CENTER FOR FAMILY REPRESENTATION, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

CENTER FOR FAMILY REPRESENTATION, INC.

CONTENTS

INDEPENDENT AUDITORS' REPORT

To The Board of Directors
Center for Family Representation, Inc.
New York, New York

Report on the Financial Statements

We have audited the accompanying financial statements of Center for Family Representation, Inc. ("CFR"), which comprise the statements of financial position as of December 31, 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.

Auditors' 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.

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Basis for Qualified Opinion

As more fully described in Note 10 to the financial statements, CFR records rent expense in accordance with the terms of the lease as it becomes payable. In our opinion, rent expense should be recorded on the straight-line basis over the life of the lease to conform with accounting principles generally accepted in the United States of America.

Qualified Opinion

In our opinion, except for the effects of not recording rent expense over the life of the lease on the straight-line basis, as discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Center for Family Representation, Inc. as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the financial statements, CFR adopted Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2018-08. Our opinion is not modified with respect to this matter.

Grassi & Co., CPAs, P.C.

GRASSI & CO., CPAs, P.C.

White Plains, New York
December 8, 2020

CENTER FOR FAMILY REPRESENTATION, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2019 AND 2018

	2019	2018
ASSETS		
Cash and cash equivalents	$ 1,129,335	$ 4,873,283
Investments	4,027,190	-
Accounts receivable, net	1,192,877	4,715,618
Contributions receivable	142,594	153,005
Prepaid expenses and other assets	200,398	178,814
Property and equipment	332,405	259,237
Security deposits	174,100	174,100
TOTAL ASSETS	$ 7,198,899	$ 10,354,057
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accrued expenses and other payables	$ 496,180	$ 525,089
Loan payable	-	2,303,368
Refundable advances	1,704,038	2,909,233
TOTAL LIABILITIES	2,200,218	5,737,690
COMMITMENTS AND CONTINGENCIES		
NET ASSETS:		
Without donor restrictions	4,748,681	4,157,867
With donor restrictions	250,000	458,500
TOTAL NET ASSETS	4,998,681	4,616,367
TOTAL LIABILITIES AND NET ASSETS	$ 7,198,899	$ 10,354,057

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

CENTER FOR FAMILY REPRESENTATION, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Contributions - foundations	$ 210,419	$ 250,000	$ 460,419	$ 240,876	$ 458,500	$ 699,376
Contributions - other	125,495	-	125,495	411,582	-	411,582
Special events (net of expenses of $114,608 in 2019 and $133,209 in 2018)	276,272	-	276,272	414,476	-	414,476
Government contracts	10,956,890	-	10,956,890	12,635,039	-	12,635,039
Training revenue	17,400	-	17,400	16,989	-	16,989
Interest	24,075	-	24,075	3,500	-	3,500
Net assets released from restrictions	458,500	(458,500)	-	147,500	(147,500)	-
TOTAL SUPPORT AND REVENUE	12,069,051	(208,500)	11,860,551	13,869,962	311,000	14,180,962
EXPENSES:						
Program services	10,227,639	-	10,227,639	9,734,961	-	9,734,961
Management and general	865,187	-	865,187	614,685	-	614,685
Fundraising and development	385,411	-	385,411	381,216	-	381,216
TOTAL EXPENSES	11,478,237	-	11,478,237	10,730,862	-	10,730,862
CHANGE IN NET ASSETS	590,814	(208,500)	382,314	3,139,100	311,000	3,450,100
NET ASSETS, BEGINNING OF YEAR	4,157,867	458,500	4,616,367	1,018,767	147,500	1,166,267
NET ASSETS, END OF YEAR	$ 4,748,681	$ 250,000	$ 4,998,681	$ 4,157,867	$ 458,500	$ 4,616,367

