

CHILD MIND INSTITUTE, INC.

REPORTS IN COMPLIANCE WITH THE UNIFORM GUIDANCE

SEPTEMBER 30, 2023 and 2022  
(with supplementary schedule)

# CHILD MIND INSTITUTE, INC.

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## **INDEPENDENT AUDITORS' REPORT**

Board of Directors of  
Child Mind Institute, Inc.

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Child Mind Institute Inc. ("CMI"), which comprise the statements of financial position as of September 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for each of the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Child Mind Institute, Inc. as of September 30, 2023 and 2022, and the changes in its net assets and its cash flows for each of the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to audits contained in *Government Auditing Standards*, issued by the Comptroller of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of CMI and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

CMI's 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about CMI's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

#### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 CMI's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about CMI's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

#### ***Other Matters - Report on Supplementary Schedule***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations* ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated May 21, 2024 on our consideration of CMI's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CMI's internal control over financial reporting and compliance.

*EisnerAmper LLP*

EISNERAMPER LLP  
New York, New York  
May 21, 2024



**CHILD MIND INSTITUTE, INC.****Statements of Financial Position**

	<b>September 30,</b>	
	<b>2023</b>	<b>2022</b>
<b>ASSETS</b>		
Cash, cash equivalents, and restricted cash	\$ 18,345,124	\$ 8,140,742
Accounts receivable	379,968	86,039
Contributions receivable, net	11,893,366	17,642,555
Government grants receivable	14,285,004	1,664,255
Due from related parties	3,730,198	2,037,316
Investments	46,575,935	26,510,717
Prepaid expenses and other assets	2,159,982	1,604,280
Right-of-use asset	1,228,277	-
Property and equipment, net	1,892,697	1,378,737
	<b>\$ 100,490,551</b>	<b>\$ 59,064,641</b>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 5,324,610	\$ 3,432,010
Accrued salaries and vacation	1,283,176	1,950,630
Due to related parties	2,823,608	679,255
Deferred revenue	8,014,453	80,417
Deferred rent obligation and lease incentive	-	173,562
Lease liability	1,405,146	-
Total liabilities	<b>18,850,993</b>	<b>6,315,874</b>
Commitments and contingencies (see Note M)		
Net assets:		
Without donor restrictions:		
Undesignated funds, available for general activities	<b>60,164,196</b>	28,092,289
With donor restrictions:		
Purpose restrictions	15,220,328	18,547,658
Time restricted for future period	4,306,487	4,317,235
Perpetual in nature	1,948,547	1,791,585
Total net assets with donor restrictions	<b>21,475,362</b>	<b>24,656,478</b>
Total net assets	<b>81,639,558</b>	<b>52,748,767</b>
	<b>\$ 100,490,551</b>	<b>\$ 59,064,641</b>

*See notes to financial statements*

# CHILD MIND INSTITUTE, INC.

## Statements of Activities

	Year Ended September 30,					
	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Public support and revenue:</b>						
Foundations, corporations, and individuals	\$ 18,580,697	\$ 7,845,996	\$ 26,426,693	\$ 24,002,200	\$ 12,299,870	\$ 36,302,070
Contributions in-kind	10,637,211	-	10,637,211	7,679,099	-	7,679,099
Special event revenue (net of direct benefit to donors of \$329,144 and \$174,711 in 2023 and 2022, respectively)	5,614,021	3,327,118	8,941,139	4,955,130	1,456,133	6,411,263
Government grants	57,032,323	-	57,032,323	22,752,757	-	22,752,757
Net investment gains (losses)	1,499,139	219,657	1,718,796	(246,614)	(208,282)	(454,896)
Program service fees and miscellaneous revenue	176,345	-	176,345	201,315	-	201,315
Administrative services	3,519,646	-	3,519,646	3,643,682	-	3,643,682
Total public support and revenue before net assets released from restrictions	97,059,382	11,392,771	108,452,153	62,987,569	13,547,721	76,535,290
Net assets released from restrictions	14,573,887	(14,573,887)	-	16,234,705	(16,234,705)	-
Total public support and revenue	111,633,269	(3,181,116)	108,452,153	79,222,274	(2,686,984)	76,535,290
<b>Expenses:</b>						
Program services:						
Education and outreach	23,983,329	-	23,983,329	29,020,622	-	29,020,622
Research and clinical	33,861,010	-	33,861,010	18,758,914	-	18,758,914
Training programs	6,600,958	-	6,600,958	2,350,124	-	2,350,124
Total program services	64,445,297	-	64,445,297	50,129,660	-	50,129,660
Supporting services:						
Management and general	11,560,294	-	11,560,294	7,880,819	-	7,880,819
Fundraising	3,250,771	-	3,250,771	2,909,288	-	2,909,288
Total supporting services	14,811,065	-	14,811,065	10,790,107	-	10,790,107
Total expenses	79,256,362	-	79,256,362	60,919,767	-	60,919,767
Change in net assets before gain on debt forgiveness and loss on lease exit activity	32,376,907	(3,181,116)	29,195,791	18,302,507	(2,686,984)	15,615,523
Gain on forgiveness of debt (see Note L)	-	-	-	1,825,000	-	1,825,000
Loss on lease exit activity	(305,000)	-	(305,000)	(408,472)	-	(408,472)
<b>Change in net assets</b>	32,071,907	(3,181,116)	28,890,791	19,719,035	(2,686,984)	17,032,051
Net assets, beginning of the year	28,092,289	24,656,478	52,748,767	8,373,254	27,343,462	35,716,716
<b>Net assets, end of year</b>	\$ 60,164,196	\$ 21,475,362	\$ 81,639,558	\$ 28,092,289	\$ 24,656,478	\$ 52,748,767

See notes to financial statements

**CHILD MIND INSTITUTE, INC.**

**Statement of Functional Expenses**

**Year Ended September 30, 2023**

(with comparative totals for September 30, 2022)

	Program Services				Supporting Services			Total Expenses	
	Education and Outreach	Research and Clinical	Training Programs	Total Program Services	Management and General	Fundraising	Supporting Services	2023	2022
	Salaries	\$ 2,602,383	\$ 8,753,799	\$ 1,690,920	\$ 13,047,102	\$ 4,171,468	\$ 1,397,679	\$ 5,569,147	\$ 18,616,249
Payroll taxes and employee benefits	546,416	1,701,484	256,920	2,504,820	719,245	305,507	1,024,752	3,529,572	2,233,516
Travel and meals	84,335	234,807	431,035	750,177	77,214	69,098	146,312	896,489	498,737
Occupancy	601,870	1,499,955	123,377	2,225,202	722,606	216,007	938,613	3,163,815	2,646,517
Office expenses	35,553	163,467	54,046	253,066	207,765	27,789	235,554	488,620	241,223
Professional and consulting fees	19,636,763	10,946,309	3,584,414	34,167,486	4,070,071	883,398	4,953,469	39,120,955	34,170,062
Grants to other organizations	100	8,156,092	-	8,156,192	-	-	-	8,156,192	3,385,000
Event consultants	-	-	-	-	-	-	-	-	289,135
Catering and facility rental	-	-	-	-	-	329,144	329,144	329,144	174,711
Conference and meetings	11,311	30,847	201,226	243,384	10,375	4,209	14,584	257,968	166,818
Telephone	5,735	6,973	363	13,071	75,188	384	75,572	88,643	19,362
Insurance	2,320	1,169	-	3,489	398,957	-	398,957	402,446	362,553
Information technology	108,743	546,546	85,943	741,232	450,756	134,138	584,894	1,326,126	996,517
Printing	80,467	1,010	40,794	122,271	34,361	53,433	87,794	210,065	49,334
Postage	8,359	12,554	1,306	22,219	28,022	3,642	31,664	53,883	65,363
Staff development	9,388	40,813	15,813	66,014	64,619	5,601	70,220	136,234	146,868
Financial aid	-	589,107	-	589,107	-	-	-	589,107	356,805
Scholarships, awards and stipends	4,381	284,940	52,382	341,703	-	-	-	341,703	10,428
Dues and subscriptions	1,636	30,831	1,844	34,311	7,449	15,704	23,153	57,464	53,327
Publications	6,360	13,034	5,621	25,015	141	-	141	25,156	9,448
Bank fees	125	318	-	443	55,304	63,478	118,782	119,225	84,777
Advertisement	40,077	6,493	14,733	61,303	65,965	-	65,965	127,268	-
Bad debts expense	-	-	-	-	90,023	-	90,023	90,023	16,385
Excise tax	-	-	-	-	106,518	-	106,518	106,518	-
Depreciation and amortization	197,007	840,462	40,221	1,077,690	204,247	70,704	274,951	1,352,641	1,993,869
<b>Total expenses</b>	<b>23,983,329</b>	<b>33,861,010</b>	<b>6,600,958</b>	<b>64,445,297</b>	<b>11,560,294</b>	<b>3,579,915</b>	<b>15,140,209</b>	<b>79,585,506</b>	<b>61,094,478</b>
Less: direct benefit to donors	-	-	-	-	-	(329,144)	(329,144)	(329,144)	(174,711)
<b>Total expenses per statements of activities</b>	<b>\$ 23,983,329</b>	<b>\$ 33,861,010</b>	<b>\$ 6,600,958</b>	<b>\$ 64,445,297</b>	<b>\$ 11,560,294</b>	<b>\$ 3,250,771</b>	<b>\$ 14,811,065</b>	<b>\$ 79,256,362</b>	<b>\$ 60,919,767</b>

