



**ANIMAL CARE AND CONTROL
OF NEW YORK CITY, INC.
DBA ANIMAL CARE CENTERS OF NYC
CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2019 AND 2018**

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Animal Care and Control of New York City, Inc.
DBA Animal Care Centers of NYC
New York, New York

We have audited the accompanying consolidated financial statements of Animal Care and Control of New York City, Inc., DBA Animal Care Centers of NYC and Affiliate, (a nonprofit organization), which comprises the consolidated statements of financial position as of June 30, 2019, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 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 Animal Care and Control of New York City, Inc., DBA Animal Care Centers of NYC and affiliate as of June 30, 2019, and the changes in its consolidated 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 the Animal Care and Control of New York City, Inc.'s, DBA Animal Care Centers of NYC June 30, 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 10, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Rosenberg + Manente PLLC

Rosenberg and Manente, PLLC
Certified Public Accountants
New York, New York

June 24, 2020

**ANIMAL CARE AND CONTROL OF NEW YORK CITY, INC.
DBA ANIMAL CARE CENTERS OF NYC AND AFFILIATE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2019 AND 2018**

	2019	2018
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 891,380	\$ 2,012,530
Restricted - Cash and Cash Equivalents	56,976,209	-
Accounts Receivable - The City of New York	2,188,617	244,253
Unconditional Promises to Give	5,394	5,984
Grants Receivable	186,898	372,898
Prepaid Expenses	246,964	273,289
Other Accounts Receivable	2,697	6,750
TOTAL CURRENT ASSETS	60,498,159	2,915,704
FIXED ASSETS		
Property and Equipment, Net	13,763,930	744,000
TOTAL FIXED ASSETS	13,763,930	744,000
OTHER ASSETS		
Construction in Progress	3,140,641	771,620
Loan Acquisition Costs, Net	2,909,407	-
Deposits on Leased and Other Property	79,615	79,615
TOTAL OTHER ASSETS	6,129,663	851,235
TOTAL ASSETS	\$ 80,391,752	\$ 4,510,939
LIABILITIES, NET ASSETS AND MEMBER'S EQUITY		
CURRENT LIABILITIES		
Accounts Payable	\$ 425,166	\$ 148,293
Accrued Expenses	579,963	157,005
Accounts Payable - The City of New York	43,736	222,444
Salaries, Payroll Taxes and Benefits Payable	606,013	601,977
Vacation and Sick Time Accrual	252,486	227,141
Interest Payable	89,315	-
Deferred Rent Payable	58,536	53,275
Line of Credit	573,401	472,334
Note Payable	-	627,278
Customer Deposits Payable	7,274	1,668
Other Liabilities	2,525	4,279
TOTAL CURRENT LIABILITIES	2,638,415	2,515,694
LONG-TERM LIABILITIES		
Mortgage Payable	75,000,000	-
TOTAL LONG-TERM LIABILITIES	75,000,000	-
TOTAL LIABILITIES	77,638,415	2,515,694
NET ASSETS AND MEMBER'S EQUITY		
Without Donor Restrictions	1,766,507	944,418
With Donor Restrictions	986,830	1,050,827
TOTAL NET ASSETS AND MEMBER'S EQUITY	2,753,337	1,995,245
TOTAL LIABILITIES, NET ASSETS AND MEMBER'S EQUITY	\$ 80,391,752	\$ 4,510,939

See Accompanying Notes to Consolidated Financial Statements

ANIMAL CARE AND CONTROL OF NEW YORK CITY, INC.
DBA ANIMAL CARE CENTERS OF NYC AND AFFILIATE
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019
(With Comparative Totals for the Year Ended June 30, 2018)

	JUNE 30, 2019			JUNE 30, 2018
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL	TOTAL
REVENUES, GAINS, AND OTHER SUPPORT				
Support from Operations:				
Revenue - The City of New York	\$ 17,767,129	\$ -	\$ 17,767,129	\$ 14,904,364
Shelter Revenue	918,296	-	918,296	685,762
Contributions	681,452	1,322,104	2,003,556	2,838,728
In-Kind Contributions	403,725	-	403,725	554,215
Benefit Plan Contributions	1,046,732	-	1,046,732	1,040,809
Donated Use of Facilities	1,189,307	-	1,189,307	1,143,044
Investment Income	18,817	-	18,817	326
Benefits and Special Events	460,193	-	460,193	456,923
Other Miscellaneous Income	40,776	-	40,776	55,809
Total Revenues, Gains and Other Support Before the Release of Restricted Net Assets	22,526,427	1,322,104	23,848,531	21,679,980
Net Assets Released From Restrictions:				
Satisfaction of Time and Program Restrictions	1,386,101	(1,386,101)	-	-
TOTAL REVENUES, GAINS, AND OTHER SUPPORT	23,912,528	(63,997)	23,848,531	21,679,980
EXPENSES				
Program Services:				
Health and Welfare of Animals	20,242,784	-	20,242,784	18,543,382
Total Program Service Expenses	20,242,784	-	20,242,784	18,543,382
Supporting Services:				
Management and General	2,358,154	-	2,358,154	2,170,071
Fundraising	489,501	-	489,501	470,249
Total Supporting Services	2,847,655	-	2,847,655	2,640,320
TOTAL EXPENSES	23,090,439	-	23,090,439	21,183,702
CHANGE IN NET ASSETS	822,089	(63,997)	758,092	496,278
NET ASSETS AND MEMBERS' EQUITY, BEGINNING OF YEAR				
Prior Year Net Asset Adjustment	-	-	-	41,853
ADJUSTED NET ASSETS AND MEMBER'S EQUITY, BEGINNING OF YEAR	944,418	1,050,827	1,995,245	1,498,967
NET ASSETS AND MEMBER'S EQUITY, END OF YEAR	\$ 1,766,507	\$ 986,830	\$ 2,753,337	\$ 1,995,245

