SUNNYSIDE HOME CARE PROJECT, INC.

Financial Statements
(Together with Independent Auditors' Report)

Years Ended June 30, 2019 and 2018

MARKS PANETH

ACCOUNTANTS & ADVISORS

SUNNYSIDE HOME CARE PROJECT, INC.

FINANCIAL STATEMENTS
(Together with Independent Auditors' Report)

YEARS ENDED JUNE 30, 2019 AND 2018

CONTENTS

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MARKS PANETH
ACCOUNTANTS & ADVISORS

INDEPENDENT AUDITORS' REPORT

The Board of Directors of
Sunnyside Home Care Project, Inc.

We have audited the accompanying financial statements of Sunnyside Home Care Project, Inc. ("Home Care"), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sunnyside Home Care Project, Inc. as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2P to the financial statements, during the year ended June 30, 2019, Home Care adopted Accounting Standards Update 2016-14, *Not-for-Profit Entities* (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

Marks Paneth LLP

New York, NY
February 13, 2020

Morison KSi
Independent member

SUNNYSIDE HOME CARE PROJECT, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2019 AND 2018

	2019	2018
ASSETS		
Cash and cash equivalents (Notes 2C and 10)	$ 2,859,463	$ 2,314,089
Government grants receivable, net (Notes 2D, 2E and 4)	242,111	239,615
Accounts receivable, net (Notes 2E, 2I and 5)	10,376,563	6,487,318
Contributions receivable (Notes 2E and 2K)	65,000	-
Prepaid expenses and other assets	3,700	142,924
TOTAL ASSETS	$ 13,546,837	$ 9,183,946
LIABILITIES		
Accounts payable and accrued expenses	$ 5,560,028	$ 2,230,524
Advances payable and deferred revenue (Note 2G)	64,520	250,332
Due to affiliates (Note 9)	3,499,605	1,561,289
TOTAL LIABILITIES	9,124,153	4,042,145
COMMITMENTS AND CONTINGENCIES (Note 6)		
NET ASSETS (Note 2B)		
Without donor restrictions	4,285,470	5,141,801
With donor restrictions (Note 7)	137,214	-
TOTAL NET ASSETS	4,422,684	5,141,801
TOTAL LIABILITIES AND NET ASSETS	$ 13,546,837	$ 9,183,946

SUNNYSIDE HOME CARE PROJECT, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	For the Year Ended June 30, 2019			For the Year Ended June 30, 2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
GOVERNMENT AND OTHER SUPPORT:						
Government and other grants (Notes 2H and 10)	$ -	$ -	$ -	$ 34,306	$ -	$ 34,306
Contract revenue - Managed care (Notes 2I and 10)	43,396,457	-	43,396,457	28,476,667	-	28,476,667
Contract revenue - Client fees (Note 2J)	15,770	-	15,770	38,950	-	38,950
Contributions and grants (Note 2K)	-	230,000	230,000			
Donated services (Note 2L)	45,558	-	45,558	882	-	882
Other income	502,411	-	502,411	565,741	-	565,741
Net assets released from restrictions (Notes 2B and 7)	92,786	(92,786)	-	-	-	-
TOTAL GOVERNMENT AND OTHER SUPPORT	44,052,982	137,214	44,190,196	29,116,546	-	29,116,546
OPERATING EXPENSES (Note 2N)**:**						
Program services						
Home care	41,639,188	-	41,639,188	26,649,230	-	26,649,230
Supporting services						
Management and general	3,270,125	-	3,270,125	2,475,693	-	2,475,693
TOTAL OPERATING EXPENSES	44,909,313	-	44,909,313	29,124,923	-	29,124,923
CHANGE IN NET ASSETS BEFORE NON-OPERATING ACTIVITY	(856,331)	137,214	(719,117)	(8,377)	-	(8,377)
NON-OPERATING ACTIVITY:						
HRA recovery (Note 6B)	-	-	-	(252,750)	-	(252,750)
CHANGE IN NET ASSETS	(856,331)	137,214	(719,117)	(261,127)	-	(261,127)
NET ASSETS - BEGINNING OF YEAR	5,141,801	-	5,141,801	5,402,928	-	5,402,928
NET ASSETS - END OF YEAR	$ 4,285,470	$ 137,214	$ 4,422,684	$ 5,141,801	$ -	$ 5,141,801

