

**Return of Organization Exempt From Income Tax**

OMB No. 1545-0047

Form **990**  
(Rev. January 2020)  
Department of the Treasury  
Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

▶ Do not enter social security numbers on this form as it may be made public.

▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

**2019**  
Open to Public Inspection

**A** For the 2019 calendar year, or tax year beginning and ending

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization <b>START TREATMENT AND RECOVERY CENTERS, INC.</b>		<b>D</b> Employer identification number <b>13-2642451</b>
	Doing business as		<b>E</b> Telephone number <b>718-260-2906</b>
	Number and street (or P.O. box if mail is not delivered to street address) Room/suite <b>22 CHAPEL STREET</b>	<b>G</b> Gross receipts \$ <b>35,366,754.</b>	
	City or town, state or province, country, and ZIP or foreign postal code <b>BROOKLYN, NY 11201</b>		<b>H(a)</b> Is this a group return for subordinates? ..... <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) <b>H(c)</b> Group exemption number ▶
<b>I</b> Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527			
<b>J</b> Website: ▶ <b>WWW.STARTNY.ORG</b>			
<b>K</b> Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶			<b>L</b> Year of formation: <b>1969</b>
<b>M</b> State of legal domicile: <b>NY</b>			

**Part I Summary**

<b>Activities &amp; Governance</b>	<b>1</b> Briefly describe the organization's mission or most significant activities: <b>THE MISSION OF START TREATMENT AND RECOVERY CENTERS, INC. IS TO PROVIDE THE HIGHEST QUALITY OF</b>		
	<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	<b>3</b> Number of voting members of the governing body (Part VI, line 1a) .....	<b>16</b>	
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b) .....	<b>16</b>	
	<b>5</b> Total number of individuals employed in calendar year 2019 (Part V, line 2a) .....	<b>376</b>	
	<b>6</b> Total number of volunteers (estimate if necessary) .....	<b>12</b>	
	<b>7 a</b> Total unrelated business revenue from Part VIII, column (C), line 12 .....	<b>0.</b>	
<b>b</b> Net unrelated business taxable income from Form 990-T, line 39 .....	<b>0.</b>		
<b>Revenue</b>	<b>8</b> Contributions and grants (Part VIII, line 1h) .....	<b>2,731,838.</b>	<b>2,568,414.</b>
	<b>9</b> Program service revenue (Part VIII, line 2g) .....	<b>25,178,097.</b>	<b>26,320,104.</b>
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d) .....	<b>64,605.</b>	<b>5,003,930.</b>
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) .....	<b>227,593.</b>	<b>1,008,692.</b>
	<b>12</b> Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) .....	<b>28,202,133.</b>	<b>34,901,140.</b>
<b>Expenses</b>	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1-3) .....	<b>0.</b>	<b>0.</b>
	<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4) .....	<b>0.</b>	<b>0.</b>
	<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) .....	<b>18,842,593.</b>	<b>19,404,614.</b>
	<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e) .....	<b>0.</b>	<b>0.</b>
	<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ▶ <b>39,311.</b>		
	<b>17</b> Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e) .....	<b>9,805,622.</b>	<b>8,941,823.</b>
<b>18</b> Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25) .....	<b>28,648,215.</b>	<b>28,346,437.</b>	
<b>19</b> Revenue less expenses. Subtract line 18 from line 12 .....	<b>-446,082.</b>	<b>6,554,703.</b>	
<b>Net Assets or Fund Balances</b>	<b>20</b> Total assets (Part X, line 16) .....	<b>48,314,275.</b>	<b>66,973,558.</b>
	<b>21</b> Total liabilities (Part X, line 26) .....	<b>10,671,503.</b>	<b>22,521,108.</b>
	<b>22</b> Net assets or fund balances. Subtract line 21 from line 20 .....	<b>37,642,772.</b>	<b>44,452,450.</b>

**Part II Signature Block**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

<b>Sign Here</b>	Signature: <b>COPY</b>	Date:			
	DR. LAWRENCE S. BROWN JR, CHIEF EXECUTIVE OFFICER Type or print name and title				
<b>Paid Preparer Use Only</b>	Print/Type preparer's name <b>MAGDALENA M. CZERNIAWSKI</b>	Preparer's signature <b>MAGDALENA M. CZERNIA</b>	Date <b>11/03/20</b>	Check <input type="checkbox"/> if self-employed	PTIN <b>P00535099</b>
	Firm's name ▶ <b>MARKS PANETH LLP</b>			Firm's EIN ▶ <b>11-3518842</b>	
	Firm's address ▶ <b>685 THIRD AVENUE NEW YORK, NY 10017</b>			Phone no. <b>212-503-8800</b>	

May the IRS discuss this return with the preparer shown above? (see instructions)  Yes  No

Product: **Exempt**  
 Name: **Start Treatment and Recovery Centers, Inc.**  
 FEIN: **\*\*\*\*\*2451**

Category:

IRS Center: **Ogden**  
 e-Postmark: **11/5/2020 8:06 AM**

Notification:

Fiscal Year Begin Date: **1/1/2019**

Fiscal Year End Date: **12/31/2019**

eSigned:

**Return Information**

Date	Return ID	Type of Activity	Submission ID	Refund/ (Due)	Updated By	eSign Date
11/03/2020	19X:ny13407-0001:V1	Upload Started			Elanges,Stephanie	
11/03/2020	19X:ny13407-0001:V1	Ready to Release by Customer				
11/05/2020	19X:ny13407-0001:V1	Released for Transmission - Validation in Progress			Baptiste, Guerline	
11/05/2020	19X:ny13407-0001:V1	Ready to transmit - Validation Complete				
11/05/2020	19X:ny13407-0001:V1	Transmitted to FD	2629822020310032ee94			
11/05/2020	19X:ny13407-0001:V1	Accepted by FD on 11/5/2020				

START TREATMENT AND RECOVERY  
CENTERS, INC.