ANIMAL CARE AND CONTROL OF NEW YORK CITY, INC.
DBA ANIMAL CARE CENTERS OF NYC AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019
(With Comparative Totals for the Year Ended June 30, 2018)

	2019			2018	
	Health and Welfare of Animals	Management and General	Fundraising	Total	Total
Salaries	\$ 10,271,904	\$ 1,038,986	\$ 129,385	\$ 11,440,275	\$ 10,393,150
Payroll Taxes and Fringe Benefits	3,190,390	307,656	40,186	3,538,232	3,599,287
Total Personnel Service Expenses	13,462,294	1,346,642	169,571	14,978,507	13,992,437
Vehicle Expenses	424,728	9,876	-	434,604	224,070
Communications	2,030	36,459	84,497	122,986	189,419
Depreciation	116,162	11,620	1,463	129,245	93,874
Facility Expenses	386,232	32,012	10,518	428,762	251,260
Human Resource	111,052	9,373	3,079	123,504	27,235
Insurance	341,500	28,952	9,512	379,964	391,951
Interest and Bank Charges	-	58,130	-	58,130	64,674
Supplies and Services, Medical	2,077,007	-	-	2,077,007	1,806,221
Occupancy	1,754,941	13,843	4,792	1,773,576	1,856,063
Other Expenses	27,408	70,341	2,143	99,892	57,170
Professional Fees	17,758	652,811	-	670,569	666,438
Special Events	-	-	190,720	190,720	192,849
Supplies and Services, Operations	712,393	51,340	1,012	764,745	736,036
Telecommunications	130,258	6,566	2,272	139,096	136,343
Technology and Equipment	356,198	30,189	9,922	396,309	216,347
First Alert Stipends	219,425	-	-	219,425	206,100
Discount and Subsidized	103,398	-	-	103,398	-
Bad Debt	-	-	-	-	75,215
Total Expenses	\$ 20,242,784	\$ 2,358,154	\$ 489,501	\$ 23,090,439	\$ 21,183,702

See Accompanying Notes to Consolidated Financial Statements

ANIMAL CARE AND CONTROL OF NEW YORK CITY, INC.
DBA ANIMAL CARE CENTERS OF NYC AND AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in Net Assets	\$ 758,092	\$ 496,278
Adjustments to Reconcile Changes in Net Assets to Net Cash (Used in) / Provided by Operating Activities		
Depreciation and Amortization	129,245	93,874
Allowance for Bad Debt	-	70,000
Decrease (Increase) in:		
Accounts Receivable - The City of New York	(1,944,364)	54,917
Unconditional Promises to Give	590	11,214
Grant Receivables	186,000	(249,000)
Prepaid Expenses	26,325	68,865
Other Accounts Receivables	4,053	9,506
Deposits on Leased and Other Property	-	(80)
Increase (Decrease) in:		
Accounts Payable	276,873	(124,473)
Accrued Expenses	422,958	(187,692)
Accounts Payable - The City of New York	(178,708)	180,100
Salaries, Payroll Taxes and Benefits Payable	4,036	152,829
Vacation and Sick Time Accrual	25,345	37,441
Interest Payable	89,315	-
Deferred Income	-	(60,300)
Deferred Rent Payable	5,261	12,535
Customer Deposits Payable	5,606	(2,682)
Other Liabilities	(1,754)	(13,910)
NET CASH (USED IN) / PROVIDED BY OPERATING ACTIVITIES	(191,127)	549,422
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(12,377,555)	(949,946)
Construction in Progress	(3,140,641)	-
Loan Acquisition Costs, Net	(2,909,407)	-
NET CASH USED IN INVESTING ACTIVITIES	(18,427,603)	(949,946)
CASH FLOWS FROM FINANCING ACTIVITIES		
(Payments on) / Proceeds from Note Payable	(627,278)	627,278
Advances from Line of Credit	101,067	72,334
Proceeds from Mortgage Payable	75,000,000	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	74,473,789	699,612
NET INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	55,855,059	299,088
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF YEAR	2,012,530	1,713,442
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, END OF YEAR	\$ 57,867,589	\$ 2,012,530
SUPPLEMENTAL DISCLOSURE:		
Interest Paid	\$ 111,548	\$ 12,802
Taxes Paid	\$ -	\$ -

See Accompanying Notes to Consolidated Financial Statements

**ANIMAL CARE AND CONTROL OF NEW YORK CITY, INC.
DBA ANIMAL CARE CENTERS OF NYC**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

NOTE 1 - NATURE AND PURPOSE OF ORGANIZATION

Animal Care and Control of New York City, Inc., DBA Animal Care Centers of NYC (“ACC”), is a not-for-profit entity with the sole contract with the City of New York to provide animal care and control services throughout all five boroughs. Individuals from all over New York City come to ACC every day of the week for reasons as diverse as reclaiming lost pets, adopting and getting resources to help them keep their pets in a home. Each year ACC takes in nearly 24,000 animals. The mission of the Organization is to end animal homelessness in New York City. The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

1906 Flushing LLC (“1906 Flushing”) is a limited liability company that owns property in Queens, New York. In 2019, property development for the new Queens Full Service Shelter began at the Queens site and is expected to be completed in 2022. Upon completion and appropriate approvals of the building, ACC will rent the full facility as outlined in the terms of the lease agreement between 1906 Flushing and ACC dated June 21, 2019.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation and Basis of Accounting

The Organization’s policy is to prepare its consolidated financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Under this method, revenues are recognized in the period in which they are earned. Expenses are recognized in the period in which the related liability is incurred. The statements of financial position and of activities focus on the Organization as a whole and report total assets, liabilities, net assets and changes in net assets in accordance with the FASB ASC 958-205, *Financial Statements of Not-for-Profit Organizations*.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of ACC, and its wholly owned subsidiary 1906 Flushing. Collectively, the aforementioned are referred to as the “Organization” hereafter. All significant intercompany transactions and balances have been eliminated in consolidation.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less and time deposit accounts with no withdrawal restrictions other than loss of end of term interest to be cash equivalents. At June 30, 2019, there was \$56,976,209 in restricted cash for the property development of the new Queens Full Service Shelter. At June 30, 2018, there was no restricted cash.