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

SUNNYSIDE HOME CARE PROJECT, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	For the Year Ended June 30, 2019			For the Year Ended June 30, 2018		
	Program Services - Home Care	Management and General	Total	Program Services - Home Care	Management and General	Total
Salaries (Note 9)	$ 28,629,372	$ 1,382,456	$ 30,011,828	$ 17,619,405	$ 940,766	$ 18,560,171
Payroll taxes and fringe benefits (Note 8)	12,250,867	799,835	13,050,702	8,539,846	494,323	9,034,169
Total Personnel Costs	40,880,239	2,182,291	43,062,530	26,159,251	1,435,089	27,594,340
Consultants (Note 2L)	166,783	167,742	334,525	55,255	80,328	135,583
Computer services	170,136	142,729	312,865	119,644	112,269	231,913
Occupancy (Notes 6 and 9)	210,912	176,936	387,848	166,370	156,115	322,485
Supplies/printing	41,210	34,571	75,781	37,604	35,287	72,891
Travel/transportation	27,485	16,458	43,943	19,043	17,905	36,948
Insurance	92,813	77,861	170,674	50,796	47,665	98,461
Repairs and maintenance	9,746	8,176	17,922	14,532	13,637	28,169
Bad debt expense	-	413,532	413,532	-	552,312	552,312
Other	39,864	49,829	89,693	26,735	25,086	51,821
TOTAL EXPENSES	$ 41,639,188	$ 3,270,125	$ 44,909,313	$ 26,649,230	$ 2,475,693	$ 29,124,923

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

SUNNYSIDE HOME CARE PROJECT, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ (719,117)	$ (261,127)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Bad debt expense	413,532	552,312
Subtotal	(305,585)	291,185
Changes in operating assets and liabilities:		
(Increase) or decrease in assets:		
Government grants receivable	(2,496)	3,116
Accounts receivable	(4,302,777)	(2,945,867)
Contributions receivable	(65,000)	-
Prepaid expenses and other assets	139,224	(105,290)
Due from affiliates	-	176,651
Increase or (decrease) in liabilities:		
Accounts payable and accrued expenses	3,329,504	334,559
Advances payable and deferred revenue	(185,812)	25,263
Due to affiliates	1,938,316	856,845
Net Cash Provided by (Used In) Operating Activities	545,374	(1,363,538)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	545,374	(1,363,538)
Cash and cash equivalents - beginning of the year	2,314,089	3,677,627
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 2,859,463	$ 2,314,089

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

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

Sunnyside Home Care Project, Inc. (“Home Care”), a not-for-profit licensed home care service agency, was established to provide personal care services to the elderly and disabled persons who require such services in order to maintain themselves safely at home. Home Care is funded primarily by fees from the City of New York Human Resources Administration (“HRA”) and managed care revenues.

The agency is a not-for-profit organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

The accompanying financial statements were prepared to present the financial position, changes in net assets and cash flows of only Home Care and do not include the financial position, changes in net assets and cash flows of its related organizations: Sunnyside Community Services, Inc. (“Sunnyside”), Sunnyside Citywide Home Care Services, Inc. (“Citywide”) and Sunnyside CDPAP, Inc. (“CDPAP”). Effective January 1, 2019, Citywide began transferring clients to Home Care.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ***Basis of accounting*** - The accompanying financial statements of Home Care have been prepared on the accrual basis of accounting. Home Care adheres to accounting principles generally accepted in the United States of America (“U.S. GAAP”).

B. ***Basis of presentation*** - Home Care maintains its net assets under the following two classes:

   a. Net assets without donor restrictions – includes funds having no restriction as to use or purpose imposed by donors. It represents resources available for support of Home Care’s operations over which the Board of Directors has discretionary control.

   b. Net assets with donor restrictions – represents assets that are subject to donor-imposed stipulations. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

C. ***Cash and cash equivalents*** - Cash and cash equivalents consist of cash and highly liquid investments with maturity dates, when acquired, of three months or less.

D. ***Government grants receivable*** - Government grants receivable are recorded for expenditures made in accordance with grant agreements.