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Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III

- 1 Briefly describe the organization's mission:  
**THE MISSION OF START TREATMENT AND RECOVERY CENTERS, INC. IS TO PROVIDE THE HIGHEST QUALITY OF COMPASSIONATE, COMPREHENSIVE, EVIDENCE-BASED HEALTH CARE, AND SOCIAL SERVICES; EDUCATION OF THE PUBLIC CONCERNING MAINTENANCE OF HEALTHY LIFESYTTLES; AND, CUTTING EDGE**
- 2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?  Yes  No  
If "Yes," describe these new services on Schedule O.
- 3 Did the organization cease conducting, or make significant changes in how it conducts, any program services?  Yes  No  
If "Yes," describe these changes on Schedule O.
- 4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code: ) (Expenses \$ **21,310,755.** including grants of \$ ) (Revenue \$ **26,025,144.**)  
**START IS THE LARGEST AND OLDEST MINORITY-RUN DRUG TREATMENT PROGRAM IN THE UNITED STATES, ESTABLISHED IN 1969 AND WITH EIGHT PROGRAMS SERVING ADULTS WITH SUBSTANCE USE DISORDERS. START'S SEVEN MEDICATION ASSISTANCE TREATMENT PROGRAMS (MATP) ARE DUALY LICENSED BY NEW YORK STATE OFFICE OF ADDICTION SERVICES AND SUPPORT (OASAS) AND THE NYS DEPARTMENT OF HEALTH FOR PRIMARY CARE SERVICES. THEY ARE ALSO ACCREDITED BY CARF, DEMONSTRATING MAINTENANCE OF THE HIGHEST STANDARDS. THE OASAS-LICENSED REACH CHEMICAL DEPENDENCY PROGRAM OFFERS INDIVIDUAL AND GROUP COUNSELING, AS WELL AS PSYCHIATRY SERVICES, FOR ADULTS WITH CO-OCCURRING ADDICTION AND MENTAL HEALTH DIAGNOSES. ADDITIONALLY, START ENGAGES IN CUTTING-EDGE BEHAVIORAL AND BIO-MEDICAL RESEARCH WHICH SEEKS BETTER AND MORE EFFECTIVE TREATMENTS FOR OUR PATIENT POPULATION. START**

4b (Code: ) (Expenses \$ **1,478,078.** including grants of \$ ) (Revenue \$ **255,858.**)  
**IN ADDITION TO ITS ADULT PROGRAMS, START HAS THREE MENTAL HEALTH PROGRAMS FOR ADOLESCENTS. IN 2019, VIA A CONTRACT WITH THE NEW YORK CITY ADMINISTRATION FOR CHILDREN'S SERVICES, START PROVIDED MENTAL HEALTH SERVICES TO 368 ADOLESCENTS IN NEW YORK CITY'S SECURE AND NON-SECURE JUVENILE DETENTION CENTERS. START ALSO PROVIDED BEHAVIORAL HEALTH COACHING TO TEACHERS, SOCIAL WORKERS, AND ADMINISTRATORS AT 15 NYC PUBLIC HIGH SCHOOLS UNDER ITS "100 SCHOOLS" CONTRACT WITH THE JEWISH BOARD OF CHILDREN AND FAMILY SERVICES. IN 2019, START'S OUTPATIENT ADOLESCENT MENTAL HEALTH PROGRAM, NAMED TEEN START, CELEBRATED ITS SECOND-YEAR ANNIVERSARY AND SERVED 112 ADOLESCENTS. THIS CLINIC, WHICH IS CERTIFIED BY THE NYS OFFICE OF MENTAL HEALTH, PROVIDES INDIVIDUAL AND GROUP COUNSELING TO ADOLESCENTS AGED 12-17.**

4c (Code: ) (Expenses \$ **263,010.** including grants of \$ ) (Revenue \$ )  
**KEEPING WITH ITS MISSION TO PROVIDE THE HIGHEST QUALITY OF COMPASSIONATE, COMPREHENSIVE, EVIDENCE-BASED HEALTHCARE, START PROVIDES PRIMARY CARE SERVICES FOR PATIENTS IN THE MEDICATION ASSISTED TREATMENT PROGRAMS (MATPS). RECOGNIZING THAT PERSONS WITH HISTORY OF SUBSTANCE USER HAVE A HIGHER RATE OF HEPATITIS C VIRUS (HCV) INFECTION THAN THE GENERAL POPULATION, START SCREENED OVER 2,038 OF ITS PATIENTS FOR HCV AND PROVIDED CASE MANAGEMENT SERVICES, LINKING PATIENTS TO CARE. IN ADDITION, START CONTINUED PROVIDING ONSITE HCV SERVICES WITH A CONTRACTED LIVER SPECIALIST VIA TELEMEDICINE TO 63 PATIENTS. START ALSO OFFERS SERVICES FOR PREVENTION AND TREATMENT OF HIV, INCLUDING A PROGRAM TO PROVIDE INTENSIVE CASE MANAGEMENT TO PATIENTS WITH HIV. THE PROGRAM STAFF ASSISTS PATIENTS IN ACHIEVING AND MAINTAINING VIRAL LOAD**