Financial Instruments

The Organization’s financial instruments are cash and cash equivalents and contributions receivable. The recorded values of cash and cash equivalents and contributions receivable approximate fair values based on their short-term nature.

**ANIMAL CARE AND CONTROL OF NEW YORK CITY, INC.
DBA ANIMAL CARE CENTERS OF NYC**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

The Organization recognizes contributions received and made, including unconditional promises to give, as revenue in the period received or made. Contributions received are reported as either revenues without donor restrictions or revenues with donor restrictions. Contributions with donor restrictions that are used for the purpose specified by the donor in the same year as the contribution is received are recognized as revenues with donor restrictions and are reclassified as net assets released from restrictions in the same year. Promises to give that stipulate conditions to be met before the contributions is made are not recorded until the conditions are met. For the years ended June 30, 2019 and 2018, there were no conditional promises to give.

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require special skills, and are performed by people with those skills and would otherwise be purchased by the Organization.

A number of volunteers have made a contribution of their time to the Organization to perform a variety of tasks that assist the Organization at the shelter facilities and at fundraising events. The value of this contributed time is not reflected in these consolidated financial statements since it does not meet the criteria for recognition under Financial Accounting Standards Board (FASB) ASC 958. The Organization receives approximately 3,084 volunteer hours per month.

Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingencies at the date of the consolidated financial statements and revenues and expenses recognized during the reporting period. Significant estimates made in the preparation of the consolidated financial statements include the net realizable value of the contributions and grants receivable, donated use of facilities, accrued expenses, prepaid expenses and functional expense allocations. Actual results could differ from those estimates.

Measure of Operations

The consolidated statements of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Organization's ongoing program services. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature. As of June 30, 2019 and 2018, the Organization did not have nonoperating activities.

Comparative Information

The consolidated financial statements include certain 2018 comparative information. With respect to the consolidated statement of activities, such prior year information is not presented by net asset class and, in the consolidated statement of functional expenses, 2018 expenses by natural classification are presented in total rather than by functional category. Accordingly, such information should be read in conjunction with the Organization's 2018 financial statements from which the summarized information was derived.

**ANIMAL CARE AND CONTROL OF NEW YORK CITY, INC.
DBA ANIMAL CARE CENTERS OF NYC**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets

Net Assets of the Organization, and changes therein, are classified and reported as follows:

(1) Net Assets Without Donor Restrictions:

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets are available for use at the discretion of the Board of Directors and management. The Board can designate a portion of these net assets for specific purposes, which makes them unavailable for use at management's discretion. See Note 14 for more information on the composition of net assets without donor restrictions.

(2) Net Assets With Donor Restrictions:

Net assets subject to stipulations imposed by donors, and grantors. The Organization reports gifts of cash and other assets as revenue with donor restrictions 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, the net assets are reclassified as net assets without donor restriction and reported in the statements of activities as net assets released from restrictions. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity. As of June 30, 2019 and 2018, the Organization did not have any donor-restricted contributions that were perpetual in nature. See Note 15 for more information on the composition of net assets without donor restrictions.

Contributions Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on these amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until conditions are substantially met.

Allowance for Doubtful Accounts

Management determines whether an allowance for doubtful accounts should be provided for accounts receivable. Such estimates are based on management's assessment of the aged basis of its sources, current economic conditions, subsequent receipts and historical information. Accounts receivable are written off against the allowance for doubtful accounts when all reasonable collection efforts have been exhausted. At June 30, 2019 and 2018, management has determined the allowance for doubtful accounts to be \$-0- and \$70,000, respectively.

Reclassifications

It is the Organization's policy to reclassify, where appropriate, prior year financial statements to conform to the current year presentation.

Functional Allocation of Expenses

Expenses that can be directly identified with the program or supporting service to which they relate are charged accordingly. Other expenses by function have been allocated among program and supporting services classifications based upon benefits received.

**ANIMAL CARE AND CONTROL OF NEW YORK CITY, INC.
DBA ANIMAL CARE CENTERS OF NYC**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses (Continued)

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries, Payroll Taxes and Benefits	Time and Effort
Depreciation and Amortization	Direct
Facility Expenses	Direct and Head Count
Human Resources	Direct and Head Count
Insurance	Direct and Head Count
Interest and Bank Charges	Direct and Head Count
Supplies and Services, Medical	Direct
Occupancy	Direct and Head Count
Professional Services	Direct
Supplies and Services, Operations	Direct
Telecommunications	Direct and Head Count
Technology and Equipment	Direct and Head Count

Accounting Pronouncements Adopted

In August 2016, the FASB issued ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities* (Topic 958). The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled “net assets without donor restrictions” and “net assets with donor restrictions”, (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct internal investment expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. In addition, ASU 2016-14 removes the requirement that not-for-profit entities that chose to prepare the statements of cash flows using the direct method must also present a reconciliation (the indirect method). The Organization adopted the change in presentation in the current year and has chosen to present the statement of cash flows using the indirect method.

Loan Acquisition Costs

Loan acquisition costs are amortized on a straight-line method over the life of the underlying debt, which will begin when the asset is put in service.