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

CENTER FOR FAMILY REPRESENTATION, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019				2018			
	Program Services	Management and General	Fundraising and Development	Total	Program Services	Management and General	Fundraising and Development	Total
Salaries	$ 6,998,757	$ 507,714	$ 250,409	$ 7,756,880	$ 6,352,215	$ 392,701	$ 227,411	$ 6,972,327
Payroll taxes and benefits	1,374,177	99,688	49,167	1,523,032	1,413,730	87,398	50,612	1,551,740
Total salaries and related costs	8,372,934	607,402	299,576	9,279,912	7,765,945	480,099	278,023	8,524,067
Professional fees	158,184	160,425	3,242	321,851	269,828	64,785	40,007	374,620
Occupancy	853,339	61,904	30,531	945,774	846,167	38,096	29,814	914,077
Case related expenses	224,672	-	-	224,672	244,771	-	-	244,771
Office supplies and expenses	39,969	2,900	1,430	44,299	73,343	4,534	2,626	80,503
Equipment and maintenance	76,456	5,546	2,736	84,738	155,527	9,615	5,568	170,710
Telephone	208,795	15,146	7,470	231,411	144,375	8,925	5,169	158,469
Research services and publications	74,081	-	-	74,081	52,190	-	-	52,190
Travel and conferences	50,342	-	-	50,342	43,203	-	-	43,203
Insurance	38,356	-	-	38,356	32,539	2,012	1,165	35,716
Fundraising	-	-	38,795	38,795	-	-	15,015	15,015
Other expenses	84,924	8,557	-	93,481	51,279	3,170	1,832	56,281
Depreciation and amortization	45,587	3,307	1,631	50,525	55,794	3,449	1,997	61,240
TOTAL EXPENSES	$ 10,227,639	$ 865,187	$ 385,411	$ 11,478,237	$ 9,734,961	$ 614,685	$ 381,216	$ 10,730,862

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

CENTER FOR FAMILY REPRESENTATION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 382,314	$ 3,450,100
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	50,525	61,240
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	3,522,741	(3,271,707)
Contributions receivable	10,411	20,086
Prepaid expenses and other assets	(21,584)	(84,338)
Security deposits	-	4,600
Increase (decrease) in liabilities:		
Accrued expenses and other payables	(28,909)	88,166
Refundable advances	(1,205,195)	1,238,804
Deferred rent payable	-	(96,614)
Net Cash Provided by Operating Activities	2,710,303	1,410,337
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(4,027,190)	-
Property and equipment acquisitions	(123,693)	(39,148)
Net Cash Used in Investing Activities	(4,150,883)	(39,148)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from loans	-	2,303,368
Principal repayments of loan payable	(2,303,368)	-
Net Cash Used in (Provided by) Financing Activities	(2,303,368)	2,303,368
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(3,743,948)	3,674,557
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	4,873,283	1,198,726
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 1,129,335	$ 4,873,283

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

Note 1 - Organization and Nature of Activities

Center for Family Representation, Inc. ("CFR") was founded in May 2002 to improve representation for parents involved in child protective proceedings in New York City Family Courts. Inadequate representation can result in unnecessary removal of children from indigent families and unnecessarily long stays in foster care. CFR's mission is to improve outcomes for families involved in the Child Welfare and Family Court systems through legal representation, social services, education, advocacy, research, policy reform and training.

CFR is organized under the Not-for-Profit Corporation Law of the State of New York and has been granted exemption from federal income tax pursuant to Section 501 (c) (3) of the Internal Revenue Code. CFR receives its principal revenue from government contracts and contributions.

Note 2 - Summary of Significant Accounting Policies

Adoption of Accounting Standards Update

ASU No. 2018-08

Effective January 1, 2019, CFR adopted the provisions of Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made* ("ASU 2018-08") on a modified prospective basis. This ASU provides for guidance to assist CFR in evaluating the transfer of assets and the nature of the related transactions. CFR considers whether a contribution is either conditional based on whether an agreement includes a barrier that must be overcome and a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets. The presence of both indicates that the recipient is not entitled to the transferred assets or a future transfer of assets until it has overcome any barriers in the agreement.

The adoption of this ASU resulted in changes to certain disclosures in the notes to the financial statements.

Basis of Accounting

CFR prepares its financial statements using the accrual basis of accounting. CFR follows accounting principles generally accepted in the United States of America ("U.S. GAAP").

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain 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.

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Fair Value of Financial Instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. To increase the comparability of fair value measurements, a three-tier fair value hierarchy, which prioritizes the inputs used in the valuation methodologies, is as follows:

Level 1 - Valuations based on quoted prices for identical assets and liabilities in active markets.

Level 2 - Valuations based on observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

Level 3 - Valuations based on unobservable inputs reflecting CFR's own assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment.

At December 31, 2019 and 2018, the fair value of CFR's financial instruments, including cash and cash equivalents, accounts receivable, contributions receivable, and accrued expenses and other payables, approximated book value due to the short maturity of these instruments.

Refer to Note 4 - Investments and Fair Value Measurements for assets measured at fair value.

Cash and Cash Equivalents

Cash and cash equivalents include all cash balances and highly liquid investments with an original maturity of three months or less when acquired.