4d Other program services (Describe on Schedule O.)  
(Expenses \$ **9,625.** including grants of \$ ) (Revenue \$ **1,019,687.**)

4e Total program service expenses **23,061,468.**

**START TREATMENT AND RECOVERY  
CENTERS, INC.**

**Part IV Checklist of Required Schedules**

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	<b>X</b>	
2	Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ?	<b>X</b>	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		<b>X</b>
4	<b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>		<b>X</b>
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i>		<b>X</b>
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>		<b>X</b>
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		<b>X</b>
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		<b>X</b>
9	Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>		<b>X</b>
10	Did the organization, directly or through a related organization, hold assets in donor-restricted endowments or in quasi endowments? <i>If "Yes," complete Schedule D, Part V</i>		<b>X</b>
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	<b>X</b>	
b	Did the organization report an amount for investments - other securities in Part X, line 12, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>	<b>X</b>	
c	Did the organization report an amount for investments - program related in Part X, line 13, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>		<b>X</b>
d	Did the organization report an amount for other assets in Part X, line 15, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>		<b>X</b>
e	Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	<b>X</b>	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>	<b>X</b>	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>		<b>X</b>
b	Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>	<b>X</b>	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		<b>X</b>
14a	Did the organization maintain an office, employees, or agents outside of the United States?		<b>X</b>
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i>		<b>X</b>
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i>		<b>X</b>
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i>		<b>X</b>
17	Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>		<b>X</b>
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		<b>X</b>
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		<b>X</b>
20a	Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>		<b>X</b>
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		
21	Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>		<b>X</b>

**START TREATMENT AND RECOVERY  
CENTERS, INC.**

**Part IV Checklist of Required Schedules** *(continued)*

		Yes	No
22	Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> .....		X
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> .....	X	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i> .....		X
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? .....		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? .....		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? .....		
25a	<b>Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> .....		X
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i> .....		X
26	Did the organization report any amount on Part X, line 5 or 22, for receivables from or payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part II</i> .....		X
27	Did the organization provide a grant or other assistance to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity (including an employee thereof) or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i> .....		X
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions, for applicable filing thresholds, conditions, and exceptions):		
a	A current or former officer, director, trustee, key employee, creator or founder, or substantial contributor? <i>If "Yes," complete Schedule L, Part IV</i> .....		X
b	A family member of any individual described in line 28a? <i>If "Yes," complete Schedule L, Part IV</i> .....		X
c	A 35% controlled entity of one or more individuals and/or organizations described in lines 28a or 28b? <i>If "Yes," complete Schedule L, Part IV</i> .....		X
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> .....		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> .....		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> .....		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> .....		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> .....		X
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i> .....	X	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)? .....	X	
b	If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> .....		X
36	<b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> .....		X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> .....		X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? .....	X	

**Note:** All Form 990 filers are required to complete Schedule O

**Part V Statements Regarding Other IRS Filings and Tax Compliance**

Check if Schedule O contains a response or note to any line in this Part V

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable .....		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable .....		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? .....	X	

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**Part V Statements Regarding Other IRS Filings and Tax Compliance** *(continued)*

		Yes	No
<b>2a</b>	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return		
	2a	376	
<b>b</b>	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note:</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	X	
<b>3a</b>	Did the organization have unrelated business gross income of \$1,000 or more during the year?	X	
<b>b</b>	If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation on Schedule O	X	
<b>4a</b>	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		X
<b>b</b>	If "Yes," enter the name of the foreign country See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).		
<b>5a</b>	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
<b>b</b>	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
<b>c</b>	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?		
<b>6a</b>	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		X
<b>b</b>	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
<b>7</b>	<b>Organizations that may receive deductible contributions under section 170(c).</b>		
<b>a</b>	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		X
<b>b</b>	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
<b>c</b>	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
<b>d</b>	If "Yes," indicate the number of Forms 8282 filed during the year		
	7d		
<b>e</b>	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
<b>f</b>	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
<b>g</b>	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
<b>h</b>	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
<b>8</b>	<b>Sponsoring organizations maintaining donor advised funds.</b> Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?		
<b>9</b>	<b>Sponsoring organizations maintaining donor advised funds.</b>		
<b>a</b>	Did the sponsoring organization make any taxable distributions under section 4966?		
<b>b</b>	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?		
<b>10</b>	<b>Section 501(c)(7) organizations.</b> Enter:		
<b>a</b>	Initiation fees and capital contributions included on Part VIII, line 12	10a	
<b>b</b>	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b	
<b>11</b>	<b>Section 501(c)(12) organizations.</b> Enter:		
<b>a</b>	Gross income from members or shareholders	11a	
<b>b</b>	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b	
<b>12a</b>	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?	12a	
<b>b</b>	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b	
<b>13</b>	<b>Section 501(c)(29) qualified nonprofit health insurance issuers.</b>		
<b>a</b>	Is the organization licensed to issue qualified health plans in more than one state? <b>Note:</b> See the instructions for additional information the organization must report on Schedule O.	13a	
<b>b</b>	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b	
<b>c</b>	Enter the amount of reserves on hand	13c	
<b>14a</b>	Did the organization receive any payments for indoor tanning services during the tax year?	14a	X
<b>b</b>	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation on Schedule O	14b	
<b>15</b>	Is the organization subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year? If "Yes," see instructions and file Form 4720, Schedule N.	15	X
<b>16</b>	Is the organization an educational institution subject to the section 4968 excise tax on net investment income? If "Yes," complete Form 4720, Schedule O.	16	X