Advertising Costs

Advertising costs, including donated advertising, are generally charged to operations in the year incurred. For the years ended June 30, 2019 and 2018, total advertising costs were \$42,562 and \$116,527, respectively. For the years ended June 30, 2019 and 2018, donated advertising was \$6,577 and \$0, respectively. Advertising costs are reflected in communications on the Consolidated Statement of Functional Expenses.

**ANIMAL CARE AND CONTROL OF NEW YORK CITY, INC.
DBA ANIMAL CARE CENTERS OF NYC**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

It is the Organization's policy to capitalize property and equipment over \$1,000; lesser amounts are expensed. Fixed assets are recorded at cost. Maintenance and repairs are charged to expenses as incurred; major betterments are capitalized. When items or property and equipment are sold or retired, the related cost and accumulated depreciation is removed from the accounts and any gain or loss is included in the results of operations. Management reviews property and equipment for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable. Property and equipment are written off to operations when considered impaired.

Depreciation is provided on the straight-line method over the estimated useful lives of the assets. Amortization of leasehold improvements is provided on the straight-line method over the remaining term of the lease or the useful life of the improvements, whichever is shorter.

Leasehold Improvements	39 years
Furniture and Fixtures	7 years
Machinery and Equipment	3 to 7 years
Vehicles	7 years
Software	3 to 5 years

Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as without donor restriction contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent of donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclasses with donor restricted net assets to without donor restricted net assets at that time.

Certain property and equipment used by the Organization is owned by New York City under a funding agreement. The Organization is responsible for acquiring items needed in order to run the facility; however, title will not pass to the Organization upon termination of the funding agreement. Therefore, most capital items are expensed within the year that the City funds the purchase.

Income Taxes

ACC is a not-for-profit organization that is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

1906 Flushing is a single member limited liability company that has elected to be treated as a disregarded entity. As such, 1906 Flushing is not subject to Federal and State income tax, but rather, its income or loss inures to ACC.

The Organization is subject to routine audits by various federal, state and local taxing authorities; however, there are currently no audits for any tax periods in progress. The Organization believes it is no longer subject to income tax examinations for years prior to 2016.

The consolidated financial statements effect of a tax position taken or expected to be taken are recognized in the consolidated financial statements when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. Interest and penalties, if any, are included in expenses in the Statement of Activities. Management does not believe its consolidated financial statements include any uncertain tax positions.

**ANIMAL CARE AND CONTROL OF NEW YORK CITY, INC.
DBA ANIMAL CARE CENTERS OF NYC**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Rent Expense

The Organization records rent expense associated with its office lease on a straight-line basis over the life of the lease. The difference between the straight-line amount and the amount actually paid during the year is recorded as a liability and an expense in the accompanying consolidated financial statements.

Medical Supplies, Medications and Products

Medical supplies, medications and products are purchased on an as needed basis and are expensed upon purchase. The dollar value of the supplies on hand at any given time is not material. It is the Organization's decision not to maintain inventory on its Consolidated Statements of Financial Position.

Pensions and Benefits

The Organization provides a range of benefits to eligible employees, including pensions, 401(k) Savings, and Group Life and Welfare Benefits. The Organization records annual amounts relating to these plans based on calculations, which include various actuarial assumptions such as discount rates, expected rates of return on plan assets, compensation increases, and turnover rates.

NOTE 3 - DONATIONS IN-KIND

The Organization receives donations in-kind from various individuals and organizations. These donations are comprised predominantly of services and supplies, such as food, blankets, leashes, and toys, used in shelter operations, legal and media. For the years ended June 30, 2019 and 2018, management estimated the value of these items received to be \$403,725 and \$554,215 respectively.

NOTE 4 - CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents in financial institutions, which from time to time may exceed the Federal Depository Insurance Coverage limit. In assessing their risk, the Organization's policy is to maintain funds only with reputable financial institutions and management believes the risk of loss is minimal. At June 30, 2019 and 2018, cash and cash equivalents exceeding federally insured limits totaled \$57,111,504 and \$2,014,896, respectively.

For the years ended June 30, 2019 and 2018, the contract with the City of New York accounted for more than 75% of the Organization revenues.

NOTE 5 - COMMITMENTS AND CONTINGENCIES

The contract with the City of New York is subject to audit by the City (See Note 7).

Local 1102 (the "Union") demanded arbitration over unpaid wages and, based upon their audit, alleges that the amount due current and non-current employees is \$180,616. Although management believed the amount due the Union was less than \$180,616 and intended to vigorously fight the case in arbitration, a provision had been made to the consolidated financial statements for the full-alleged amount in the year-ended 2018. Subsequent to the date of the financial statements, the Organization settled with the Union for a total sum of \$50,000. For the year-ended 2019, the provision amount had been adjusted accordingly.

**ANIMAL CARE AND CONTROL OF NEW YORK CITY, INC.
DBA ANIMAL CARE CENTERS OF NYC**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

NOTE 5 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

Certain grants and contracts may be subject to audit by funding sources. Such audits may result in disallowance of costs submitted for reimbursement. Management is of the opinion that such cost disallowances, if any, will not have a material effect on the accompanying consolidated financial statements. Accordingly, no amounts have been provided in the accompanying consolidated financial statements for such potential claims.

The Organization may be involved in legal actions arising in the ordinary course of its business. It is the opinion of management that such actions will be resolved without material effect on the Organization's financial position.

NOTE 6 - PROPERTY AND EQUIPMENT, NET

Property and equipment at June 30th by major classification is summarized as follows:

	<u>2019</u>	<u>2018</u>
Land	\$ 13,026,750	\$ -0-
Leasehold Improvements	382,554	382,554
Furniture and Fixtures	112,034	112,034
Machinery and Equipment	735,292	735,292
Vehicles	340,577	218,153
Software	<u>78,327</u>	<u>78,327</u>
	14,675,534	1,526,360
Accumulated Depreciation and Amortization	<u>911,604</u>	<u>782,360</u>
Property and Equipment, Net	<u>\$ 13,763,930</u>	<u>\$ 744,000</u>

Depreciation and amortization expense for the years ended June 30, 2019 and 2018 was \$129,245 and \$93,874, respectively.

