289,137</td>
<td>$ 314,844</td>
</tr>
</tbody>
</table>

### Adjustments to Reconcile Change in Net Assets to

### Net Cash Provided by (Used in) Operating Activities:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bad Debt Expense</td>
<td>-</td>
<td>5,000</td>
</tr>
<tr>
<td>Depreciation Expense</td>
<td>3,272</td>
<td>2,059</td>
</tr>
<tr>
<td>Realized Gain on Investments</td>
<td>(715,447)</td>
<td>(464,874)</td>
</tr>
<tr>
<td>Unrealized Loss on Investments</td>
<td>598,812</td>
<td>3,030</td>
</tr>
<tr>
<td><strong>(Increase) Decrease in:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants Receivable</td>
<td>(327,210)</td>
<td>39,008</td>
</tr>
<tr>
<td>Other Receivable</td>
<td>1,031</td>
<td>7,853</td>
</tr>
<tr>
<td>Prepaid Expenses</td>
<td>(7,187)</td>
<td>(4,234)</td>
</tr>
<tr>
<td><strong>Increase (Decrease) in:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>24,972</td>
<td>(938)</td>
</tr>
<tr>
<td>Accrued Expenses</td>
<td>1,554</td>
<td>7,553</td>
</tr>
<tr>
<td><strong>Net Cash Flows Used in Operating Activities</strong></td>
<td>(131,066)</td>
<td>(90,699)</td>
</tr>
</tbody>
</table>

### Cash Flows from Investing Activities:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from Sale of Investments</td>
<td>12,437,307</td>
<td>2,700,163</td>
</tr>
<tr>
<td>Purchase of Investments</td>
<td>(12,309,910)</td>
<td>(2,753,920)</td>
</tr>
<tr>
<td>Purchase of Property and Equipment</td>
<td>(4,095)</td>
<td>(7,500)</td>
</tr>
<tr>
<td><strong>Net Cash Flows Provided by (Used In) Investing Activities</strong></td>
<td>123,302</td>
<td>(61,257)</td>
</tr>
</tbody>
</table>

### Net Decrease in Cash

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Decrease in Cash</strong></td>
<td>(7,764)</td>
<td>(151,956)</td>
</tr>
</tbody>
</table>

### Cash, Beginning of Year

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash, Beginning of Year</strong></td>
<td>241,705</td>
<td>393,661</td>
</tr>
</tbody>
</table>

### Cash, End of Year

|                                    | $ 233,941     | $ 241,705     |

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See accompanying notes and independent auditor’s report.  

8
1. **Organization and Summary of Significant Accounting and Reporting Policies**

*Organization*

On April 3, 2001, State Communities Aid Association changed its name to Schuyler Center for Analysis and Advocacy, Inc. (SCAA). Founded in 1872, SCAA is an independent, non-partisan, non-sectarian, public policy organization, based in Albany, New York. SCAA promotes the public interest by advancing policies to improve health, welfare and human services for all New Yorkers, especially those who are poor or vulnerable.

To carry out its work, SCAA analyzes social and economic problems; evaluates existing programs and services; reviews fiscal policies; develops policies and the legislation to implement them; advises public officials on options; and helps citizens become informed advocates.

SCAA is supported primarily by contributions, grants and investment income.

*Method of Accounting and Presentation*

The financial statements are prepared on the accrual basis of accounting. SCAA adopted the accounting treatment prescribed by the FASB’s Accounting Standards Codification (ASC).

SCAA reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor 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 statement of activities as net assets without donor restrictions released from restrictions.

*Investments*

Marketable equity and debt securities are stated at fair value.

*Property and Equipment*

Property and equipment consist of office equipment and website development which is carried at cost. Depreciation is provided on a straight-line method over five years.

*Net Assets*

Net assets of SCAA, and changes therein, are classified and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations.

Net assets with donor restrictions - Net assets subject to donor-imposed stipulations that will be met either by actions of SCAA and/or the passage of time.

*Use of Estimates*

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
1. **Organization and Significant Accounting and Reporting Policies (continued)**

*Tax-Exempt Status*

SCAA is not a not-for-profit organization incorporated under the laws of the State of New York. It is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and is classified as a publicly supported organization under Section 170(b)(1)(A)(vi).

*Functional Allocation of Expenses*

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated on a reasonable basis that is consistently applied among the programs benefitted. Salaries and benefits are allocated on the basis of estimates of time and effort; this methodology is also used for office expenditures that benefit multiple programs and may include professional fees, telephone, printing, maintenance costs, insurance, dues and publications and depreciation of equipment. Other costs such as occupancy, building maintenance and building depreciation are allocated on a square footage basis.