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**START TREATMENT AND RECOVERY  
CENTERS, INC.**

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Check if Schedule O contains a response or note to any line in this Part VII

**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

**1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
  - List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
  - List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
  - List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
  - List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.
- See instructions for the order in which to list the persons above.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) ASHANDA SAINT JEAN, MD TRUSTEE	1.00	X						0.	0.	0.
(2) BARBARA LEE JACKSON, MPH TRUSTEE	1.00	X						0.	0.	0.
(3) CHERYL KARCHER, MD TRUSTEE	1.00	X						0.	0.	0.
(4) CHRISTIAN A. YEGEN, ESQ TREASURER	1.00 1.00	X		X				0.	0.	0.
(5) CLAUDIA LATOUCHE, NP TRUSTEE (OUTGOING)	1.00	X						0.	0.	0.
(6) DAVID C. CONDLIFFE, ESQ TRUSTEE	1.00	X						0.	0.	0.
(7) FELICIA IVEY-TOURE, LMHC, CASAC VICE-CHAIR	1.00	X		X				0.	0.	0.
(8) GERALD P. HOKE, MD, MPH TRUSTEE	1.00	X						0.	0.	0.
(9) JEAN T. JORDAN, MPA SECRETARY	1.00 1.00	X		X				0.	0.	0.
(10) JENNIFER NORMAN, ESQ TRUSTEE	1.00	X						0.	0.	0.
(11) KAMNA GUPTA, MBA TRUSTEE (OUTGOING)	1.00	X						0.	0.	0.
(12) MATTHEW DANZER, ESQ TRUSTEE	1.00	X						0.	0.	0.
(13) MEGAN MARX, MS TRUSTEE	1.00	X						0.	0.	0.
(14) NEHA MADAN, MBA TRUSTEE (OUTGOING)	1.00	X						0.	0.	0.
(15) SHAUN SMITH, ESQ CHAIRPERSON	1.00	X		X				0.	0.	0.
(16) THOMAS RAFALSKY, ESQ TRUSTEE (OUTGOING)	1.00	X						0.	0.	0.
(17) BEVAN BAKER CHIEF OPERATING OFFICER	35.00			X				200,554.	0.	39,754.



**START TREATMENT AND RECOVERY  
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**Part VII** Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) GEMMA ROGERS CHIEF OPERATING OFFICER (OUTGOING)	35.00			X				140,892.	0.	22,072.
(19) IRVING C. DELA CRUZ CHIEF FINANCIAL OFFICER	35.00			X				206,631.	0.	19,700.
(20) LAWRENCE S. BROWN JR., MD, MPH, CHIEF EXECUTIVE OFFICER	35.00			X				335,163.	0.	82,534.
(21) MARLENE HEATH CHIEF ADMINISTRATIVE OFFICER	35.00			X				182,750.	0.	22,552.
(22) JOYCE GHOLSON CHIEF OF MEDICAL UNIT	35.00				X			247,715.	0.	25,123.
(23) RENEE R. SUMPSTER, LCSW-R, CASAC VP OF BEHAVIOR (OUTGOING)	35.00				X			167,061.	0.	26,099.
(24) AIJAZ KHAN ASSISTANT MANAGER OF TECHNOLOGY SERV	35.00					X		120,469.	0.	11,928.
(25) DRUCILLA WILLIAMS DEPUTY DIRECTOR OF BEHAVIORAL HEALTH	35.00					X		149,790.	0.	34,598.
(26) JUDITH SOBOWALE CHIEF OF MEDICAL UNIT HB (OUTGOING)	35.00					X		116,318.	0.	10,390.
<b>1b Subtotal</b>								<b>1,867,343.</b>	<b>0.</b>	<b>294,750.</b>
<b>c Total from continuation sheets to Part VII, Section A</b>								<b>273,190.</b>	<b>0.</b>	<b>11,738.</b>
<b>d Total (add lines 1b and 1c)</b>								<b>2,140,533.</b>	<b>0.</b>	<b>306,488.</b>

**2** Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **18**

	Yes	No
<b>3</b> Did the organization list any former officer, director, trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual		X
<b>4</b> For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual	X	
<b>5</b> Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person		X

**Section B. Independent Contractors**

**1** Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
MILLIN ASSOCIATES, LLC, 303 MERRICK ROAD - SUITE 401, LYNBROOK, NY 11563	THIRD PARTY BILLING SERVICES	550,528.
CMIT SOLUTIONS OF BROOKLYN NORTH 320 7TH AVE NO. 106, BROOKLYN, NY 11215	INFORMATION TECHNOLOGY	460,875.
SPECGX LLC 172 RAILROD AVE, HOBART, NY 13788	SUPPLIER - CONTROLLED SUBSTANCE	373,251.
HARTER SECREST & EMERY LLP, 1600 BAUSCH & LOMB PLACE, ROCHESTER, NY 14604	LEGAL SERVICES	135,595.