The cost of certain equipment and facilities, which are used by the Organization in connection with its Shelter Operations, are not reflected in the consolidated statements of financial position because the assets' titles remain with the City of New York.

Land, included in the above schedule, is the site for the new Queens Full Service Shelter. The costs incurred in association with constructing the new Queens Full Service Shelter are included in the consolidated statements of financial position as a non-current asset "Construction in Progress". Upon completion of the facility, and when the facility is operational and in service, these costs will be reclassified to the appropriate asset class. As of June 30, 2019 and 2018, construction in progress was \$3,140,641 and \$771,620, respectively.

NOTE 7 - NEW YORK CITY FUNDING

The Organization has a cost reimbursement contract with the City of New York (the "City"), which runs through June 30, 2052, which engages the Organization to assist the City in carrying out its animal and care control responsibilities. The total maximum amount for all payments shall not exceed \$1,487,966,471 for the entire term of the agreement. Under the agreement, the Organization has a license to use and occupy three City owned buildings as animal care facilities: Manhattan Animal Care Facility, Brooklyn Animal Care Facility and Staten Island Animal Care Facility and two receiving centers: Queens Animal Receiving Facility and the Bronx Animal Receiving Center.

**ANIMAL CARE AND CONTROL OF NEW YORK CITY, INC.
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

NOTE 7 - NEW YORK CITY FUNDING (CONTINUED)

In addition, the City provided funds to allow the Organization to acquire land, build, develop and operate a new full service Queens Animal Care Center, financed and equipped as provided for under the agreement (See Note 9 - Property Loans). The City can terminate the contract with or without cause with no less than ten days from the date of notice personally delivered or fifteen days from the date of the notice via mail. Upon the opening of the new Queens Animal Care Center, the Organization will cease to utilize the Queens Animal Resource Center that is currently provided by the City of New York.

For the years ended June 30, 2019 and 2018, the value of the donated use of facilities by the City on behalf of the Organization has been included in the Consolidated Statement of Activities in Donated Use of Facilities in the amounts of \$1,189,307 and \$1,143,044, respectively. To the extent funding is provided for in the agreement, the Organization is responsible for general repairs, insurance and maintenance of the premises.

Effective July 1, 2006, the City assumed responsibility for the payment of the Organization's utilities, for locations owned or leased by the City. Accordingly, for the years ended June 30, 2019 and 2018 the value of the utilities paid by the City on behalf of the Organization has been included in the accompanying consolidated financial statements in both Revenue from the City of New York and Occupancy Expense in the amounts of \$290,679 and \$294,301, respectively.

At June 30, 2019 and 2018, the Organization was due from the City \$2,188,617 and \$244,253, respectively. At June 30, 2019 and June 30, 2018, the Organization owes the City under the current contract \$43,736 and \$42,720 in interest, respectively. In addition, at June 30, 2018, the Organization owed the City \$179,724 in unused funding for the 2018 cost of living adjustment. For the years-ended June 30, 2019 and June 30, 2018, benefit plan contributions and expenses made on behalf of the Organization totaled \$1,046,732 and \$1,040,809, respectively. For the years ended June 30, 2019 and 2018, total revenue recognized under the City contract was \$17,767,129 and \$14,904,364, respectively.

On April 27, 2018, the Organization was granted an emergency loan from the Fund for the City of New York for \$627,278 to cover operating expenses. The loan was interest-free and was required to be paid back no later than sixty (60) calendar days from the date of the signed loan agreement. During the year ended June 30, 2019, the loan was paid back in full.

NOTE 8 - RELATED PARTY

During the years ended June 30, 2019 and 2018, various members of the board of directors pledged donations totaling \$80,763 and \$78,535, respectively.

On July 21, 2019, a lease agreement between ACC and 1906 Flushing was executed for what will be the new Queens Full Service Shelter. The commencement date is anticipated to be July 15, 2022, which is the projected project completion date. The lease is due to expire no earlier than July 1, 2052. Under the lease agreement, the lease payments are tied directly to the monthly loan amortization payments of \$376,901 a month (See Note 9 – Property Loans). Any differences from the lease agreement payments and the lease's fair market value will be adjusted accordingly. Lease payments will be paid directly by the City, in accordance with their agreement with ACC (See Note 7 – New York City Funding). In addition, during the year ended June 30, 2019 ACC made an investment of \$805,251 in 1906 Flushing. This balance was eliminated during consolidation.

**ANIMAL CARE AND CONTROL OF NEW YORK CITY, INC.
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

NOTE 9 - PROPERTY LOANS

On June 21, 2019, 1906 Flushing acquired property located in Queens, New York, which is being developed for the new Queens Full Service Shelter (the "Project"). On that same date, the following notes were executed:

<u>Lender</u>	<u>Loan Amount</u>	<u>Interest Payments</u>	<u>Interest Rate</u>
Acquisition Loan	\$ 12,233,503	\$ 45,162	4.43%
Building Loan	33,882,687	125,084	4.43%
Project Loan	<u>28,883,810</u>	<u>106,629</u>	4.43%
Total Property Loans	<u>\$ 75,000,000</u>	<u>\$ 276,875</u>	

Interest on all three loans are due monthly at a rate 4.43% until the completion of the project, which is anticipated to be July 15, 2022. At such time, the amortization start date, principal and interest of \$376,901 will be payable monthly. The interest rate of 4.43% is in effect throughout the life of the loan and all three property loans mature July 15, 2052. The loans are secured by, among other things, (i) a Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Filing from Company for the benefit of Purchaser, creating a valid and perfected first mortgage lien on the Mortgaged Property, including, without limitation, the buildings, structures and improvements now or hereafter located thereon, and assigning Company's right, title and interest in and to the Lease therein described, (ii) an Assignment of Leases and Rents dated as of the date hereof from Company to Purchaser assigning Company's right, title and interest in and to the Lease and any other leases and rents, (iii) a lien on all funds held pursuant to the Cash Management Agreement and the Construction Escrow Agreement, (iv) the Collateral Assignment of Contracts, and (v) the Surety Bond.