*Fair Value*

For assets and liabilities measured at fair value on a recurring basis, the ASC requires expanded disclosures about fair value measurements and establishes a three-level hierarchy for fair value measurements based on the observable inputs to the valuation of an asset or liability at the measurement date. Fair value is defined as the price that SCAA would receive upon selling an asset or pay to transfer a liability in an orderly transaction between market participants. It prioritizes the inputs to the valuation techniques used to measure fair value by giving the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements), and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements).

*Accounting for Uncertainty in Income Taxes*

The ASC requires entities to disclose in their financial statements the nature of any uncertainty in their tax position. SCAA has not recognized any benefits or liabilities from uncertain tax positions for the year ended June 30, 2019 and believes it has no uncertain tax positions for which it is reasonably possible that will significantly increase or decrease net assets. Generally, federal and state authorities may examine SCAA’s tax returns for three years from the date of filing; consequently, income returns for years prior to June 30, 2016 are no longer subject to examination by tax authorities.
1. **Organization and Significant Accounting and Reporting Policies (Continued)**

*New Accounting Pronouncement*

In August 2016, the FASB issued ASU No. 2016-14, *Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities.* The ASU provides for changes in financial statement presentation that affect classification of net assets, presentation of expenses, investment returns and presentation of operating cash flows. It also calls for enhanced disclosures of board designated funds, underwater endowment funds, methods used to allocate costs among functions, and liquidity and availability of resources. The ASU affects all not-for-profit organizations including charities, foundations, colleges and universities, health care providers, religious organizations, trade associations, and cultural institutions, among others. SCAA adopted this ASU in 2019.

*Subsequent Events*

Management has evaluated subsequent events or transaction as to any potential material impact on operations or financial position occurring through September 23, 2019, the date the financial statements were available to be issued. No such events or transactions were identified.

2. **Concentrations**

SCAA has concentrated its credit risk for cash and investments by maintaining deposits with a financial institution in excess of federal insurance limits. This financial institution has a strong credit rating and management believes that credit risk related to these accounts is minimal.

3. **Investments**

Investments reflected at fair value utilizing Level 1 measurements at June 30, 2019 and 2018 consist of the following:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cost</td>
<td>Fair</td>
</tr>
<tr>
<td>Money Market</td>
<td>$148,399</td>
<td>$148,399</td>
</tr>
<tr>
<td>Fixed Income</td>
<td>1,665,963</td>
<td>1,713,873</td>
</tr>
<tr>
<td>Equities</td>
<td>3,845,792</td>
<td>4,034,817</td>
</tr>
<tr>
<td>Equity Funds</td>
<td>1,412,265</td>
<td>1,383,620</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$7,072,419</td>
<td>$7,280,709</td>
</tr>
</tbody>
</table>

Investment returns, net for the years ended June 30, 2019 and 2018 consist of the following:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest and Dividend Income</td>
<td>$197,940</td>
<td>$207,174</td>
</tr>
<tr>
<td>Realized Gain on Investments</td>
<td>715,447</td>
<td>464,874</td>
</tr>
<tr>
<td>Unrealized Holding Loss on Investments</td>
<td>(598,812)</td>
<td>(3,030)</td>
</tr>
<tr>
<td>Investment Fees</td>
<td>(57,310)</td>
<td>(67,883)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$257,265</td>
<td>$601,135</td>
</tr>
</tbody>
</table>
4. **PROPERTY AND EQUIPMENT**

Details of property and equipment for the years ended June 30, 2019 and 2018 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Furniture and Equipment</td>
<td>$15,628</td>
<td>$15,628</td>
</tr>
<tr>
<td>Website Development</td>
<td>17,252</td>
<td>13,156</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>32,880</td>
<td>28,784</td>
</tr>
<tr>
<td>Accumulated Depreciation</td>
<td>(21,507)</td>
<td>(18,235)</td>
</tr>
<tr>
<td><strong>Net Book Value</strong></td>
<td>$11,373</td>
<td>$10,549</td>
</tr>
</tbody>
</table>

Depreciation expense charged to operations for 2019 and 2018 was $3,272 and $2,059, respectively.

5. **DEMAND NOTE PAYABLE**

SCAA has a secured line of credit agreement with the State Employees Federal Credit Union (SEFCU) in the amount of $90,000, of which $0 was outstanding at June 30, 2019 and 2018. The interest rate (1.1% over the prime rate) applicable to the line was 6.6% at June 30, 2019.