Investments

Investments are stated at fair value based on quoted market prices. Gains and losses on the sale of investments and investment income are recorded as operating activities and are recognized as increases and decreases in net assets without donor restrictions unless their use is restricted by donor stipulations. Interest and dividends from net assets with donor restrictions are recorded as additions to net assets with donor restrictions until the donors' restrictions are satisfied or those amounts are appropriated for expenditure by CFR in a manner consistent with current laws.

Contributions Receivable and Revenue

Contributions receivable consist of unconditional promises to give and are recognized as revenue in the year the promise is received. 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 the present value of their estimated future cash flows.

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Allowance for Doubtful Accounts

CFR carries its receivables at cost less an allowance for doubtful accounts and loan loss allowance. CFR estimates the allowance based upon a review of outstanding receivables and historical collection information by customer. Normally, receivables are due within 30 days after the date of the invoice. Receivables more than one year old are considered past due. Receivables are written off when they are deemed to be uncollectible. CFR has determined that no allowance for doubtful accounts and loan loss allowance is necessary at December 31, 2019 and 2018. CFR does not accrue interest on past due receivables.

Contributions

Contributions are provided to CFR either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. Unconditional contributions, including promises to give cash and other assets, are reported at fair value at the date the contribution is received. The value recorded for each contribution is recognized as follows:

Nature of the Gift	**Value Recognized**
Conditional gifts and grants, with or without restrictions	
Gifts and grants that depend on CFR overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, *i.e.,* the donor-imposed barrier is met
Unconditional gifts and grants, with or without restrictions	
Received at date of gift - cash and other assets	Fair value
Received at date of gift - property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
To be collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

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

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Contributions (cont'd.)

When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service. Purpose restricted contributions that originate in a given year and are released from restriction in the same year by meeting the donors' restricted purposes are reflected in net assets without donor restrictions.

Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as revenue with donor restrictions and then released from restriction.

Receivables, Revenues and Refundable Advances

CFR records receivables and revenue from government contracts in the period that services are performed. Refundable advances consist of amounts received from government funding sources toward future services.

Property and Equipment

Property and equipment is stated at cost, less accumulated depreciation and amortization. Depreciation and amortization are provided on a straight-line basis over the estimated useful lives of the related assets. Maintenance and repair costs are charged to expense as incurred, and cost of renewals and improvements are capitalized. CFR capitalizes property and equipment with a useful life of two years or more and a cost of $5,000 or more.

Depreciation of fixed assets is provided utilizing the straight-line method over the estimated useful lives of the respective assets as follows:

Furniture and fixtures	5 years
Equipment	3 years
Leasehold improvements	10 years

Leasehold improvements are amortized over the shorter of the estimated useful life of the improvement or the remaining term of the lease.

Net Assets

Net assets without donor restrictions include funds having no restriction as to use or purpose imposed by donors. Net assets with donor restrictions are those whose use has been limited by donors to a specific time period or purpose.

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Functional Allocation of Expenses

Costs incurred in providing CFR's various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Case related expenses, research services and publications, and travel and conference expenses are directly charged to program expenses. Expenses such as salaries, payroll taxes, and employee benefits are allocated on a time and effort basis. Expenses attributable to more than one functional expense category are allocated using a variety of cost allocation techniques such as percentage of employees in each office and department, and time and effort.

Accounting for Uncertainty in Income Taxes

CFR applies the provisions pertaining to uncertain tax provisions (FASB Accounting Standards Codification ("ASC") Topic 740) and has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. CFR believes it is no longer subject to income tax examinations prior to 2016.

New Accounting Pronouncements

ASU No. 2016-02

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. This ASU is the result of a joint project of the FASB and the International Accounting Standards Board ("IASB") to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements for U.S. GAAP and International Financial Reporting Standards ("IFRS"). The guidance in this ASU affects any entity that enters into a lease (as that term is defined in this ASU), with some specified scope exemptions. The guidance in this ASU will supersede FASB ASC Topic 840, *Leases.*

This ASU provides that lessees should recognize lease assets and lease liabilities on the balance sheet for leases previously classified as operating leases that exceed 12 months, including leases existing prior to the effective date of this ASU. It also calls for enhanced leasing arrangement disclosures.

For nonpublic entities, the amendments of ASU No. 2016-02 are effective for annual reporting periods beginning after December 15, 2021, and interim periods within annual periods beginning after December 15, 2022, based on the decision in ASU No. 2020-05 to defer the implementation dates. Early application is permitted for all entities.

Note 2 - Summary of Significant Accounting Policies (cont'd.)

New Accounting Pronouncements (cont'd.)