**2** Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **4**

**SEE PART VII, SECTION A CONTINUATION SHEETS**



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**Part VIII Statement of Revenue**

Check if Schedule O contains a response or note to any line in this Part VIII

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512 - 514	
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>	<b>1 a</b> Federated campaigns	<b>1a</b>					
	<b>b</b> Membership dues	<b>1b</b>					
	<b>c</b> Fundraising events	<b>1c</b>					
	<b>d</b> Related organizations	<b>1d</b>					
	<b>e</b> Government grants (contributions)	<b>1e</b>	1,846,054.				
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above	<b>1f</b>	722,360.				
	<b>g</b> Noncash contributions included in lines 1a-1f	<b>1g</b> \$					
	<b>h Total.</b> Add lines 1a-1f			2,568,414.			
<b>Program Service Revenue</b>	<b>2 a</b> MEDICAID	<b>Business Code</b>					
		900099	26,174,088.	26,174,088.			
	<b>b</b> PATIENT FEES	900099	106,914.	106,914.			
	<b>c</b> DSRIP	900099	39,102.	39,102.			
	<b>d</b>						
	<b>e</b>						
	<b>f</b> All other program service revenue						
<b>g Total.</b> Add lines 2a-2f			26,320,104.				
<b>Other Revenue</b>	<b>3</b> Investment income (including dividends, interest, and other similar amounts)		165,785.			165,785.	
	<b>4</b> Income from investment of tax-exempt bond proceeds						
	<b>5</b> Royalties						
	<b>6 a</b> Gross rents	<b>6a</b>	(i) Real	108,431.			
			(ii) Personal				
	<b>b</b> Less: rental expenses	<b>6b</b>	80,324.				
	<b>c</b> Rental income or (loss)	<b>6c</b>	28,107.				
	<b>d</b> Net rental income or (loss)			28,107.		28,107.	
	<b>7 a</b> Gross amount from sales of assets other than inventory	<b>7a</b>	(i) Securities				
			(ii) Other	5,223,435.			
	<b>b</b> Less: cost or other basis and sales expenses	<b>7b</b>	385,290.				
	<b>c</b> Gain or (loss)	<b>7c</b>	4,838,145.				
	<b>d</b> Net gain or (loss)			4,838,145.		4,838,145.	
<b>8 a</b> Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	<b>8a</b>						
<b>b</b> Less: direct expenses	<b>8b</b>						
<b>c</b> Net income or (loss) from fundraising events							
<b>9 a</b> Gross income from gaming activities. See Part IV, line 19	<b>9a</b>						
<b>b</b> Less: direct expenses	<b>9b</b>						
<b>c</b> Net income or (loss) from gaming activities							
<b>10 a</b> Gross sales of inventory, less returns and allowances	<b>10a</b>						
<b>b</b> Less: cost of goods sold	<b>10b</b>						
<b>c</b> Net income or (loss) from sales of inventory							
<b>Miscellaneous Revenue</b>	<b>11 a</b> DEVINGTON SETTLEMENT	<b>Business Code</b>					
		900099	725,000.	725,000.			
	<b>b</b> INSURANCE PROCEEDS	900099	105,308.	105,308.			
	<b>c</b> RECOVERY OF BAD DEBT	900099	99,954.	99,954.			
	<b>d</b> All other revenue	900099	50,323.	50,323.			
<b>e Total.</b> Add lines 11a-11d			980,585.				
<b>12 Total revenue.</b> See instructions			34,901,140.	27,300,689.	0.	5,032,037.	

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Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21				
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	1,718,598.	861,164.	841,318.	16,116.
6 Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	14,294,475.	12,618,508.	1,669,895.	6,072.
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	678,712.	609,294.	69,252.	166.
9 Other employee benefits	1,293,966.	1,109,335.	184,202.	429.
10 Payroll taxes	1,418,863.	1,179,907.	237,388.	1,568.
11 Fees for services (nonemployees):				
a Management				
b Legal	303,034.		303,034.	
c Accounting				
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees	19,403.		19,403.	
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	1,910,469.	1,595,375.	311,676.	3,418.
12 Advertising and promotion				
13 Office expenses	543,844.	454,910.	88,256.	678.
14 Information technology	274,002.	244,227.	29,360.	415.
15 Royalties				
16 Occupancy	1,218,973.	1,179,641.	39,332.	
17 Travel	6,687.	4,976.	1,685.	26.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	77,968.	34,998.	40,732.	2,238.
20 Interest	130,041.	83,813.	46,228.	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	887,936.	737,443.	148,998.	1,495.
23 Insurance	399,722.	353,693.	45,428.	601.
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses on line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a <b>BAD DEBT EXPENSES</b>	1,062,159.		1,062,159.	
b <b>MED. SUPPLIES &amp; DRUGS</b>	589,249.	589,249.		
c <b>PATIENT COSTS</b>	552,715.	552,101.	612.	2.
d <b>STAFF RECRUITMENT AND D</b>	271,799.	226,319.	44,332.	1,148.
e All other expenses	693,822.	626,515.	62,368.	4,939.
25 <b>Total functional expenses.</b> Add lines 1 through 24e	28,346,437.	23,061,468.	5,245,658.	39,311.
26 <b>Joint costs.</b> Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here  if following SOP 98-2 (ASC 958-720)