E. ***Allowance for doubtful accounts*** - Home Care determines whether an allowance for uncollectible accounts should be provided for grants, contributions and accounts receivable. Such estimates are based on management’s assessment of the aged basis of its receivables, current economic conditions, subsequent receipts and historical information. Receivables are written off against the allowance for doubtful accounts when all reasonable collection efforts have been exhausted. As of both June 30, 2019 and 2018, Home Care determined an allowance of $900,000 was necessary for government grants receivable, an allowance of $1,345,621 and $1,583,784, respectively, was necessary for accounts receivable and no allowance was necessary for contributions receivable.

F. ***Property and equipment*** - Property and equipment including leasehold improvements are recorded at cost. Items with a cost of $1,000 and estimated useful life of greater than one year are capitalized. Property and equipment are depreciated on the straight-line method over their estimated useful lives. Amortization of leasehold improvements is recorded on the straight-line method over the term of the lease or the life of the asset, whichever is shorter. During the year ended June 30, 2017, Home Care wrote off all of the fully depreciated property and equipment that were no longer in service.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. ***Advances payable and deferred revenue*** - Government grants are recorded as revenues to the extent that expenses have been incurred for the purposes specified by the grantors. To the extent amounts received exceed amounts spent, Home Care establishes refundable advances from governmental sources.

H. ***Revenue from Government Sources*** - Revenues from government contracts are recognized when reimbursable expenses are incurred under the terms of the contract. Such revenues are subject to audit by the governmental funding sources. No provision for disallowances is reflected in the financial statements, since management does not anticipate material adjustments. Laws and regulations related to government programs are subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates may change by a material amount in the near term. Additionally, noncompliance with such laws and regulations could result in penalties and exclusion from the government programs.

I. ***Contract and managed care revenues*** - Revenues from care of patients are reported at the estimated net realizable amounts from patients, third-party payors and others from services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Laws and regulations governing health care programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates may change by a material amount in the near term. Home Care records accounts receivable based on established rates or contracts for services provided.

J. ***Client fees*** - Fees are recognized during the period the related services are provided.

K. ***Contributions*** - Unconditional contributions, including promises to give cash and other assets, are reported at fair value at the date the contribution is received. The gifts are reported as donor restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

L. ***Donated Services*** - Donated services are recognized in the financial statements if the services enhance or create nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased, if not provided by donation. Donated legal services of $45,558 and $882 were received during the years ended June 30, 2019 and 2018, respectively, and are reflected as revenues and expenses in the accompanying statements of activities.

M. ***Operating leases*** - Rent expense has been recorded on the straight-line basis over the life of the lease. Deferred rent, when material, is recorded for the difference between the fixed payment and the rent expense.

N. ***Functional allocation of expenses*** - The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The accompanying financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy and insurance which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes which are allocated on the basis of estimates of time and effort, consultants, computer services, supplies, and all other expenses which are allocated on the basis of full time equivalent.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. ***Use of Estimates*** - The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures at the date of the financial statements. Actual amounts could differ from those estimates.

P. ***Recent Accounting Pronouncements*** - Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2016-14, *Not-for-Profit Entities* (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities* was adopted for the year ended June 30, 2019. ASU 2016-14 provides for a number of changes, including the presentation of two classes of net assets and enhanced disclosure on liquid resources and expense allocation. These changes had no impact on the change in net assets for the year ended June 30, 2018. Due to these changes, Home Care has reclassified prior periods and fully comparative financial statements are presented. Net assets as of June 30, 2018 were renamed to conform to the new presentation.

NOTE 3 – LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Cash and cash equivalents	$ 2,859,463
Accounts receivable, net	10,376,563
Contributions receivable	65,000
Government grants receivable	242,111
	13,543,137
Less accounts receivable due in more than one year	(1,501,396)
	$ 12,041,741

Home Care regularly monitors liquidity required to meet its operating needs while also striving to maximize the investment of its available funds. This is done by comparing on a weekly basis funds available to actual expenses to be paid. The Organization also strives to collect receivables on a timely basis from all types of debtors. In addition, Home Care has a maximum line of credit totaling $2 million with a financial institution (Note 6E), which can be drawn upon if needed.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, Home Care considers all expenditures related to its ongoing activities of Home Care's programs as well as the conduct of services undertaken to support those activities to be general expenditures. Donor restricted funds for various programs are considered available for the general expenditures to conduct those programs.