ASU No. 2014-09

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This ASU is the result of a joint project of the FASB and the IASB to clarify the principles for recognizing revenue and to develop a common revenue standard for U.S. GAAP and IFRS. The guidance in this ASU affects any entity that either enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of nonfinancial assets, unless those contracts are within the scope of other standards.

The ASU provides that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity should apply the following five-step process to recognize revenue:

Step 1: Identify the contract with a customer.
Step 2: Identify the performance obligations in the contract.
Step 3: Determine the transaction price.
Step 4: Allocate the transaction price to the performance obligations in the contract.
Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

For nonpublic entities, the amendments of ASU No. 2014-09 are effective for annual reporting periods beginning after December 15, 2019, and interim periods within annual periods beginning after December 15, 2020, based on the decision in ASU No. 2020-05 to defer the implementation dates by another year. Early application is permitted under certain circumstances.

CFR has not yet determined if these ASUs will have a material effect on its financial statements.

Note 3 - Concentrations

For the years ended December 31, 2019 and 2018, approximately 81% and 79%, respectively, of CFR's support and revenue was from one government funder. The funder is Mayor's Office of Criminal Justice ("MOCJ"), and the current contract with MOCJ expires on June 30, 2021.

CFR maintains its cash accounts in a commercial bank, which balances are insured by the Federal Deposit Insurance Corporation ("FDIC") for up to $250,000. From time to time, CFR's balances may exceed these limits. CFR has not experienced any losses in such accounts, and management believes that credit risk related to these accounts is minimal.

Note 4 - Investments and Fair Value Measurements

CFR measures its investments at fair value. Fair value is an exit price, representing the amount that would be received on the sale of an asset or that would be paid to transfer a liability in an orderly transaction between market participants. As a basis for considering such assumptions, a three-tier fair value hierarchy is used which prioritizes the inputs in the valuation methodologies in measuring fair value.

Fair Value Hierarchy

The methodology for measuring fair value specifies a hierarchy of valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon market data obtained from independent sources (observable inputs) or reflect CFR's own assumptions of market participant valuation (unobservable inputs).

Items Measured at Fair Value on a Recurring Basis

The following table presents CFR's assets that are measured at fair value on a recurring basis at December 31, 2019:

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 29,575	$ -	$ -	$ 29,575
Equities	6,535	-	-	6,535
U.S. Treasuries	3,991,080	-	-	3,991,080
	$ 4,027,190	$ -	$ -	$ 4,027,190

Note 5 - Accounts Receivable

Accounts receivable consist of the following as of December 31, 2019 and 2018:

	2019	2018
Mayor's Office of Criminal Justice ("MOCJ")	$ 856,073	$ 4,427,145
New York State Division of Criminal Justice Services ("DCJS"	28,218	28,218
New York State Office of Court Administration ("OCA")	222,331	182,518
New York State Office of Children and Family Services ("OCF	25,000	-
The New York State Senate	31,250	-
Interest on Lawyer Account	30,000	21,875
Dormitory Authority of the State of New York ("DASNY")	-	55,062
Other	5	800
	$ 1,192,877	$ 4,715,618

Note 6 - Contributions Receivable

Contributions receivable consist of the following as of December 31, 2019 and 2018:

	2019	2018
Unconditional promises to be collected in:		
Less than one year	$ 142,594	$ 124,505
One to five years	-	30,000
	142,594	154,505
Discount to present value (with rate of 5%)	-	(1,500)
Total	$ 142,594	$ 153,005

Note 7 - Property and Equipment

Property and equipment, net consists of the following as of December 31, 2019 and 2018:

	2019	2018
Leasehold improvements	$ 480,123	$ 352,476
Furniture and fixtures	203,107	203,107
Equipment	67,356	67,354
	750,586	622,937
Less: Accumulated depreciation and amortization	418,181	363,700
	$ 332,405	$ 259,237

Depreciation and amortization expense for the years ended December 31, 2019 and 2018 was $50,525 and $61,240, respectively.

Note 8 - Line of Credit

CFR has established a bank line of credit with a current borrowing limit of $450,000. As of December 31, 2019, there was no outstanding balance. Borrowings under this facility bear interest at the bank's LIBOR rate plus 3.25%. To secure this loan, the bank was granted a first priority security interest in all of CFR's assets. The line of credit has no maturity date and is due on demand.

Note 9 - Loan Payable

In November and December 2018, CFR executed loan agreements totaling $2,303,368 with The Fund for the City of New York. The loans are interest-free and were due in ninety days. CFR repaid the loan balance on January 4, 2019.

Note 10 - Commitments

CFR leases office space under operating leases that expire on various dates through September 2027. CFR also leases equipment under operating leases with terms that expire through 2019.