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**Part X Balance Sheet**

Check if Schedule O contains a response or note to any line in this Part X

		(A) Beginning of year		(B) End of year
<b>Assets</b>	<b>1</b> Cash - non-interest-bearing .....	6,066,379.	1	3,193,540.
	<b>2</b> Savings and temporary cash investments .....		2	7,384,443.
	<b>3</b> Pledges and grants receivable, net .....		3	
	<b>4</b> Accounts receivable, net .....	3,898,124.	4	4,651,540.
	<b>5</b> Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons .....		5	
	<b>6</b> Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B) .....		6	
	<b>7</b> Notes and loans receivable, net .....		7	
	<b>8</b> Inventories for sale or use .....	11,336.	8	7,646.
	<b>9</b> Prepaid expenses and deferred charges .....	170,704.	9	208,084.
	<b>10a</b> Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D .....	35,511,729.		
	<b>b</b> Less: accumulated depreciation .....	15,878,115.		
	<b>11</b> Investments - publicly traded securities .....	9,147,052.	10c	19,633,614.
	<b>12</b> Investments - other securities. See Part IV, line 11 .....	1,925,602.	11	2,184,257.
	<b>13</b> Investments - program-related. See Part IV, line 11 .....	26,450,000.	12	26,450,000.
	<b>14</b> Intangible assets .....		13	
	<b>15</b> Other assets. See Part IV, line 11 .....	645,078.	14	
<b>16</b> <b>Total assets.</b> Add lines 1 through 15 (must equal line 33) .....	48,314,275.	15	3,260,434.	
		16	66,973,558.	
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses .....	2,158,468.	17	2,916,129.
	<b>18</b> Grants payable .....		18	
	<b>19</b> Deferred revenue .....		19	1,705,803.
	<b>20</b> Tax-exempt bond liabilities .....		20	
	<b>21</b> Escrow or custodial account liability. Complete Part IV of Schedule D .....		21	
	<b>22</b> Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons .....		22	
	<b>23</b> Secured mortgages and notes payable to unrelated third parties .....	1,978,684.	23	8,480,042.
	<b>24</b> Unsecured notes and loans payable to unrelated third parties .....		24	
	<b>25</b> Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D .....	6,534,351.	25	9,419,134.
	<b>26</b> <b>Total liabilities.</b> Add lines 17 through 25 .....	10,671,503.	26	22,521,108.
	<b>Net Assets or Fund Balances</b>	<b>Organizations that follow FASB ASC 958, check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27, 28, 32, and 33.</b>		
<b>27</b> Net assets without donor restrictions .....		37,642,772.	27	44,452,450.
<b>28</b> Net assets with donor restrictions .....			28	
<b>Organizations that do not follow FASB ASC 958, check here</b> <input type="checkbox"/> <b>and complete lines 29 through 33.</b>				
<b>29</b> Capital stock or trust principal, or current funds .....			29	
<b>30</b> Paid-in or capital surplus, or land, building, or equipment fund .....			30	
<b>31</b> Retained earnings, endowment, accumulated income, or other funds .....			31	
<b>32</b> <b>Total net assets or fund balances</b> .....		37,642,772.	32	44,452,450.
<b>33</b> <b>Total liabilities and net assets/fund balances</b> .....	48,314,275.	33	66,973,558.	

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**Part XI Reconciliation of Net Assets**

Check if Schedule O contains a response or note to any line in this Part XI

<b>1</b>	Total revenue (must equal Part VIII, column (A), line 12)	<b>1</b>	34,901,140.
<b>2</b>	Total expenses (must equal Part IX, column (A), line 25)	<b>2</b>	28,346,437.
<b>3</b>	Revenue less expenses. Subtract line 2 from line 1	<b>3</b>	6,554,703.
<b>4</b>	Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))	<b>4</b>	37,642,772.
<b>5</b>	Net unrealized gains (losses) on investments	<b>5</b>	254,975.
<b>6</b>	Donated services and use of facilities	<b>6</b>	
<b>7</b>	Investment expenses	<b>7</b>	
<b>8</b>	Prior period adjustments	<b>8</b>	
<b>9</b>	Other changes in net assets or fund balances (explain on Schedule O)	<b>9</b>	0.
<b>10</b>	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B))	<b>10</b>	44,452,450.

**Part XII Financial Statements and Reporting**

Check if Schedule O contains a response or note to any line in this Part XII

		Yes	No
<b>1</b>	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other		
If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.			
<b>2a</b>	Were the organization's financial statements compiled or reviewed by an independent accountant?		X
If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both:			
<input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis			
<b>b</b>	Were the organization's financial statements audited by an independent accountant?	X	
If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both:			
<input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis			
<b>c</b>	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	X	
If the organization changed either its oversight process or selection process during the tax year, explain on Schedule O.			
<b>3a</b>	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		X
<b>b</b>	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why on Schedule O and describe any steps taken to undergo such audits		

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**START TREATMENT AND RECOVERY**

**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....	2646553.	2053514.	2621752.	2731838.	2568414.	12622071.
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
3 The value of services or facilities furnished by a governmental unit to the organization without charge .....						
4 <b>Total.</b> Add lines 1 through 3 .....	2646553.	2053514.	2621752.	2731838.	2568414.	12622071.
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f) .....						
6 <b>Public support.</b> Subtract line 5 from line 4.						12622071.