See notes to financial statements

**CHILD MIND INSTITUTE, INC.**

**Statement of Functional Expenses  
Year Ended September 30, 2022**

	Program Services				Supporting Services			Total Expenses
	Education and Outreach	Research and Clinical	Training Programs	Total Program Services	Management and General	Fundraising	Supporting Services	
Salaries	\$ 2,074,592	\$ 6,522,130	\$ 461,807	\$ 9,058,529	\$ 3,072,858	\$ 992,336	\$ 4,065,194	\$ 13,123,723
Payroll taxes and employee benefits	360,667	1,194,857	77,571	1,633,095	425,980	174,441	600,421	2,233,516
Travel and meals	51,134	131,172	156,069	338,375	51,217	109,145	160,362	498,737
Occupancy	208,930	1,177,927	37,933	1,424,790	1,017,374	204,353	1,221,727	2,646,517
Office expenses	20,814	112,439	4,751	138,004	75,901	27,318	103,219	241,223
Professional and consulting fees	25,992,420	3,926,877	1,567,831	31,487,128	1,963,703	719,231	2,682,934	34,170,062
Grants to other organizations	-	3,385,000	-	3,385,000	-	-	-	3,385,000
Event consultants	-	-	-	-	-	289,135	289,135	289,135
Catering and facility rental	-	-	-	-	-	174,711	174,711	174,711
Conference and meetings	4,016	157,742	-	161,758	5,000	60	5,060	166,818
Telephone	10,369	4,824	372	15,565	3,797	-	3,797	19,362
Insurance	898	36,193	17	37,108	325,445	-	325,445	362,553
Information technology	139,270	480,410	13,235	632,915	240,276	123,326	363,602	996,517
Printing	828	4,696	-	5,524	980	42,830	43,810	49,334
Postage	17,941	15,542	3,548	37,031	23,295	5,037	28,332	65,363
Staff development	10,013	12,142	4,788	26,943	73,925	46,000	119,925	146,868
Financial aid	-	356,805	-	356,805	-	-	-	356,805
Scholarships, awards and stipends	-	10,428	-	10,428	-	-	-	10,428
Dues and subscriptions	7,830	21,887	84	29,801	6,819	16,707	23,526	53,327
Publications	-	7,459	-	7,459	1,985	4	1,989	9,448
Bank fees	580	5,285	180	6,045	23,267	55,465	78,732	84,777
Bad debts expense	-	-	-	-	16,385	-	16,385	16,385
Depreciation and amortization	120,320	1,195,099	21,938	1,337,357	552,612	103,900	656,512	1,993,869
<b>Total expenses</b>	<b>29,020,622</b>	<b>18,758,914</b>	<b>2,350,124</b>	<b>50,129,660</b>	<b>7,880,819</b>	<b>3,083,999</b>	<b>10,964,818</b>	<b>61,094,478</b>
Less: direct benefit to donors	-	-	-	-	-	(174,711)	(174,711)	(174,711)
<b>Total expenses per statements of activities</b>	<b>\$ 29,020,622</b>	<b>\$ 18,758,914</b>	<b>\$ 2,350,124</b>	<b>\$ 50,129,660</b>	<b>\$ 7,880,819</b>	<b>\$ 2,909,288</b>	<b>\$ 10,790,107</b>	<b>\$ 60,919,767</b>

See notes to financial statements



# CHILD MIND INSTITUTE, INC.

## Statements of Cash Flows

	Year Ended September 30,	
	2023	2022
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 28,890,791	\$ 17,032,051
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	1,352,641	1,993,869
Loss on lease exit activity	305,000	408,472
Net change in deferred rent obligation and lease incentive	-	(3,006,006)
Net realized and unrealized losses on investments	262,181	1,442,298
Bad debts expense	90,023	16,385
Donated securities	(18,186,569)	(3,005,884)
Proceeds from sales of donated securities	18,008,210	3,005,884
Gain on forgiveness of debt	-	(1,825,000)
Noncash lease amortization	167,491	-
Changes in:		
Accounts receivable	(293,929)	42,439
Contributions receivable, net	5,659,166	1,026,782
Government grants receivable	(12,620,749)	2,602,165
Due from related parties	(1,692,882)	(1,117,846)
Prepaid expenses and other assets	(555,702)	(792,392)
Accounts payable and accrued expenses	359,244	(836,389)
Accrued salaries and vacation	(667,454)	859,853
Deferred revenue	7,934,036	80,417
Due to related parties	2,144,353	(340,415)
Lease liability	(164,184)	-
Net cash provided by operating activities	<u>30,991,667</u>	<u>17,586,683</u>
<b>Cash flows from investing activities:</b>		
Proceeds from sales of investments	24,985,998	15,213,441
Purchases of investments	(45,135,038)	(39,661,716)
Purchases of property and equipment	(638,245)	(500)
Net cash used in investing activities	<u>(20,787,285)</u>	<u>(24,448,775)</u>
<b>Net change in cash, cash equivalents, and restricted cash</b>	<b>10,204,382</b>	<b>(6,862,092)</b>
Cash, cash equivalents, and restricted cash, beginning of year	<u>8,140,742</u>	<u>15,002,834</u>
<b>Cash, cash equivalents, and restricted cash, end of year</b>	<b><u>\$ 18,345,124</u></b>	<b><u>\$ 8,140,742</u></b>
<b>Supplemental disclosures of cash flow information:</b>		
In-kind services	<u>\$ 10,637,211</u>	<u>\$ 7,679,099</u>
Interest paid	<u>\$ -</u>	<u>\$ 627</u>
Capital expenditures included in accounts payable and accrued expenses	<u>\$ 1,228,356</u>	<u>\$ -</u>
Noncash lease liabilities arising from obtaining right-of-use asset	<u>\$ 1,569,330</u>	<u>\$ -</u>

See notes to financial statements

## **CHILD MIND INSTITUTE, INC.**

### **Notes to Financial Statements September 30, 2023 and 2022**

#### **NOTE A - ORGANIZATION AND NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

##### **[1] Organization:**

Child Mind Institute, Inc. (“CMI”), incorporated in New York in 2009, is an independent not-for-profit organization dedicated to transforming the lives of children and families struggling with mental health and learning disorders. CMI works to deliver the highest standards of care, advance the science of the developing brain, and empower parents, professionals, and policymakers to support children when and where they need it most. Together with its supporters, CMI is helping children reach their full potential in school and in life.