NOTE 4 – GOVERNMENT GRANTS RECEIVABLE, NET

Government grants receivable consist of the following as of June 30:

	2019	2018
Human Resources Administration ("HRA")	$ 1,142,111	$ 1,139,615
Less: allowance for doubtful accounts	(900,000)	(900,000)
Total government grants receivable, net	$ 242,111	$ 239,615

NOTE 5 – ACCOUNTS RECEIVABLE, NET

Accounts receivable consist of the following as of June 30:

	2019	2018
Medicaid – Managed care	$10,677,624	$ 7,026,542
Other third-party insurance	1,044,560	1,044,560
Total accounts receivable	11,722,184	8,071,102
Less: allowance for doubtful accounts	(1,345,621)	(1,583,784)
Total accounts receivable, net	$10,376,563	$ 6,487,318

NOTE 6 – COMMITMENTS AND CONTINGENCIES

A. ***Lease Commitments***

Home Care subleases its office located in Queens, New York from Sunnyside under an operating lease which expired on June 30, 2018 and provides for payments of real estate taxes and utilities in addition to minimum rent. Home Care signed an extension on the office space sublease through June 30, 2022. In the event that governmental funding is terminated, Home Care may cancel the subleases upon giving one month's notice to Sunnyside.

Rent expense for the years ended June 30, 2019 and 2018 was $222,509 and $217,082, respectively.

The future minimum lease payments to Sunnyside, based on the sublease, subject to cancellation, for each of the years subsequent to June 30, 2019 are as follows:

2020	$ 228,000
2021	234,000
2022	240,000
Total	$ 702,000

B. ***HRA Recovery***

The City of New York HRA exercises control over the use of its funds and limits their use to the HRA program. HRA conducted a close-out for the fiscal years ended June 30, 2009, 2010 and 2011 and determined that Home Care owed a refund of $4,893,673. Such refund was fully paid by Home Care as of June 30, 2015. Home Care has not recorded a liability for fiscal years 2012 through 2017 as the amounts are undeterminable until HRA completes a close-out audit for each fiscal year.

Under the prior contract with HRA that expired on March 31, 2017, HRA provided Home Care working capital reserve amounting to $252,750 to meet the gap for the turnaround time. Because this is no longer provided under the new contract, HRA recouped the funds during the year ended June 30, 2018.

Effective April 1, 2017, under the new contract with HRA, HRA does not exercise control over the use of its funds. All monies not spent during the grant period will be retained by Home Care as additional net assets under the contract.

NOTE 6 – COMMITMENTS AND CONTINGENCIES (Continued)

C. ***Third Party Contingencies***

Home Care is responsible to report to various third parties, among which are the New York State Department of Health (“DOH”), the New York State Office of Attorney General (“AG”), the Internal Revenue Service (“IRS”), the New York State Department of Charities Registration, the Office of Inspector General, and the Office of Medicaid Inspector General (“OMIG”). These and other agencies, including the New York City Human Resources Administration (“HRA”) and the New York City Department for the Aging (“DFTA”), have the right to audit fiscal as well as programmatic compliance, i.e., clinical documentation and physician certifications, among other compliance requirements.

DOH increased the Medicaid rates to provide funding for recruitment, training and retention of home health aides and/or other personnel with direct patient care responsibility. Home Care and Citywide are required to provide attestations certifying that these funds, if applicable, were paid to home health aides and other personnel with direct patient care responsibilities.

During 2007, the Attorney General of the State of New York issued subpoenas to several Certified Home Health Agencies (“CHHAs”) and Long Term Home Health Care Programs (“LTHHCPs”) citing that the Home Health Aides (“HHAs”) they contracted from licensed vendor agencies were not actually trained, and their certification as HHAs was falsified. Therefore, the CHHAs and LTHHCPs billed Medicaid for ineligible services. Home Care maintains that it performed proper due diligence to assure that the HHAs it employs have appropriate training and certification. Home Care did not receive a subpoena; however, this matter and the AG’s investigation have not been concluded. Home Care’s management believes that they have no exposure in this matter.

D. ***Income Taxes***

Home Care believes it has no uncertain tax positions as of June 30, 2019 and 2018 in accordance with Accounting Standards Codification (“ASC”) Topic 740, “Income Taxes,” which provides standards for establishing and classifying any tax provisions for uncertain tax positions.