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(f) Total
7 Amounts from line 4 .....	2646553.	2053514.	2621752.	2731838.	2568414.	12622071.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources .....	94,668.	69,773.	77,808.	96,433.	274,216.	612,898.
9 Net income from unrelated business activities, whether or not the business is regularly carried on .....						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) .....	73,912.	121,657.	148,504.	274,280.	980,585.	1598938.
11 <b>Total support.</b> Add lines 7 through 10						14833907.
12 Gross receipts from related activities, etc. (see instructions) .....					12	126,347,610.
13 <b>First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and <b>stop here</b> .....						<input type="checkbox"/>

**Section C. Computation of Public Support Percentage**

14 Public support percentage for 2019 (line 6, column (f) divided by line 11, column (f)) .....	14	85.09	%
15 Public support percentage from 2018 Schedule A, Part II, line 14 .....	15	91.81	%
16a <b>33 1/3% support test - 2019.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization .....			<input checked="" type="checkbox"/>
b <b>33 1/3% support test - 2018.</b> If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization .....			<input type="checkbox"/>
17a <b>10% -facts-and-circumstances test - 2019.</b> If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and <b>stop here.</b> Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization .....			<input type="checkbox"/>
b <b>10% -facts-and-circumstances test - 2018.</b> If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and <b>stop here.</b> Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization .....			<input type="checkbox"/>
18 <b>Private foundation.</b> If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions .....			<input type="checkbox"/>



START TREATMENT AND RECOVERY

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513 .....						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
5 The value of services or facilities furnished by a governmental unit to the organization without charge .....						
6 Total. Add lines 1 through 5 .....						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year .....						
c Add lines 7a and 7b .....						
8 Public support. (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(f) Total
9 Amounts from line 6 .....						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources .....						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 .....						
c Add lines 10a and 10b .....						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on .....						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) .....						
13 Total support. (Add lines 9, 10c, 11, and 12.)						

14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here

Section C. Computation of Public Support Percentage

15 Public support percentage for 2019 (line 8, column (f), divided by line 13, column (f)) .....	15	%
16 Public support percentage from 2018 Schedule A, Part III, line 15 .....	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2019 (line 10c, column (f), divided by line 13, column (f)) .....	17	%
18 Investment income percentage from 2018 Schedule A, Part III, line 17 .....	18	%

19a 33 1/3% support tests - 2019. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization

b 33 1/3% support tests - 2018. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

**START TREATMENT AND RECOVERY**

**Part IV Supporting Organizations**

(Complete only if you checked a box in line 12 on Part I. If you checked 12a of Part I, complete Sections A and B. If you checked 12b of Part I, complete Sections A and C. If you checked 12c of Part I, complete Sections A, D, and E. If you checked 12d of Part I, complete Sections A and D, and complete Part V.)

**Section A. All Supporting Organizations**

	Yes	No
<b>1</b> Are all of the organization's supported organizations listed by name in the organization's governing documents? <i>If "No," describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.</i>		
<b>2</b> Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i>		
<b>3a</b> Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer (b) and (c) below.</i>		
<b>b</b> Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i>		
<b>c</b> Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i>		
<b>4a</b> Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes," and if you checked 12a or 12b in Part I, answer (b) and (c) below.</i>		
<b>b</b> Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.</i>		
<b>c</b> Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? <i>If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.</i>		
<b>5a</b> Did the organization add, substitute, or remove any supported organizations during the tax year? <i>If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).</i>		
<b>b Type I or Type II only.</b> Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
<b>c Substitutions only.</b> Was the substitution the result of an event beyond the organization's control?		
<b>6</b> Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? <i>If "Yes," provide detail in Part VI.</i>		
<b>7</b> Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (as defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
<b>8</b> Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
<b>9a</b> Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? <i>If "Yes," provide detail in Part VI.</i>		
<b>b</b> Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? <i>If "Yes," provide detail in Part VI.</i>		
<b>c</b> Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? <i>If "Yes," provide detail in Part VI.</i>		
<b>10a</b> Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? <i>If "Yes," answer 10b below.</i>		
<b>b</b> Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i>		

**START TREATMENT AND RECOVERY**

**Part IV Supporting Organizations** *(continued)*

	Yes	No
<b>11</b> Has the organization accepted a gift or contribution from any of the following persons?		
<b>a</b> A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?		
<b>b</b> A family member of a person described in (a) above?		
<b>c</b> A 35% controlled entity of a person described in (a) or (b) above? <i>If "Yes" to a, b, or c, provide detail in Part VI.</i>		

**Section B. Type I Supporting Organizations**

	Yes	No
<b>1</b> Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? <i>If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.</i>		
<b>2</b> Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? <i>If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.</i>		

**Section C. Type II Supporting Organizations**

	Yes	No
<b>1</b> Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? <i>If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).</i>		

**Section D. All Type III Supporting Organizations**

	Yes	No
<b>1</b> Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?		
<b>2</b> Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? <i>If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).</i>		
<b>3</b> By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? <i>If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.</i>		

**Section E. Type III Functionally Integrated Supporting Organizations**

<b>1</b> Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).		
<b>a</b> <input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below.		
<b>b</b> <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below.		
<b>c</b> <input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).		
<b>2</b> Activities Test. Answer (a) and (b) below.		
<b>a</b> Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? <i>If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.</i>		
<b>b</b> Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? <i>If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.</i>		
<b>3</b> Parent of Supported Organizations. Answer (a) and (b) below.		
<b>a</b> Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? <i>Provide details in Part VI.</i>		
<b>b</b> Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? <i>If "Yes," describe in Part VI the role played by the organization in this regard.</i>		

**START TREATMENT AND RECOVERY**

**Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations**

1  Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (explain in Part VI). See instructions. All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

<b>Section A - Adjusted Net Income</b>		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3.	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	<b>Adjusted Net Income</b> (subtract lines 5, 6, and 7 from line 4)	8	