As further described in Note E, CMI has related activities in common with Child Mind Medical Practice, PLLC (the “New York Practice”), a professional service limited liability company organized in New York in 2010 that specializes in the treatment of psychological and behavioral disorders in children and adolescents. CMI facilitated the creation of the New York Practice to provide clinical care and treatment to children and adolescents, which, under applicable law, CMI may not directly provide. The New York Practice received a favorable Internal Revenue Service (“IRS”) determination letter for tax-exempt status, effective July 30, 2021. CMI’s President is also the sole member of the New York Practice; however, there are no shared governing-board members between the two organizations, and CMI does not have a direct ownership interest in the New York Practice. Therefore, the criteria for consolidation is not met.

CMI also has related activities in common with Child Mind Medical Practice, PC (the “California Practice”), a professional medical corporation organized in California in January 2019 that specializes in the treatment of psychological and behavioral disorders in children and adolescents in the State of California. Similar to the New York Practice, CMI facilitated the creation of the California Practice to provide clinical care and treatment to children and adolescents, which, under applicable law, CMI may not directly provide. CMI’s President is also the sole shareholder of the California Practice; however, there are no shared governing-board members between the two organizations, and CMI does not have a direct ownership interest in the California Practice. Therefore, the criteria for consolidation is not met.

CMI is exempt from federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code (the “Code”) and from state and local taxes under comparable laws.

##### **[2] Basis of accounting:**

The financial statements of CMI have been prepared using the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America (“U.S. GAAP”), as applicable to not-for-profit organizations.

##### **[3] Use of estimates:**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, support and revenue and expenses, as well as the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

##### **[4] Cash, cash equivalents, and restricted cash:**

For financial reporting purposes, CMI considers all highly liquid investments, with maturities of three months or less when purchased, to be cash equivalents. Cash equivalents considered to be a part of CMI’s investment portfolio are reported as investments in the statements of financial position. A portion of cash has been restricted as collateral against CMI’s letter of credit for its operating leases (see Note M[1]).

## **CHILD MIND INSTITUTE, INC.**

### **Notes to Financial Statements September 30, 2023 and 2022**

#### **NOTE A - ORGANIZATION AND NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### **[5] Investments:**

CMI's investments in common stock and mutual funds are reported at their fair values in the statements of financial position based on quoted market prices. Cash equivalents held as a part of the investment portfolio are also included in the balances reported as investments.

CMI's investments, in general, are subject to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes could materially affect the amounts reported in the financial statements.

Investment transactions are recorded on a trade-date basis. Realized gains and losses on investments sold, and unrealized appreciation and depreciation on investments held, are reported in the statements of activities as increases or decreases in net assets without donor restrictions, unless their use is restricted through donor stipulation. Realized gains and losses on investments are determined by comparison of the cost of acquisition to the proceeds received at the time of disposition. Unrealized gains and losses on investments are determined by comparing the investment's cost to the fair value at the end of each fiscal year. The earnings from dividends and interest are recognized when earned.

Donated securities are recorded at their estimated fair values, as determined by the proceeds received on the dates of donation or by their net asset values as determined by CMI's management. CMI's policy is to sell the donated securities immediately, and, accordingly, for purposes of the statements of cash flows, donated securities and the proceeds generated from their sale are included within operating activities.

Investment expenses include the services of bank trustees, investment managers, and custodians. The balance of investment management fees disclosed in Note C are those specific fees charged by CMI's various investment managers in each fiscal year; however, they do not include those fees that are embedded in various other investment accounts and transactions.

##### **[6] Property and equipment:**

Property and equipment are stated at their original costs, net of accumulated depreciation and amortization, at the dates of acquisition, or, if contributed, at their fair values at the dates of donation. CMI capitalizes items of property and equipment that have a cost of \$3,000 or more and a useful life greater than one year, whereas minor costs of repair and maintenance are expensed as incurred. Depreciation of computer hardware and furniture and equipment is provided using the straight-line method over three to five years, the estimated useful lives of the related assets. Leasehold improvements are amortized over the remaining lease term, or the useful lives of the improvements, whichever is shorter.

Management evaluates the recoverability of the investment in long-lived assets on an ongoing basis and when triggering events indicate that the fair value of the long-lived assets may be less than the carrying value recognizes any impairment in the year of determination. There were no triggering events occurring to property and equipment requiring management to test for, or adjust for, impairment losses during 2023 or 2022. It is reasonably possible that relevant conditions could change in the near term and necessitate a change in management's estimate of the recoverability of these assets.

##### **[7] Website and software costs:**

Website costs related to data consulting services, site configuration and infrastructure, and conceptual design are capitalized. The costs incurred for the purchase of software and upgrades that result in additional functionality are capitalized. Costs relating to operation and content are expensed as incurred. Capitalized website and software costs are amortized over a five-year and three-year expected life, respectively, using the straight-line method. At each year end, capitalized website and software costs were fully amortized.

## CHILD MIND INSTITUTE, INC.

### Notes to Financial Statements September 30, 2023 and 2022

#### NOTE A - ORGANIZATION AND NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### [8] Accrued vacation:

Accrued vacation represents CMI's obligation for the cost of unused employee vacation time payable in the event of employee departures. At September 30, 2023 and 2022, the accrued vacation obligation was \$907,369 and \$649,590, respectively, and is reported in the accompanying statements of financial position as a part of accrued salaries and vacation.

##### [9] Paycheck Protection Program loan payable:

On March 27, 2020, Congress enacted the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"). The Paycheck Protection Program ("PPP") established by the CARES Act, implemented by the U.S. Small Business Administration ("SBA"), provided businesses, including certain not-for-profit organizations, with funds to pay payroll and other costs during the coronavirus ("COVID-19") outbreak.

There are two acceptable methods for accounting for the PPP funds received under the CARES Act. Entities can elect to treat the funds as a loan or as a conditional contribution. CMI has elected to record the PPP funds as a loan under the Financial Accounting Standards Board's (the "FASB") Accounting Standards Codification ("ASC") 470, *Debt*.

CMI received full forgiveness of the loan and the gain on forgiveness of debt was recognized in the accompanying statements of activities (see Note L[2]).

##### [10] Leases:

CMI determines if an arrangement is a lease at inception. For CMI's operating leases, a right-of-use ("ROU") asset represents CMI's right to use an underlying asset for the lease term and an operating lease liability represents an obligation to make lease payments arising from the lease. The ROU asset and lease liability are recognized at the lease commencement date based on the present value of lease payments over the lease term. Since CMI's lease agreements do not provide an implicit interest rate, CMI uses a risk-free rate based on the information available at the commencement date in determining the present value of the lease payments. Operating lease expense is recognized on a straight-line basis over the lease term, subject to any changes in the lease or expectations regarding the terms. Variable lease costs, such as operating costs, are expensed as incurred. For the fiscal year ended September 30, 2022, CMI accounted for leases under the FASB ASC Topic 840. Operating leases were recorded on a straight-line basis over the term of the lease.

##### [11] Net assets:

###### (i) Net assets without donor restrictions:

Net assets without donor restrictions represent those resources for which there are no restrictions by donors as to their use and are therefore available for current operations.

###### (ii) Net assets with donor restrictions:

Net assets with donor restrictions represent those resources that are subject to donor-imposed restrictions, such as specific purposes and/or the passage of time. Also included within net assets with donor restrictions are donor restrictions that are perpetual in nature and subject to the requirements of the State of New York's Uniform Prudent Management of Institutional Funds Act ("NYPMIFA"). These donors have stipulated that those resources be maintained in perpetuity with the resultant income and net capital appreciation arising from the underlying assets to be used in satisfaction of the wishes of those donors. When a donor restriction expires, that is, when a stipulated time restriction ends, or a purpose restriction is accomplished, or funds are appropriated through an action of the Board of Directors, net assets with donor restrictions are reclassified to net assets without donor restriction and are reported in the statements of activities as "net assets released from restrictions."

## CHILD MIND INSTITUTE, INC.

### Notes to Financial Statements September 30, 2023 and 2022

#### NOTE A - ORGANIZATION AND NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### [12] Revenue recognition:

(i) *Contributions and grants:*

Contributions to CMI are recognized as revenue upon the receipt of cash, of other assets, or of unconditional pledges. Contributions are recorded with donor restrictions if they are received with donor stipulations or time considerations as to their use. Conditional contributions are recorded when the conditions have been met, and, if received in advance, are recognized in the statements of financial position as funds received in advance. Contributions to be received over periods longer than a single year are discounted at an interest rate commensurate with the risk involved.