6. **NET ASSETS WITH DONOR RESTRICTIONS**

Net assets represent amounts received and restricted by donors for the following specific purposes. When the restriction has been met, the amounts are released from net assets with donor restrictions and reclassified to without donor restrictions. A summary as of June 30, 2019 and 2018 follows:

**Purpose Restricted Net Assets by Program:**
- Children and Families: $263,696, $101,674
- Economic Security: 126,290, 96,448
- Health: 359,137, 291,006
- **Total**: $749,123, $489,128

**Purpose Restricted Net Assets by Funding Source:**
- The David and Lucile Packard Foundation: $122,003, $125,189
- DentaQuest Foundation: 5,394, 4,061
- New York State Health Foundation for Oral Health: 7,708, 115,191
- New York Community Trust - Poverty: 108,790, 93,369
- Alliance for Early Success: 13,172, 10,568
- First Focus: - 1,416
- Medicaid Matters New York: 26,308, 46,565
- Hagedorn Foundation: - 3,079
- New York Community Trust - Gladys Bishop Fund: 1,871, 1,871
- Redlich Horwitz Foundation: 114,823, 58,727
- Ralph C. Wilson, Jr. Foundation: 42,989, 29,092
- Community Catalyst: 104, -
- NY Alliance for Inclusion and Innovation: 9,672, -
- Health Foundation for Western and Central New York: 187,948, -
- Fiscal Policy Institute: 17,500, -
- NYS Child Care Task Force: 6,870, -
- Partnership for America’s Children: 8,971, -
- Prevent Child Abuse NY: 75,000, -
- **Total**: $749,123, $489,128

See independent auditor’s report.
6. **NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)**

Net Assets with Donor Restrictions - Perpetual in Nature

These net assets represent amounts received and restricted by the donors totaling $782,815 at June 30, 2019 and 2018. The principal cannot be expended, however any investment income earned from these assets can be expended.

7. **NET ASSETS RELEASED FROM RESTRICTIONS**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose.

<table>
<thead>
<tr>
<th>Purpose Restrictions Accomplished:</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grant Money Expenditures</td>
<td>$ 865,959</td>
<td>$ 908,714</td>
</tr>
</tbody>
</table>

8. **INCOME BENEFICIARY**

SCAA is a lifetime income beneficiary of a remainder trust, of which annually it receives 1% of the trust income. During the years ended June 30, 2019 and 2018, the Organization received $5,101 and $4,900, respectively.

9. **LEASE COMMITMENTS**

In 2015, SCAA entered into a lease for office space with an unrelated party expiring July 2021.

In 2019, SCAA entered into a lease for office equipment with an unrelated party expiring February 2023.

At June 30, 2019 the minimum rental commitment under these operating leases is as follows:

<table>
<thead>
<tr>
<th>Premses</th>
<th>Equipment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>$ 40,875</td>
<td>$ 6,317</td>
</tr>
<tr>
<td>2021</td>
<td>40,931</td>
<td>6,317</td>
</tr>
<tr>
<td>2022</td>
<td>3,411</td>
<td>6,317</td>
</tr>
<tr>
<td>2023</td>
<td>-</td>
<td>3,685</td>
</tr>
<tr>
<td>Total</td>
<td>$ 85,217</td>
<td>$ 22,636</td>
</tr>
</tbody>
</table>

Total rent expense for the years ended June 30, 2019 and 2018 was $45,732 and $39,998, respectively, and is included in occupancy expense in the statement of functional expenses.
10. PENSION PLANS

SCAA has a contributory retirement plan with Teachers Insurance and Annuity Association and College Retirement Equities Fund available to its employees after meeting length of service requirements. Each enrolled employee has an individual contract with Teachers Insurance and Annuity Association and an individual certificate with College Retirement Equities Fund. These contracts and certificates are 100% vested with the employees. The cost to SCAA for the years ended June 30, 2019 and 2018 was $40,899 and $37,215, respectively. The Plan made contributions at a rate of 6% of eligible salaries for 2019 and 2018.

SCAA also has a 403(b) Salary Reduction Plan. Participation in the Plan is voluntary and employees may defer up to a maximum amount as per IRS guidelines.

Effective July 1, 2004, SCAA adopted a 457(b) Deferred Compensation Plan. Participation in the Plan is limited to the President. Participation is voluntary and the employee may defer up to a maximum amount as per IRS guidelines.

11. LIQUIDITY AND AVAILABILITY OF RESOURCES

SCAA has $6,787,644 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consisting of $233,941 in cash, $6,151,237 in investments and $402,466 in grants receivable, of which approximately $403,000 is restricted to funding the net assets with donor restrictions not covered with restricted investments. SCAA has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet 60 days of normal operating expenses, which are, on average, approximately $194,000. SCAA has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. Should an unforeseen liquidity need arise, SCAA could also draw upon a $90,000 available line of credit.