Aggregate maturities of long-term debt are summarized as follows:

June 30, 2023	\$ 1,224,985
June 30, 2024	1,280,367
June 30, 2025	1,338,253
June 30, 2026	1,398,757
June 30, 2027	1,461,995
June 30, 2028 and Thereafter	<u>68,295,643</u>
Total Long-Term Debt	<u>\$ 75,000,000</u>

As of June 30, 2019, accrued interest of \$89,315 was capitalized to construction in progress.

NOTE 10 - LEASE COMMITMENTS AND RENTAL EXPENSE

On September 1, 2015, the Organization re-negotiated their office space lease in Manhattan. The term of the lease is for seven years through August 31, 2022.

Minimum future rental payments under this lease are as follows:

Year ending June 30,	
2020	\$ 282,245
2021	300,460
2022	<u>256,193</u>
	<u>\$ 838,898</u>

Rent included in occupancy expense for years ended June 30, 2019 and 2018 was \$275,389 in both years.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 11 - LINE OF CREDIT

Pursuant to an agreement with their Financial Institution, the Organization may borrow up to \$1,000,000 under a renewable line of credit. The interest on such borrowings is payable monthly at an annual rate equal to the LIBOR rate plus 3.00%. The line is secured by substantially all of the Organization's assets. At June 30, 2019 and 2018, the Organization had drawn down on its available line of credit \$573,401 and \$450,714, respectively. Subsequent to the date of financial statements, the line of credit was renewed on March 3, 2020 and is due to mature in March 2021.

On May 1, 2018, the Organization entered into agreement with their Financial Institution for a renewable line of credit in the amount of \$2,382,500. The interest on such borrowings is payable monthly at an annual rate equal to the LIBOR rate plus 3.00%. The line is secured by substantially all of the Organizations' assets. At June 30, 2019 and 2018, the Organization had drawn down on its available line of credit \$-0- and \$21,620, respectively. The line of credit matured on November 14, 2019.

NOTE 12 - BAD DEBT

Bad debt expense for the years ended June 30, 2019 and 2018 totaled \$-0- and \$75,215, respectively.

NOTE 13 - EMPLOYEE BENEFIT PLANS

All eligible employees of the Organization are members of the Cultural Institutions Retirement System's (CIRS) Pension, Savings Plan and Group Life and Welfare Benefits plans. The CIRS Pension Plan is a multiemployer defined benefit plan. Pension and Group Life and Welfare Benefit contributions are funded by the City of New York in accordance with their contract with the Organization. The employer match to the Savings Plan, in accordance with the Collective Bargaining Agreement, remains suspended.

The risk of participating in these multiemployer plans is different from single-employer plans in the following aspects:

- a) Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.
- b) If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- c) If the Organization chooses to stop participating in some of its multiemployer plans, the Organization may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The Organization's participation in this plan for the fiscal year ended June 30, 2019 and 2018 is outlined in the table below. The "EIN/Pension Plan number" column provides the Employer Identification Number (EIN) and the three-digit plan number, if applicable. The zone status is based on information that the Company received from the plan and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65 percent funded, plans in the yellow zone are less than 80 percent funded. A plan is in the green zone if it has a current funded percentage greater than 80 percent. Unless otherwise noted, the most recent PPA zone status available in 2019 and 2018 is for the plan's year-end at June 30, 2018 and 2017, respectively. The

**ANIMAL CARE AND CONTROL OF NEW YORK CITY, INC.
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

NOTE 13 - EMPLOYEE BENEFIT PLANS (CONTINUED)

“FIP/RP Status Pending/Implemented” column indicates plans for which a financial improvement plan (FIP) or a rehabilitation plan (RP) is either pending or has been implemented. The last column lists the expiration dates(s) of the collective bargaining agreements(s) to which the plans are subject. The period-to-period comparability fluctuates based upon the Organization’s growth. The Company was not identified in its plan’s 2018 Forms 5500 as providing more than 5% of total plan contributions.

The Organization currently has no intention of withdrawing from the multiemployer pension plan in which it participates.

Pension Fund	EIN/Pension Plan Number	Pension Protection Act Zone Status		FIP/RP Status	Contributions of Company			Surcharge Imposed	Expiration Date of Collective-Bargaining Agreement
		2019	2018		2019	2018	2017		
(1) CIRS	11-2001170	Green	Green	NA	\$904m	\$904k	\$810k	No	NA*

(1) Cultural Institutions Retirement System

* The Collective Bargaining Agreement is on extension until February 28, 2020.

Group Life and Welfare Benefits plans and administrative fees for the years ended June 30, 2019 and 2018 were as follows:

	<u>2019</u>	<u>2018</u>
Group Life and Welfare Benefits	\$ 21,179	\$ 22,821
Administration Fees	<u>121,371</u>	<u>113,290</u>
	<u>\$ 142,550</u>	<u>\$ 136,111</u>

For the period ending June 30, 2019 and 2018, the Organization made no contributions to the 401(k) Savings Plan.

NOTE 14 - NET ASSETS WITHOUT DONOR RESTRICTIONS

The Organization’s net assets without donor restrictions is comprised of undesignated and board designated amounts for the following purposes for the year ending June 30, 2019 and 2018.