E. ***Line of Credit***

In 2019, Home Care obtained a $2 million revolving line of credit with a bank. Interest on this line is subject to change from time to time based on changes in an independent index which is the London Interbank Offered Rate (the “Index”). Interest will be calculated using a rate of 2.5% points over the Index. As of June 30, 2019, there was no borrowing under this line and the line was subsequently transferred to Sunnyside (Note 11).

NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at June 30, 2019 and 2018 are available for the following purposes:

	2019	2018
Home Health Aide Training	$ 137,214	$ -
Total net assets with donor restrictions	$ 137,214	$ -

Net assets with donor restrictions were released from restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	2019	2018
Home Health Aide Training	$ 92,786	$ -
	$ 92,786	$ -

NOTE 8 – PENSION PLANS

Nonunion Pension Plan

Home Care maintains a 403(b) pension plan that covers all full-time employees not covered by a collective bargaining agreement. On an annual basis, the Board determines a discretionary contribution for employees who are at least 21 years of age and have completed two years of service. Home Care's contributions amounted to $23,365 and $10,401 for the years ended June 30, 2019 and 2018, respectively.

Union Pension Plan

All union employees of Home Care participate in a multiemployer defined benefit pension plan administered by the union. Union pension expense for the years ended June 30, 2019 and 2018 was $609,564 and $445,594, respectively. Home Care did not contribute more than 5% of total contributions to those plans.

The risks of participating in these multiemployer defined benefit pension plans are different from single employer plans because: (a) assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers, (b) if a participating employer stops contributing to the plan, the unfunded obligations of the plan may be required to be borne by the remaining participating employers, and (c) if Home Care chooses to stop participating in one of its multiemployer plans, it may be required to pay a withdrawal liability to the plan.

The following information was obtained from Home Care's union-managed pension plan:

Pension Fund	EIN/ Pension Plan Number	FIP/RP Status Pending/ Implemented	Contributions 2019	Contributions 2018	Surcharge Imposed	Expiration Date of Collective Bargaining Agreement
1199 SEIU Home Care Employees Pension Fund	EIN 13-3943904 Plan No. 001	Implemented	$609,564	$445,594	No	*March 2017

* A new agreement is in negotiation as of February 13, 2020, the date the financial statements were available to be issued.

As of the date the financial statements were available to be issued, Form 5500 was available for the plan year ended December 31, 2018 and did not include 2019 plan information. The plan's actuaries have certified that the plan is not endangered, seriously endangered or critical, as those terms are defined in the Pension Protection Act of 2006 for the plan year ended December 31, 2018.

NOTE 9 – RELATED-PARTY TRANSACTIONS

Home Care is related, through common board members, to Citywide and Sunnyside. At June 30, 2019, Home Care owes Sunnyside $156,923 and owes Citywide $3,342,682. As of June 30, 2018, Home Care owes Sunnyside $95,747 and owes Citywide $1,465,542. These represent normal operating expenses, are non-interest-bearing and are due on demand.

In addition, in 2019 and 2018 Sunnyside allocated rent (Note 6) and other expenses, as outlined in the table below, to Home Care.

	2019	2018
Rent, real estate taxes and utilities expenses	$ 272,213	$ 249,920
Salaries, fringe benefits and other expenses	1,101,368	675,715

NOTE 10 – CONCENTRATIONS

Credit Risk

Cash that potentially subjects Home Care to a concentration of credit risk includes cash accounts with banks that exceed the Federal Deposit Insurance Corporation ("FDIC") insurance limits. Cash accounts are insured up to $250,000 per depositor. As of June 30, 2019 and 2018, there was approximately $2.8 million and $2.2 million, respectively, of cash held by two banks that exceeded FDIC limits.

Revenue

In 2019, the contracts with HRA represent 28% of total revenues and 29% of accounts receivable. Contracts with three managed care vendors represent 56% of total revenues and 39% of accounts receivable. In 2018, the contracts with HRA represent 30% of total revenues and 31% of accounts receivable. Contracts with three managed care vendors represent 54% of total revenues and 46% of accounts receivable.

NOTE 11 – SUBSEQUENT EVENTS

Management has evaluated, for potential recognition and disclosure of, events subsequent to the date of the statement of financial position through February 13, 2020, the date the financial statements were available to be issued.

Subsequent to year end, the $2 million line of credit obtained by Home Care was transferred to Sunnyside as the new borrower with Home Care and Citywide as guarantors. As of February 13, 2020, there is $500,000 borrowed under this line.