Revenue from cost-reimbursement government grants are recognized when reimbursable expenses are incurred under the terms of the grants, thereby satisfying the conditions stipulated in the grant agreements. Contracts and grants of this nature received in advance are considered refundable advances until the related expenses are incurred. Performance-based grants are recognized as milestones are achieved, in satisfaction of the stipulated conditions. Other, non-reimbursement or otherwise unconditional grant revenue is recognized based on the terms of each individual grant and is considered available for general use, unless the donor or grantor restricts the use thereof.

Gross proceeds paid by attendees at special events held as fundraising activities represents contribution revenue as well as the payment of the direct cost of the benefit received by the attendee at the event. Special event income is reported net of the direct benefit to donors. Special event revenues, other than contributions, applicable to a current year are recognized as revenue in the year a special event takes place. Special event revenue received for a future year's event is deferred and recognized when the event takes place.

(ii) *Revenue from contract with customers:*

CMI recognizes revenue when, or as, performance obligations are satisfied associated with contracts with customers. Revenue is measured as the amount of consideration CMI expects to receive in exchange for providing services. The primary sources of revenue from contracts with customers for CMI are the program service fees. Program service fees revenue is recognized when services have been rendered based on the terms of each individual contract. Amounts received in advance of completing the service are deferred until such time as the service has been completed.

(iii) *Administrative services:*

Administrative services provided to the New York Practice and California Practice are recognized according to the terms of a contracted rate based on the value of services provided by CMI, based on actual costs incurred by CMI (see Note E).

(iv) *Donated services (contribution of nonfinancial assets):*

CMI, from time to time, receives various forms of in-kind contributions, which are contributions of nonfinancial assets, primarily public service announcements ("PSAs") and legal services. These types of contributions are reported as public support without donor restriction at their estimated fair value on the date of receipt and reported as expenses when utilized. For recognition of donated services in CMI's financial statements, such services must (i) create or enhance non-financial assets, (ii) typically need to be acquired if not provided by donation, (iii) require a specialized skill, and (iv) be provided by individuals possessing these skills.

## CHILD MIND INSTITUTE, INC.

### Notes to Financial Statements September 30, 2023 and 2022

#### NOTE A - ORGANIZATION AND NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### [13] Functional allocation of expenses:

The costs of providing CMI's various programs and supporting services have been summarized on a functional basis in the statements of activities. The statements of functional expenses present expenses by function and natural classification. Accordingly, direct costs have been functionalized within the program and supporting services, based on the nature of the expense. Indirect costs, such as salaries, payroll taxes and benefits, have been allocated on the basis of estimated time and effort. Other indirect expenses, such as occupancy, depreciation and amortization, and computers and equipment, have been allocated by square footage or full-time equivalents.

##### [14] Advertising:

CMI expenses the costs of advertising as they are incurred. Advertising expense for fiscal year 2022 was approximately \$4,000. There were no advertising expenses during fiscal year 2023.

##### [15] Income tax uncertainties:

CMI is subject to the provisions of the FASB ASC Topic 740, *Income Taxes*, as it relates to accounting and reporting for uncertainty in income taxes. Because of CMI's general tax-exempt status, ASC Topic 740 has not had, and is not anticipated to have, a material impact on CMI's financial statements.

For fiscal year 2023, CMI was subject to Section 4960 excise tax on executive compensation more than \$1,000,000 at a tax rate of 21%.

##### [16] Adoption of accounting pronouncement:

In February 2016, the FASB issued Accounting Standards Update ("ASU") 2016-02, *Leases*, to improve financial reporting of leasing transactions by requiring organizations that lease assets to recognize assets and liabilities for the rights and obligations created by leases that extend more than twelve months on the statements of financial position. This accounting update also requires additional disclosures surrounding the amount, timing, and uncertainty of cash flows arising from leases. CMI elected to adopt ASU 2016-02 as of October 1, 2022 on a prospective basis.

CMI has elected the package of practical expedients permitted in ASC Topic 842. Accordingly, CMI accounted for its existing operating lease as an operating lease under the new guidance, without reassessing (a) whether the contracts contain a lease under ASC Topic 842, (b) whether classification of the operating leases would be different in accordance with ASC Topic 842, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in ASC Topic 842 at lease commencement. The new lease standard also provides practical expedients for an entity's ongoing accounting. CMI elected the short-term lease recognition exemption, under which CMI will not recognize ROU assets or lease liabilities on new or existing short-term leases. Short-term leases are defined as those with a term of 12 months or less. CMI also elected the practical expedient to not separate lease and non-lease components for certain classes of assets.

As a result of the adoption of the new lease accounting guidance, CMI recognized on October 1, 2022 (a) a lease liability of \$1,569,330 which represented the present value of the remaining lease payments of \$1,813,926 discounted using CMI's incremental borrowing rate of 3.97%, and (b) an ROU asset of \$1,395,768. This standard did not have a material impact on CMI's statements of financial position or cash flows from operations and had no impact on CMI's statements of activities and changes in net assets. The most significant impact was the recognition of an ROU asset and lease obligation for an operating lease for the fiscal year ended September 30, 2023.

# CHILD MIND INSTITUTE, INC.

## Notes to Financial Statements September 30, 2023 and 2022

### NOTE A - ORGANIZATION AND NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### [17] Subsequent events:

CMI has evaluated subsequent events through May 21, 2024, the date on which the financial statements were available to be issued.

Subsequent to year end, CMI changed its accounting year from fiscal year end September 30 to December 31. The change will be effective January 1, 2024.

### NOTE B - RECEIVABLES

#### [1] Contributions receivable:

At each fiscal year-end, contributions receivable were estimated to be due as follows:

	<u>September 30,</u>	
	<u>2023</u>	<u>2022</u>
Less than one year	\$ 8,123,531	\$ 9,673,882
One year to five years	<u>3,985,924</u>	<u>8,216,398</u>
	<b>12,109,455</b>	17,890,280
Less: allowance for doubtful collection	<b>(90,023)</b>	(16,385)
Reduction of pledges due in excess of one year to present value, at discount rates ranging from 0.28% to 4.06%	<u><b>(126,066)</b></u>	<u>(231,340)</u>
	<u><b>\$ 11,893,366</b></u>	<u>\$ 17,642,555</u>

During fiscal years 2023 and 2022, CMI wrote off contributions receivable against its allowance of \$16,385 and \$52,116, respectively.

#### [2] Accounts and government grants receivable:

At each fiscal year-end, accounts and grants receivable consisted of amounts due to CMI for exchange-type or cost-reimbursement-type transactions. All amounts are due within one year. Based on prior history, management believes that substantially all receivables are fully collectible and, accordingly, no allowance for doubtful amounts has been established.

**CHILD MIND INSTITUTE, INC.**

**Notes to Financial Statements  
September 30, 2023 and 2022**

**NOTE C - INVESTMENTS**

At each fiscal year-end, investments consisted of the following:

	September 30,			
	2023		2022	
	Fair Value	Cost	Fair Value	Cost
Money market funds	\$ 12,265,855	\$ 12,265,855	\$ 37,509	\$ 37,509
Mutual funds:				
Fixed-income funds	26,144,690	26,421,956	23,943,233	24,154,026
Market-hedging funds	-	-	54,211	56,440
Preferred stock	55,712	250,000	-	-
Common stock	8,109,678	8,195,280	2,475,764	2,740,343
	<u>\$ 46,575,935</u>	<u>\$ 47,133,091</u>	<u>\$ 26,510,717</u>	<u>\$ 26,988,318</u>

During each fiscal year, net investment income consisted of the following:

	Year Ended September 30,	
	2023	2022
	Interest and dividends	\$ 2,072,356
Realized losses	(182,626)	(729,286)
Unrealized losses	(79,555)	(713,012)
Investment management fees	(91,379)	(65,943)
	<u>\$ 1,718,796</u>	<u>\$ (454,896)</u>

ASC Topic 820, *Fair Value Measurements*, establishes a three-level valuation hierarchy of fair-value measurements. These valuation techniques are based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions. These two types of inputs create the following fair-value hierarchy:

- Level 1: Valuations are based on observable inputs that reflect quoted market prices in active markets for identical investments, at the reporting date.
- Level 2: Valuations are based on (i) quoted prices for similar investments in active markets, (ii) quoted prices for those investments, or similar investments, in markets that are not active, or (iii) pricing inputs other than quoted prices that are directly or indirectly observable at the reporting date.
- Level 3: Valuations are based on pricing inputs that are unobservable and include situations where (i) there is little, if any, market activity for the investments, or (ii) the investments cannot be independently valued.