	<u>2019</u>	<u>2018</u>
Undesignated	<u>\$ 1,766,507</u>	<u>\$ 944,418</u>

NOTE 15 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following as of June 30, 2019 as follows:

<u>Restriction Type</u>	<u>Beginning of Fiscal Year</u>	<u>Contributions</u>	<u>Released</u>	<u>End of Fiscal Year</u>
Time Restricted:				
Within a One Year Time Period	\$ --	\$ --	(\$ --)	\$ --
Purpose Restricted:				
Program Services	<u>1,050,827</u>	<u>1,322,104</u>	<u>(1,386,101)</u>	<u>986,830</u>
Total	<u>\$ 1,050,827</u>	<u>\$ 1,322,104</u>	<u>(\$ 1,386,101)</u>	<u>\$ 986,830</u>

**ANIMAL CARE AND CONTROL OF NEW YORK CITY, INC.
DBA ANIMAL CARE CENTERS OF NYC**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

NOTE 15 - NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Net assets with donor restrictions are restricted for the following as of June 30, 2018 as follows:

<u>Restriction Type</u>	<u>Beginning of Fiscal Year</u>	<u>Contributions</u>	<u>Released</u>	<u>End of Fiscal Year</u>
Time Restricted:				
Within a One Year Time Period	\$ --	\$ --	(\$ --)	\$ --
Purpose Restricted:				
Program Services	847,684	3,693,613	(3,490,470)	1,050,827
Total	<u>\$ 847,684</u>	<u>\$ 3,693,613</u>	<u>(\$ 3,490,470)</u>	<u>\$ 1,050,827</u>

Purpose restrictions are expected to be released from restrictions within one year.

NOTE 16 - LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization's financial assets available within one year of the consolidated statements of financial position date for general expenditure for the years ending June 30, 2019 and 2018 are as follows:

	<u>2019</u>	<u>2018</u>
Cash and Cash Equivalents	\$ 891,380	\$ 2,012,530
Receivables	<u>2,383,606</u>	<u>629,885</u>
Total Financial Assets Available	<u>3,274,986</u>	<u>2,642,415</u>
Less:		
Amounts Unavailable for General Expenditures Within One Year, at Net Present Value, Due To:		
Restricted by Donors with Purpose Restrictions	--	--
Restricted by Donors with Timing Restrictions	<u>--</u>	<u>--</u>
Total Amounts Unavailable for General Expenditures Within One Year	<u>--</u>	<u>--</u>
Total Financial Assets Available to Management for General Expenditure Within One Year	<u>\$ 3,274,986</u>	<u>\$ 2,642,415</u>

The Organization's goal is generally to maintain financial assets to meet one to two months of operating expenses (approximately \$1.9 million). As part of its liquidity plan, the Organization has a line of credit for \$1,000,000 and has the ability to scale-back and reduce non-essential support services.

NOTE 17 - RECEIVABLES

Receivables consist of grants and contributions from the government, foundations, institutions, corporations and individuals. For the years ended June 30, 2019 and 2018, receivables consisted of the following:

	<u>2019</u>	<u>2018</u>
Amount Due In:		
Less Than One Year	<u>\$ 2,383,606</u>	<u>\$ 629,885</u>

**ANIMAL CARE AND CONTROL OF NEW YORK CITY, INC.
DBA ANIMAL CARE CENTERS OF NYC**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

NOTE 18 - CREDIT ACCOUNTS

At June 30, 2019 and 2018, the Organization had drawn down \$70,769 and \$40,248 on various open unsecured credit accounts. These amounts are included in accrued expenses on the Consolidated Statement of Financial Position.

NOTE 19 - SUBSEQUENT EVENTS

The financial impacts of the global emergence of Coronavirus disease (COVID-19) on the Organization are currently unknown. The Organization is conducting business to respond to animal service needs under its contract with the City of New York and helping individuals suffering from the pandemic who cannot care for their pets. The Organization has made some modifications to employee travel, employee work hours and locations, and cancellation of certain events, among other modifications required to operate within the guidance and requirements of the Centers for Disease Control and Prevention, the New York State Governor and the New York City Mayor. The Organization will continue to actively monitor the situation and may take further actions that alter business operations as may be required by federal, state or local authorities or that are determined to be in the best interest of the Organization's employees, staff and other stakeholders. It is not clear what the potential effects any such alterations or modifications may have on the Organization, including the effects on donors and prospects, or on the Organization's financial results for fiscal year end 2020.

Management has evaluated subsequent events through June 24, 2020, which is the date the consolidated financial statements were available to be issued and determined no adjustments to the financial statements or additional disclosures are necessary.

**ANIMAL CARE AND CONTROL
OF NEW YORK CITY, INC.
DBA ANIMAL CARE CENTERS OF NYC
SUPPLEMENTARY SCHEDULES
YEARS ENDED JUNE 30, 2019**

INDEPENDENT AUDITOR'S REPORT ON ADDITIONAL INFORMATION

Animal Care and Control of New York City, Inc.
DBA Animal Care Centers of NYC
New York, New York

We have audited the consolidated financial statements of Animal Care and Control of New York City, Inc., DBA Animal Care Centers of NYC and Affiliate, (the "Organization") as of and for the year ended June 30, 2019, and have issued our report thereon dated June 24, 2020, which expressed an unmodified opinion on those consolidated financial statements. Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statement of financial position and consolidating statement of activities are presented for the purposes of additional analysis 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 audit 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.