CFR records rent expense in accordance with the lease terms, rather than on the straight-line basis as is required under accounting principles generally accepted in the United States of America. If the rent expense had been recorded on the straight-line basis, deferred rent payable would be reflected in the amounts of approximately $425,000 and $500,000, as of December 31, 2019 and 2018, respectively, with a corresponding decrease in net assets. In addition, rent expense would be decreased by approximately $75,000 and $47,000, respectively, for the years ended December 31, 2019 and 2018.

Future minimum annual rental commitments under noncancellable rental lease obligations are as follows:

Years Ending December 31:	
2020	$ 790,310
2021	637,945
2022	326,400
2023	345,600
2024	345,600
Thereafter	1,010,400
	$ 3,456,255

Rent expense amounted to $781,055 and $755,804, respectively, for the years ended December 31, 2019 and 2018. In January 2014, one of CFR's landlords agreed to defer rent payments for a six-month period, with payments to resume July 1, 2015. The deferred portion of the rent was paid off during 2018.

Note 11 - Contingencies

A substantial amount of CFR's revenues are government reimbursements. Revenues and related expenses are subject to audit verification by the funding agencies. The accompanying financial statements make no provision for possible disallowances. Although such disallowances could be substantial in amount, in the opinion of management, any actual disallowances would be immaterial.

Note 12 - Net Assets With Donor Restrictions

Net assets with donor restrictions at December 31, 2019 and 2018 were subject to the following restrictions:

	2019		2018	
Time Restricted	$ 50,000		$ 100,000	
Home for Good	30,000	*	328,500	*
Employee Self Care	-		30,000	
Juvenile Justice	170,000	*	-	
	$ 250,000		$ 458,500	

*These items are also time restricted.

Net assets released from restrictions consisted of the following for the years ended December 31, 2019 and 2018:

	2019	2018
Time Restricted	$ 100,000	$ -
Community Redevelopment Legal Services	-	50,000
Enhancing Family Advocacy Teams	-	37,500
Home for Good	328,500	30,000
Employee Self Care	30,000	30,000
	$ 458,500	$ 147,500

Note 13 - Pension Plan

CFR provides a defined contribution plan for its employees. Contributions are discretionary as determined annually by the Board of Directors. Pension expense for the years ended December 31, 2019 and 2018 amounted to $256,078 and $361,901, respectively.

Note 14 - Financial Assets and Liquidity Resources

CFR typically receives advances on its largest government contract, and thereafter receives contract payments monthly, thereby providing a steady inflow of funds during the year. CFR's expenditures are not subject to significant seasonal fluctuations.

CFR manages its liquidity by operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs. To achieve these targets, management forecasts its future cash flows and monitors its liquidity monthly. CFR maintains a line of credit (see Note 8) and also is permitted to obtain loans from The Fund for The City of New York in the event that there are delays in payments from certain of its government contracts (see Note 9).

Note 14 - Financial Assets and Liquidity Resources (cont'd.)

As of December 31, 2019 and 2018, financial assets and liquidity resources available within one year for general expenditures, such as operating expenses and purchases of property and equipment, were as follows:

	2019	2018
Cash and cash equivalents	$ 1,129,335	$ 4,873,283
Investments	4,027,190	-
Accounts receivable, net	1,192,877	4,715,618
Contributions receivable	142,594	153,005
	6,491,996	9,741,906
Net assets with donor restrictions	(250,000)	(458,500)
Financial assets available to meet cash needs for general expenditures within one year	$ 6,241,996	$ 9,283,406

Note 15 - Subsequent Events

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through December 8, 2020, the date that the financial statements were available to be issued. During this period, there were no subsequent events requiring disclosure, except as follows:

The extent of the impact of the COVID-19 coronavirus on CFR's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impact on CFR's funders, donors, employees and vendors, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the financial condition or results of operations of CFR is uncertain.

In April 2020, the CFR entered into a $1,875,700 loan agreement with a financial institution under the Paycheck Protection Program (the "Program"), established by the federal government and administered by the Small Business Administration ("SBA"). CFR will primarily be utilizing the Program loan for payroll costs and anticipates that a large portion of the loan will be forgiven. In November 2020, equal monthly installments of principal and interest were scheduled to commence, which were to include interest payable at the rate of .98% per annum. However, under recently issued SBA guidance, CFR can delay its submission for loan forgiveness until March 2021. The loan is set to mature in April 2022; however, CFR anticipates applying for forgiveness and repaying the unforgiven balance prior to June 30, 2021.