**CHILD MIND INSTITUTE, INC.**

**Notes to Financial Statements  
September 30, 2023 and 2022**

**NOTE C - INVESTMENTS (CONTINUED)**

The available market data is monitored to assess the appropriate classification of financial instruments within the fair-value hierarchy. Changes in economic conditions or valuation techniques may require the transfer of financial instruments from one level to another. In such instances, the transfer is reported at the beginning of the reporting period.

The following table summarizes the fair values of CMI's investments at each fiscal year-end, in accordance with the ASC Topic 820 valuation levels:

	<b>September 30,</b>				
	<b>2023</b>		<b>Total</b>	<b>2022</b>	
	<b>Level 1</b>	<b>Level 3</b>		<b>Level 1</b>	<b>Total</b>
Money market funds	<b>\$ 12,265,855</b>	<b>\$ -</b>	<b>\$ 12,265,855</b>	<b>\$ 37,509</b>	<b>\$ 37,509</b>
Mutual funds:					
Fixed-income funds	<b>26,144,690</b>	<b>-</b>	<b>26,144,690</b>	<b>23,943,233</b>	<b>23,943,233</b>
Market-hedging funds	<b>-</b>	<b>-</b>	<b>-</b>	<b>54,211</b>	<b>54,211</b>
Preferred stock	<b>-</b>	<b>55,712</b>	<b>55,712</b>	<b>-</b>	<b>-</b>
Common stock	<b>7,813,504</b>	<b>296,174</b>	<b>8,109,678</b>	<b>2,475,764</b>	<b>2,475,764</b>
	<b>\$ 46,224,049</b>	<b>\$ 351,886</b>	<b>\$ 46,575,935</b>	<b>\$ 26,510,717</b>	<b>\$ 26,510,717</b>

The following summarizes changes in fair value of CMI's Level 3 assets during fiscal year ended September 30, 2023:

	<b>Fort Health</b>
Purchases/contributions	<b>\$ 995,457</b>
Sales/distributions	<b>-</b>
Transfers in	<b>-</b>
Transfers out	<b>-</b>
	<b>\$ 995,457</b>

Unrealized losses included in the changes in net assets for the period above are reported in net investment gains in the statement of activities.

At June 30, 2023, CMI had a 8.8% ownership of Fort Health. Fort Health is an insurance-based telehealth provider of mental healthcare services for children. Investing in Fort Health furthers CMI's mission by expanding access to evidence-based care.

**CHILD MIND INSTITUTE, INC.**

**Notes to Financial Statements  
September 30, 2023 and 2022**

**NOTE C - INVESTMENTS (CONTINUED)**

**Quantitative Information about Significant Unobservable Inputs Used in Level 3 Fair Value Measurements**

The following table represents CMI's Level 3 financial instruments, the valuation techniques used to measure the fair value of those financial instruments, and the significant unobservable inputs and the ranges of values for those inputs:

<u>Instrument</u>	<u>Fair Value</u>	<u>Principal Valuation Technique</u>	<u>Unobservable Inputs</u>	<u>Range of Significant Input Values</u>	<u>Weighted Average</u>
Fort Health	\$ 351,886	Benchmark subject company transaction method	Volatility	17%-22%	22.28%

**NOTE D - PROPERTY AND EQUIPMENT**

At each fiscal year-end, property and equipment consisted of the following:

	<u>September 30,</u>	
	<u>2023</u>	<u>2022</u>
Computer hardware	\$ 375,435	\$ 371,390
Furniture and equipment	2,062,150	2,062,150
Leasehold improvements	<u>5,115,020</u>	<u>5,115,020</u>
	<b>7,552,605</b>	7,548,560
Less: accumulated depreciation and amortization	<u>(7,522,464)</u>	<u>(6,169,823)</u>
	<b>30,141</b>	1,378,737
Construction-in-progress	<u>1,862,556</u>	<u>-</u>
	<u><b>\$ 1,892,697</b></u>	<u><b>\$ 1,378,737</b></u>

During fiscal year 2022, CMI accelerated the amortization of leasehold improvements over the revised remaining lease term. The amount of the acceleration, which is included in the depreciation and amortization balance on the statement of functional expenses, was \$1,479,164.

## CHILD MIND INSTITUTE, INC.

### Notes to Financial Statements September 30, 2023 and 2022

#### NOTE E - RELATED-PARTY TRANSACTIONS

As discussed in Note A[1], the relationship among the New York Practice, the California Practice, and CMI lends itself to a variety of transactions and agreements as further described below:

#### [1] Administrative services agreements and other transactions:

CMI provides certain administrative services to the New York Practice and the California Practice, and the New York Practice and California Practices reimburse CMI for the value of those services, based upon agreements between the organizations. The following table notes the costs incurred and reimbursed, as well as pledged contributions satisfied, by the New York Practice and the California Practice to CMI during each fiscal year:

	Year Ended September 30,			
	2023		2022	
	New York Practice	California Practice	New York Practice	California Practice
Beginning balance due to CMI	\$ 1,660,802	\$ 376,514	\$ 639,847	\$ 244,686
Administrative services	1,652,163	1,867,483	1,749,705	1,773,977
Share of lease exit payment	-	-	1,668,848	-
Other costs incurred, net	237,149	104,559	(52,640)	(1,415)
Payments reimbursed to CMI	(927,546)	(1,240,926)	(2,344,958)	(1,640,734)
Ending balance due to CMI	<u>\$ 2,622,568</u>	<u>\$ 1,107,630</u>	<u>\$ 1,660,802</u>	<u>\$ 376,514</u>

#### [2] Financial aid program:

CMI instituted the Financial Aid Program in an effort to help children and families receive care and treatment, regardless of economic standing, by clinicians at the New York Practice and the California Practice. Families complete an application for aid at the New York Practice and the California Practice. Eligible families may receive a fee discount between 20% to 60% of the cost of services. CMI raises funds to support this program. Financial aid awards to patients of the New York Practice and the California Practice from CMI during each fiscal year were as follows:

	Year Ended September 30,			
	2023		2022	
	New York Practice	California Practice	New York Practice	California Practice
Beginning balance due (from) CMI	\$ -	\$ -	\$ (571,515)	\$ (25,179)
Financial aid awards	(532,607)	(56,500)	(337,137)	(19,668)
Payments provided	488,244	48,242	908,652	44,847
Ending balance due (from) CMI	<u>\$ (44,363)</u>	<u>\$ (8,258)</u>	<u>\$ -</u>	<u>\$ -</u>

# CHILD MIND INSTITUTE, INC.

## Notes to Financial Statements September 30, 2023 and 2022

### NOTE E - RELATED-PARTY TRANSACTIONS (CONTINUED)

#### [3] Sub-contracting:

CMI receives contributions and grants that require the provision of services that CMI is unable to provide. In these instances, CMI sub-contracts with various agencies, including the New York Practice and the California Practice, to perform these services. CMI discloses to its donors and grantors that the services will be sub-contracted to satisfy the donors' and grantors' requests. Amounts expensed by CMI in the performance of these requests are included within the professional and consulting fees in the statements of functional expenses. During fiscal years 2023 and 2022, sub-contracted amounts paid to the New York Practice and the California Practice were as follows:

	Year Ended			
	September 30,			
	2023		2022	
	New York Practice	California Practice	New York Practice	California Practice
Beginning balance due (from) to CMI	\$ (317,588)	\$ (31,667)	\$ (422,976)	\$ 34,937
Subcontracting	(4,105,401)	(294,548)	(3,591,817)	(132,241)
Payments (from)	4,085,513	272,396	3,697,205	65,637
Ending balance due (from) CMI	<u>\$ (337,476)</u>	<u>\$ (53,819)</u>	<u>\$ (317,588)</u>	<u>\$ (31,667)</u>

#### [4] Restricted grant start-up agreement:

CMI entered into a restricted grant agreement with the New York Practice pursuant to which CMI agreed to make special purpose restricted grants to the New York Practice up to the aggregate amount of \$2,440,000. To date, CMI has made grants to the New York Practice in the aggregate amount of \$690,000.