Rosenberg + Manente PLLC

Rosenberg and Manente, PLLC
Certified Public Accountants
New York, NY

June 24, 2020

ANIMAL CARE AND CONTROL OF NEW YORK CITY, INC.
DBA ANIMAL CARE CENTERS OF NYC
SCHEDULE I: CONSOLIDATING STATEMENT OF FINANCIAL POSITION
AT JUNE 30, 2019

	ANIMAL CARE & CONTROL OF NEW YORK CITY, INC.	1906 FLUSHING AVE LLC	ELIMINATIONS	TOTAL
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents	\$ 891,380	\$ -	\$ -	\$ 891,380
Restricted - Cash and Cash Equivalents	-	56,976,209	-	56,976,209
Accounts Receivable - The City of New York	2,188,617	-	-	2,188,617
Unconditional Promises to Give	5,394	-	-	5,394
Grants Receivable	186,898	-	-	186,898
Prepaid Expenses	246,964	-	-	246,964
Other Accounts Receivable	2,697	-	-	2,697
TOTAL CURRENT ASSETS	3,521,950	56,976,209	-	60,498,159
FIXED ASSETS				
Property and Equipment, Net	737,180	13,026,750	-	13,763,930
TOTAL FIXED ASSETS	737,180	13,026,750	-	13,763,930
OTHER ASSETS				
Construction in Progress	-	3,140,641	-	3,140,641
Loan Acquisition Costs, Net	-	2,909,407	-	2,909,407
Investment in Subsidiary	805,251	-	(805,251)	-
Deposits on Leased and Other Property	79,615	-	-	79,615
TOTAL OTHER ASSETS	884,866	6,050,048	(805,251)	6,129,663
TOTAL ASSETS	\$ 5,143,996	\$ 76,053,007	\$ (805,251)	\$ 80,391,752
LIABILITIES, NET ASSETS AND MEMBER'S EQUITY				
CURRENT LIABILITIES				
Accounts Payable	\$ 425,166	\$ -	\$ -	\$ 425,166
Accrued Expenses	429,549	150,414	-	579,963
Accounts Payable - The City of New York	43,736	-	-	43,736
Salaries, Payroll Taxes and Benefits Payable	606,013	-	-	606,013
Vacation and Sick Time Accrual	252,486	-	-	252,486
Interest Payable	-	89,315	-	89,315
Deferred Rent Payable	58,536	-	-	58,536
Line of Credit	573,401	-	-	573,401
Customer Deposits Payable	7,274	-	-	7,274
Other Liabilities	2,525	-	-	2,525
TOTAL CURRENT LIABILITIES	2,398,686	239,729	-	2,638,415
LONG-TERM LIABILITIES				
Mortgage Payable	-	75,000,000	-	75,000,000
TOTAL LONG-TERM LIABILITIES	-	75,000,000	-	75,000,000
TOTAL LIABILITIES	2,398,686	75,239,729	-	77,638,415
NET ASSETS AND MEMBER'S EQUITY				
Without Donor Restrictions	1,758,480	-	-	1,758,480
With Donor Restrictions	986,830	-	-	986,830
Member's Equity	-	813,278	(805,251)	8,027
TOTAL NET ASSETS AND MEMBER'S EQUITY	2,745,310	813,278	(805,251)	2,753,337
TOTAL LIABILITIES, NET ASSETS AND MEMBER'S EQUITY	\$ 5,143,996	\$ 76,053,007	(805,251)	\$ 80,391,752

See Accompanying Notes to Consolidated Financial Statements

**ANIMAL CARE AND CONTROL OF NEW YORK CITY, INC.
DBA ANIMAL CARE CENTERS OF NYC
SCHEDULE II: CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019**

	ANIMAL CARE AND CONTROL OF NEW YORK CITY, INC.	1906 FLUSHING AVE LLC	ELIMINATIONS	TOTAL
REVENUES, GAINS, AND OTHER SUPPORT				
Support from Operations:				
Revenue - The City of New York	\$ 17,767,129	\$ -	\$ -	\$ 17,767,129
Shelter Revenue	918,296	-	-	918,296
Contributions	2,003,556	-	-	2,003,556
In-Kind Contributions	403,725	-	-	403,725
Benefit Plan Contributions	1,046,732	-	-	1,046,732
Donated Use of Facilities	1,189,307	-	-	1,189,307
Investment Income	385	18,432	-	18,817
Benefits and Special Events	460,193	-	-	460,193
Other Miscellaneous Income	40,776	-	-	40,776
TOTAL REVENUES, GAINS, AND OTHER SUPPORT	23,830,099	18,432	-	23,848,531
EXPENSES				
Salaries	11,440,275	-	-	11,440,275
Payroll Taxes and Fringe Benefits	3,538,232	-	-	3,538,232
Vehicle Expenses	434,604	-	-	434,604
Communications	122,986	-	-	122,986
Depreciation	129,245	-	-	129,245
Facility Expenses	428,762	-	-	428,762
Human Resource	123,504	-	-	123,504
Insurance	379,964	-	-	379,964
Interest and Bank Charges	58,130	-	-	58,130
Supplies and Services, Medical	2,077,007	-	-	2,077,007
Occupancy	1,773,576	-	-	1,773,576
Other Expenses	97,317	2,575	-	99,892
Professional Fees	662,739	7,830	-	670,569
Special Events	190,720	-	-	190,720
Supplies and Services, Operations	764,745	-	-	764,745
Telecommunications	139,096	-	-	139,096
Technology and Equipment	396,309	-	-	396,309
First Alert Stipends	219,425	-	-	219,425
Discount and Subsidized	103,398	-	-	103,398
TOTAL EXPENSES	23,080,034	10,405	-	23,090,439
CHANGE IN NET ASSETS	750,065	8,027	-	758,092
NET ASSETS AND MEMBER'S EQUITY, BEGINNING OF YEAR	1,995,245	-	-	1,995,245
NET ASSETS AND MEMBER'S EQUITY, END OF YEAR	\$ 2,745,310	\$ 8,027	\$ -	\$ 2,753,337

See Accompanying Notes to Consolidated Financial Statements