Similarly, CMI entered into a restricted grant agreement with the California Practice pursuant to which CMI agreed to make special purpose restricted grants to the California Practice up to the aggregate amount of \$5,000,000. CMI made special purpose restricted grants of \$2,992,415 and \$722,291, during fiscal years ended September 30, 2023 and 2022, respectively, to the California Practice. To date, CMI has made grants to the California Practice in the aggregate amount of \$4,406,786.

**CHILD MIND INSTITUTE, INC.****Notes to Financial Statements  
September 30, 2023 and 2022****NOTE E - RELATED-PARTY TRANSACTIONS (CONTINUED)****[5] Grants and fundraised restricted funds:**

CMI has fundraised, through its West Coast campaign, for costs related to the expansion of the California Practice. To assist with the costs of occupying the new leased space, CMI has also made grants to both the New York Practice and the California Practice. During fiscal years 2023 and 2022, grants and fundraised restricted funds to both the New York Practice and the California Practice were as follows:

	Year Ended September 30,			
	2023		2022	
	New York Practice	California Practice	New York Practice	California Practice
Beginning balance due (from) CMI	\$ -	\$ (330,000)	\$ -	\$ -
Grants awarded - West Coast Campaign and restricted grant agreement	-	(4,400,000)	-	(3,380,000)
Grants awarded - infrastructure project and moving expenses	(3,339,223)	(416,871)	-	-
Payments provided	<u>1,570,352</u>	<u>4,536,050</u>	-	<u>3,050,000</u>
Ending balance due (from) CMI	<u><u>\$ (1,768,871)</u></u>	<u><u>\$ (610,821)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (330,000)</u></u>

**[6] License agreement:**

Pursuant to license agreements between CMI and the New York Practice and the California Practice, respectively, CMI granted a royalty-free license of certain of its trademarks and domain names to the New York Practice and the California Practice, subject to certain terms and conditions, including the termination of the license agreements in the event the New York Practice or the California Practice breaches the terms and conditions of the agreements.

## CHILD MIND INSTITUTE, INC.

### Notes to Financial Statements September 30, 2023 and 2022

#### NOTE F - IN-KIND CONTRIBUTIONS

In-kind contributions (contributions of nonfinancial assets) consisted of the following:

Category	Type	Valuation	Year Ended June 30,	
			2023	2022
Public Service Announcement	Media	Standard industry pricing for similar services/actual costs incurred by contributor	\$ 10,199,903	\$ 7,647,066
Management consulting services		Contributed management consulting services are considered to reflect fair market rates for services performed	400,000	-
Legal		Contributed legal services are considered to reflect fair market rates for services performed	37,308	32,033
			<u>\$ 10,637,211</u>	<u>\$ 7,679,099</u>

There are no restrictions on these donated goods and services in fiscal years 2023 or 2022.

#### NOTE G - EMPLOYEE-BENEFIT PLAN

CMI maintains a defined-contribution multi-employer retirement plan which includes the Child Mind Medical Practice PLLC and Child Mind Medical Practice PC, established under Section 401(k) of the Code. Eligible employees may contribute a portion of their annual salaries immediately upon being hired. Under the terms of the plan, CMI may provide a discretionary matching contribution up to 6% of the employee's annual salary, up to a maximum of \$10,000 per year. Plan expenses specifically relating to CMI for fiscal years 2023 and 2022 were \$462,647 and \$403,255, respectively.

## CHILD MIND INSTITUTE, INC.

### Notes to Financial Statements September 30, 2023 and 2022

#### NOTE H - DEFERRED REVENUE

The following table provides information about significant changes in the contract liabilities during fiscal years 2023 and 2022:

	<b>September 30,</b>	
	<b>2023</b>	<b>2022</b>
Deferred revenue, beginning of year	\$ 80,417	\$ -
Revenue recognized that was included in deferred revenue at the beginning of the year	(80,417)	-
Increase in deferred revenue due to cash received during the period	<u>8,014,453</u>	<u>80,417</u>
Deferred revenue, end of year	<u>\$ 8,014,453</u>	<u>\$ 80,417</u>

There were no other significant contract liabilities or assets at September 30, 2023 and 2022.

#### NOTE I - CREDIT RISK

Financial instruments that potentially subject CMI to concentrations of credit risk consist principally of cash and cash-equivalent accounts deposited in high-credit-quality financial institutions, the balances of which, from time to time, may exceed federal insurance limits. Management monitors the risk associated with the concentration on an ongoing basis.

**CHILD MIND INSTITUTE, INC.****Notes to Financial Statements  
September 30, 2023 and 2022****NOTE J - NET ASSETS WITH DONOR RESTRICTIONS**

At each fiscal year-end, net assets with donor restrictions consisted of the following:

	<b>September 30,</b>	
	<b>2023</b>	<b>2022</b>
Purpose restrictions:		
Healthy Brain Network	\$ 20,000	\$ 899,514
School and community programs	4,021,171	4,809,054
Financial aid	-	305,267
Education	2,711,939	1,453,877
Research	463,845	532,058
West Coast	-	625,671
Project UROK	108,460	134,564
Katz Lecture	232,734	232,734
Doris and Melvin Sirow Art Fund	61,164	61,164
Communication	11,552	1,931,867
Child and Adolescent Mental Health Initiative	5,114,907	7,561,821
My Younger Self	-	67
SNF Global Center	751,101	-
Capital Expenses	976,743	-
Information Technology	313,577	-
Human Resources	433,135	-
	<b>15,220,328</b>	<b>18,547,658</b>
Restricted for future periods	<b>4,306,487</b>	<b>4,317,235</b>
Perpetual in nature	<b>1,948,547</b>	<b>1,791,585</b>
	<b>\$ 21,475,362</b>	<b>\$ 24,656,478</b>



**CHILD MIND INSTITUTE, INC.****Notes to Financial Statements  
September 30, 2023 and 2022****NOTE J - NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)**

During each fiscal year, net assets released from restrictions resulted from satisfying the following donor restrictions:

	<b>Year Ended September 30,</b>	
	<b>2023</b>	<b>2022</b>
Purpose restrictions satisfied:		
Healthy Brain Network	\$ 499,254	\$ 4,245,938
School and community programs	3,801,831	2,343,658
Financial aid	315,267	337,137
Research	704,204	146,074
Project UROK	26,169	49,612
West Coast	1,407,585	2,657,709
Education	842,564	460,457
Child and Adolescent Mental Health Initiative	2,486,011	2,562,541
Communications	22,113	26,335
SNF Global Center	2,517,495	-
My Younger Self	67	-
Human Resources	170,194	-
	<b>12,792,754</b>	12,829,461
Time restrictions satisfied	<b>1,781,133</b>	3,405,244
	<b>\$ 14,573,887</b>	<b>\$ 16,234,705</b>

**NOTE K - ENDOWMENT****[1] The endowment:**

CMI's endowment consists of a fund with donor restriction to support a research position at CMI.

**[2] Interpretation of relevant law:**

NYPMIFA is applicable to all of CMI's institutional funds, including its donor-restricted endowment fund. The Board of Directors will continue to adhere to NYPMIFA's requirements.

**CHILD MIND INSTITUTE, INC.**

**Notes to Financial Statements  
September 30, 2023 and 2022**

**NOTE K - ENDOWMENT (CONTINUED)**

**[3] Changes in endowment net assets for each fiscal year were as follows:**

	<b>September 30, 2023</b>		
	<b>Amounts Subject to Appropriation</b>	<b>Amounts Perpetual in Nature</b>	<b>Total</b>
Endowment net assets, beginning of year	\$ -	\$ 1,791,585	\$ 1,791,585
Investment returns, net	62,695	156,962	219,657
Appropriation of endowment assets	<u>(62,695)</u>	<u>-</u>	<u>(62,695)</u>
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 1,948,547</u>	<u>\$ 1,948,547</u>

NYPMIFA is applicable to all of CMI's institutional funds, including its donor-restricted endowment fund. The Board of Directors will continue to adhere to NYPMIFA's requirements.

	<b>September 30, 2022</b>		
	<b>Amounts Subject to Appropriation</b>	<b>Amounts Perpetual in Nature</b>	<b>Total</b>
Endowment net assets, beginning of year	\$ 72,177	\$ 2,000,000	\$ 2,072,177
Investment returns, net	-	(208,282)	(208,282)
Appropriation of endowment assets	<u>(72,177)</u>	<u>(133)</u>	<u>(72,310)</u>
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 1,791,585</u>	<u>\$ 1,791,585</u>

Amounts subject to appropriation represent that portion of allocated investment income, derived from endowment assets held in perpetuity, that have not been appropriated by the Board of Directors for expenditure.

**[4] Funds with deficiencies:**

Due to unfavorable market fluctuations, from time to time, the fair value of assets associated with individual donor-restricted endowment funds may decline below the historical dollar value of the donor's original, permanently restricted contribution. As of September 30, 2023 and 2022, the endowment, which had an original value of \$2,000,000 and a current value of \$1,948,547 and \$1,791,585, had a deficiency of \$51,453 and \$208,415, respectively.

**[5] Return objectives and risk parameters:**

The Board of Directors has adopted investment and spending policies for CMI's endowment assets that seek to provide a predictable stream of funding for a research position at CMI.

## CHILD MIND INSTITUTE, INC.

### Notes to Financial Statements September 30, 2023 and 2022

#### NOTE K - ENDOWMENT (CONTINUED)

##### [6] Strategies employed for achieving objectives:

To satisfy its long-term, rate-of-return objectives, CMI relies on a total-return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). CMI will target a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints.

##### [7] Spending policy and relationships with investment objectives:

When authorized by the Board of Directors, CMI may draw up to 5% of the projected value of the fund as of CMI's fiscal year end to provide support for a research position at CMI. Each year, during the Audit and Finance Committee's fall meeting, the Committee recommends the appropriation to be approved by the Board of Directors based on the performance of the investment as of August 31 of that year, and also ratifies or revises the prior year's appropriation. During fiscal years 2023 and 2022, there were \$62,695 and \$72,310 in appropriations, respectively.

#### NOTE L - DEBT

##### [1] Bank line of credit:

On March 15, 2022, CMI increased their line of credit to \$6,000,000 which matured in one year. Interest was payable at a variable rate equal to the adjusted Secured Overnight Financing Rate ("SOFR") plus 3.00%. The line of credit was renewed at an interest rate of 3.56% until June 27, 2024. There were no draws on the line of credit during either fiscal year 2023 or 2022.

##### [2] Paycheck Protection Program loan payable:

On April 30, 2021, CMI applied for and received \$1,825,000 in funds from the PPP (the "Second Draw"). The loan would have matured on April 30, 2026 and bore interest at a rate of 0.98%. CMI received full forgiveness of the Second Draw on February 16, 2022.

#### NOTE M - COMMITMENTS AND CONTINGENCIES

##### [1] Lease agreements:

In August 2010, CMI and the New York Practice entered jointly into an operating lease agreement with an unrelated party for office space, expiring on May 31, 2023. Pursuant to this agreement, CMI and the New York Practice received a base rent credit of \$1,190,490 to be applied to the rent expense from the commencement of the lease through May 2011. In November 2017, CMI jointly with the New York Practice, signed an amendment to the existing lease agreement, which adds additional space and extends the lease through fiscal year 2034, with an option to terminate early in fiscal year 2023, which includes a base rent credit of \$2,131,887 to be applied to the rent expense. In accordance with a cost sharing agreement, 65% of this credit was passed through to the New York Practice. As discussed in Note A[10], aggregate minimum lease payments are being amortized using the straight-line method over the lease term.

In conjunction with this amended lease, CMI was required to obtain a separate letter of credit, in the amount of \$2,500,000, to be held as security in the event of default. The letter of credit held by CMI automatically renews each year on August 31 and is secured by an equivalent amount of cash and cash equivalents. There have been no borrowings related to this letter of credit.

# CHILD MIND INSTITUTE, INC.

## Notes to Financial Statements September 30, 2023 and 2022

### NOTE M - COMMITMENTS AND CONTINGENCIES (CONTINUED)

#### [1] Lease agreements: (continued)

In May 2022, CMI and the New York Practice exercised their right to terminate the lease effective May 31, 2023. The termination fees were \$4,768,138, of which \$3,099,290 and \$1,668,848 were applied to CMI and the New York Practice, respectively. The termination fees, net of any adjustments to the deferred rent liabilities, yielded a loss of \$408,472 for CMI and a gain of \$111,857 for the New York Practice on lease exit activity during fiscal year 2022. During fiscal year 2023, both CMI and the New York Practice recorded an additional loss on lease exit activity of \$305,000 as a result of additional unanticipated costs associated with vacating the premises.

In June 2023, after exercising the termination option, CMI and the New York Practice entered into a short-term extension of the lease through January 31, 2024. In May 2023, CMI entered into a new lease agreement for new office space with expected occupancy in January 2024.

In August 2019, CMI and the California Practice entered jointly into an operating lease agreement with an unrelated party for office space in San Mateo, California, expiring on February 28, 2025. Pursuant to this agreement, CMI and the California Practice received a base rent credit of \$161,476 to be applied to the rent expense from the commencement of the lease through February 2020.

The aggregate minimum lease payments are being amortized using the straight-line method over the term of the lease. While the California Practice is responsible for the full cost of the lease, as a joint tenant, CMI would be liable were the California Practice to default on any lease payment.

Information relating to the "lease costs", which includes all costs during the period associated with the operating lease as well as the costs related to variable lease components:

	<b>September 30,</b>	
	<b>2023</b>	<b>2022</b>
Operating lease costs	<b>\$ 2,892,106</b>	\$ 2,482,178
Variable lease costs	<b>150,867</b>	60,866
Total lease cost	<b>\$ 3,042,973</b>	\$ 2,543,044

**CHILD MIND INSTITUTE, INC.**

**Notes to Financial Statements  
September 30, 2023 and 2022**

**NOTE M - COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**[1] Lease agreements: (continued)**

In August 2019, CMI entered into an operating lease agreement with an unrelated party for office space in Harlem, New York, expiring on December 31, 2029. The aggregate minimum lease payments are being amortized using the straight-line method over the term of the lease. The minimum payments due under this agreement is as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2024	\$ 227,255
2025	245,267
2026	254,661
2027	259,755
2028	264,950
Thereafter	<u>338,146</u>
	<u>1,590,034</u>
Less: amount representing interest	<u>(184,888)</u>
Amount reported on the statement of financial position	<u><u>\$ 1,405,146</u></u>

The table below presents additional information related to the CMI's leases for the year ended September 30, 2023:

<b>Weighted average remaining lease term:</b>	
Operating lease	7 years 3 months
<b>Weighted average discount rate:</b>	
Operating lease	3.97%

The future minimum rental commitments of CMI, the New York Practice and the California Practice for the fiscal-years ended subsequent to September 30, 2022 were as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2023	\$ 646,116
2024	663,688
2025	432,580
2026	254,662
2027	259,755
Thereafter	<u>603,094</u>
	<u><u>\$ 2,859,895</u></u>

## CHILD MIND INSTITUTE, INC.

### Notes to Financial Statements September 30, 2023 and 2022

#### NOTE M - COMMITMENTS AND CONTINGENCIES (CONTINUED)

##### [2] Litigation:

CMI is subject to litigation in the routine course of conducting its operations. In management's opinion, however, there is no current litigation the outcome of which would have a material adverse impact on CMI's financial position or activities.

##### [3] Government-funded activities:

Government-funded activities are subject to audit by the applicable granting agencies. At September 30, 2023, there were no material obligations outstanding as a result of such audits, and management believes that unaudited projects would not result in any material obligation.

#### NOTE N - LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects CMI's financial assets available for general expenditure within one year of the statements of financial position date:

	<u>September 30,</u>	
	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 18,345,124	\$ 8,140,742
Accounts receivable	379,968	86,039
Contributions receivable, net	11,893,366	17,642,555
Government grants receivable	14,285,004	1,664,255
Due from related parties	3,730,198	2,037,316
Investments (other than level 3 investments)	46,224,049	26,510,717
	<u>94,857,709</u>	<u>56,081,624</u>
Total financial assets available within one year		
Less:		
Amounts unavailable for general expenditures within one year, due to:		
Purpose and time restrictions	(19,526,815)	(22,864,893)
Perpetual in nature	(1,948,547)	(1,791,585)
Cash and cash equivalents held as collateral for letter of credit held as security	(5,567,875)	(2,500,000)
	<u>(27,043,237)</u>	<u>(27,156,478)</u>
Total amounts unavailable for general expenditure within one year		
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$ 67,814,472</u>	<u>\$ 28,925,146</u>

##### Liquidity policy:

CMI maintains a sufficient level of resources to be available as its general expenditures, liabilities, and other obligations come due. Additionally, CMI has access to a \$6,000,000 bank line of credit, as discussed in Note L, which is available for short-term liquidity needs.

## **INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors of  
Child Mind Institute, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Child Mind Institute, Inc. ("CMI"), which comprise the statement of financial position as of September 30, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 21, 2024.

### ***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered CMI's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CMI's internal control. Accordingly, we do not express an opinion on the effectiveness of CMI's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

### ***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether CMI's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance which could have a direct and material effect on the determination of financial-statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of CMI's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CMI's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*EisnerAmper LLP*

EISNERAMPER LLP  
New York, New York  
May 21, 2024

EISNERAMPER  
LLP





## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR MAJOR FEDERAL PROGRAMS AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors of  
Child Mind Institute, Inc.

### Report on Compliance for Major Federal Programs

#### *Opinion on Compliance for Major Federal Programs*

We have audited Child Mind Institute, Inc.'s ("CMI") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget ("OMB") *Compliance Supplement* that could have a direct and material effect on CMI's major federal programs for the year ended September 30, 2023. CMI's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Child Mind Institute, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on major federal programs for the year ended September 30, 2023.

#### *Basis for Opinion on Major Federal Programs*

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* Uniform Guidance. Our responsibilities under those standards and Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of CMI and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal programs. Our audit does not provide a legal determination of CMI's compliance with the compliance requirements referred to above.

#### *Responsibilities of Management for Compliance*

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the major federal programs.

### ***Auditors' Responsibility for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on CMI's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the CMI's compliance with the requirements of the federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding CMI's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of CMI's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of CMI's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### ***Report on Internal Control Over Compliance***

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.



Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

### **Purpose of this Report**

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*EisnerAmper LLP*

EISNERAMPER LLP  
New York, New York  
May 21, 2024

EISNERAMPER  
LLP



**CHILD MIND INSTITUTE, INC.**

**Schedule of Findings and Questioned Costs  
Year Ended September 30, 2023**

**Section I - Summary of Auditors' Results**

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with U.S. GAAP: Unmodified

Internal control over financial reporting:

Material weaknesses identified: No  
Significant deficiencies identified: None reported

Noncompliance material to financial statements noted: No

**Federal Awards**

Internal control over major programs:

Material weaknesses identified: No  
Significant deficiencies identified: None reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Title 2 *U.S. Code of Federal Regulations* Part 200, Section 516 (a): No

Identification of major programs:

<b><u>Federal Assistance Listing Number</u></b>	<b><u>Name of Federal Program</u></b>
93.575	Child Care and Development – Cluster
93.242	Research and Development – Cluster
93.865	Research and Development – Cluster
93.837	Research and Development – Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee: Yes

**Section II - Financial Statement Findings**

No matters reported for the year ended September 30, 2023.

**Section III - Federal Award Findings and Questioned Costs**

No matters reported for the year ended September 30, 2023.

**Section IV - Prior Period Findings**

None noted.

**SUPPLEMENTARY SCHEDULE**

**CHILD MIND INSTITUTE, INC.**

**Schedule of Expenditures of Federal Awards  
Year Ended September 30, 2023**

<u>Federal Agency/Programs</u>	<u>Federal Assistance Listing Number</u>	<u>Contract/Pass-Through Entity Identifying Number</u>	<u>Passed Through to Sub-recipients</u>	<u>Federal Expenditures</u>
U.S. Department of Health and Human Services:				
Research and Development - Cluster:				
Direct Federal Funding:				
Mental Health Research - C-PAC	93.242		\$ -	\$ 120,628
Mental Health Research - Mega-Analysis	93.242		12,005	163,294
Mental Health Research - Signatures	93.242		125,790	601,098
Mental Health Research - Brain	93.242		90,366	387,539
Mental Health Research - Variations	93.242		-	8,807
Mental Health Research - Pipeline	93.242		-	364,544
			<u>228,161</u>	<u>1,645,910</u>
Total Direct Federal Funding				
Pass-Through Federal Funds from:				
University of California Mental Health Research Grant	93.242	704383	-	67,530
Research Foundation for Mental Hygiene, Inc. Mental Health Research Grant	93.242	162822	-	55,925
Research Foundation for Mental Hygiene, Inc. Mental Health Research Grant	93.242	146590	-	25,058
Research Foundation for Mental Hygiene, Inc. Mental Health Research Grant	93.242	154505	-	73,770
The Trustees of Columbia University in the City of New York Mental Health Research Grant	93.242	2(GG008696)	-	46,097
The Trustees of University of Pennsylvania Mental Health Research Grant	93.242	576811	-	203,237
Regents of the University of Minnesota Mental Health Research Grant	93.242	A006815002	-	5,876
University of Connecticut Mental Health Human Development Extramural Research	93.242	334160	-	3,160
Regents of the University of Minnesota Mental Health Research Grant	93.242	P008726302	-	76,910
MiResource Mental Health Research Grant	93.242	R42MH125688	-	78,679
The Trustees of Columbia University in the City of New York Mental Health Research Grant	93.242	3(GG008696-02)	-	4,969
National Institute of Mental Health Mental Health Research Grant	93.242	75N95B21P00130	-	77,268
The Trustees of the Leland Stanford Junior University Mental Health Research Grant	93.242	62723867-144480	-	27,164
New England Research Institutes, Inc. Cardiovascular Diseases Research	93.837	U24HL135691	-	11,706
University of Connecticut Mental Health Research Grant	93.865	416935	-	327,019
			<u>-</u>	<u>1,084,368</u>
			<u>228,161</u>	<u>2,730,278</u>
Total Research and Development - Cluster				
Child Care and Development - Cluster:				
Pass-Through Federal funds from:				
Ohio Child Care Resource and Referral Association	93.575	416935	-	2,467,367
			<u>\$ 228,161</u>	<u>\$ 5,197,645</u>
Total				

See notes to schedule of expenditures of federal awards.

**CHILD MIND INSTITUTE, INC.**

**Notes to Schedule of Expenditures of Federal Awards  
Year Ended September 30, 2023**

**NOTE A - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of CMI under programs of the federal government for the year ended September 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of CMI, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows of CMI.

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. CMI has elected not to use the ten percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE C - PASSED THROUGH TO SUB-RECIPIENTS**

The following reflects CMI's federal awards that were passed through to sub-recipients as reported on the Schedule:

<u>Sub Recipients/Programs</u>	<u>Federal Assistance Listing Number</u>	<u>Grant Number</u>	<u>Passed Through to Sub-recipients</u>
University of Pennsylvania Mental Health Research - Mega-Analysis	93.242	R01MH133334	\$ 12,005
University of California, Cornell and NYU Mental Health Research - Signatures	93.242	R01MH115363	125,790
John Hopkins University Mental Health Research - Brain	93.242	RF1MH128696	<u>90,366</u>
			<u>\$ 228,161</u>