<b>Section B - Minimum Asset Amount</b>		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):		
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	<b>Total</b> (add lines 1a, 1b, and 1c)	1d	
e	<b>Discount</b> claimed for blockage or other factors (explain in detail in Part VI):		
2	Acquisition indebtedness applicable to non-exempt-use assets	2	
3	Subtract line 2 from line 1d.	3	
4	Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions).	4	
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6	Multiply line 5 by .035.	6	
7	Recoveries of prior-year distributions	7	
8	<b>Minimum Asset Amount</b> (add line 7 to line 6)	8	

<b>Section C - Distributable Amount</b>			Current Year
1	Adjusted net income for prior year (from Section A, line 8, Column A)	1	
2	Enter 85% of line 1.	2	
3	Minimum asset amount for prior year (from Section B, line 8, Column A)	3	
4	Enter greater of line 2 or line 3.	4	
5	Income tax imposed in prior year	5	
6	<b>Distributable Amount.</b> Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions).	6	

7  Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).

**START TREATMENT AND RECOVERY**

**Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations** *(continued)*

Section D - Distributions	Current Year
1 Amounts paid to supported organizations to accomplish exempt purposes	
2 Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
3 Administrative expenses paid to accomplish exempt purposes of supported organizations	
4 Amounts paid to acquire exempt-use assets	
5 Qualified set-aside amounts (prior IRS approval required)	
6 Other distributions (describe in Part VI). See instructions.	
7 <b>Total annual distributions.</b> Add lines 1 through 6.	
8 Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI). See instructions.	
9 Distributable amount for 2019 from Section C, line 6	
10 Line 8 amount divided by line 9 amount	

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2019	(iii) Distributable Amount for 2019
1 Distributable amount for 2019 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2019 (reasonable cause required- explain in Part VI). See instructions.			
3 Excess distributions carryover, if any, to 2019			
a From 2014			
b From 2015			
c From 2016			
d From 2017			
e From 2018			
f <b>Total</b> of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2019 distributable amount			
i Carryover from 2014 not applied (see instructions)			
j Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
4 Distributions for 2019 from Section D, line 7: \$			
a Applied to underdistributions of prior years			
b Applied to 2019 distributable amount			
c Remainder. Subtract lines 4a and 4b from 4.			
5 Remaining underdistributions for years prior to 2019, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in Part VI. See instructions.			
6 Remaining underdistributions for 2019. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in Part VI. See instructions.			
7 <b>Excess distributions carryover to 2020.</b> Add lines 3j and 4c.			
8 Breakdown of line 7:			
a Excess from 2015			
b Excess from 2016			
c Excess from 2017			
d Excess from 2018			
e Excess from 2019			

START TREATMENT AND RECOVERY

Part VI Supplemental information. Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a, and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions.)

SCHEDULE A, PART II, LINE 10, EXPLANATION FOR OTHER INCOME:

MISCELLANEOUS INCOME

2016 AMOUNT: \$ 28,398.

2017 AMOUNT: \$ 118,097.

2018 AMOUNT: \$ 258,280.

2019 AMOUNT: \$ 9,617.

FUNDRAISING INCOME

2015 AMOUNT: \$ 73,912.

2016 AMOUNT: \$ 93,259.

2017 AMOUNT: \$ 30,407.

2018 AMOUNT: \$ 16,000.

INSURANCE PROCEEDS

2019 AMOUNT: \$ 105,308.

DEVINGTON SETTLEMENT

2019 AMOUNT: \$ 725,000.

RECOVERY OF BAD DEBT

2019 AMOUNT: \$ 99,954.

EXCISE TAX REFUND

2019 AMOUNT: \$ 30,658.

MTA REFUND

2019 AMOUNT: \$ 7,928.

START TREATMENT AND RECOVERY

Part VI

Supplemental Information. Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a, and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions.)

LEGAL FEE REFUND

2019 AMOUNT: \$ 2,120.

**Schedule B**

(Form 990, 990-EZ, or 990-PF)

Department of the Treasury  
Internal Revenue Service

**Schedule of Contributors**

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.  
▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for the latest information.

OMB No. 1545-0047

**2019**

Name of the organization <b>START TREATMENT AND RECOVERY CENTERS, INC.</b>	Employer identification number <b>13-2642451</b>
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Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)( 3 ) (enter number) organization

4947(a)(1) nonexempt charitable trust not treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

**Note:** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

**General Rule**

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

**Special Rules**

For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of (1) \$5,000; or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h; or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I, II, and III.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Don't complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year ..... ▶ \$ \_\_\_\_\_

**Caution:** An organization that isn't covered by the General Rule and/or the Special Rules doesn't file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it doesn't meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).



Name of organization <b>START TREATMENT AND RECOVERY CENTERS, INC.</b>	Employer identification number <b>13-2642451</b>
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**Part I Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC <hr/> 135 WEST 50TH STREET <hr/> NEW YORK, NY 10020	\$ 348,931.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
2	NYS OFFICE OF ADDICTION SERVICES AND SUPPORTS <hr/> 1450 WESTERN AVE <hr/> ALBANY, NY 12203	\$ 1,006,009.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
3	NYS DEPARTMENT OF HEALTH <hr/> 4209 28TH ST FL 14 <hr/> LONG ISLAND CITY, NY 11101	\$ 840,045.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
4	PATIENT-CENTERED OUTCOMES RESEARCH INSTITUTE <hr/> 1828 L STREET, NW, SUITE 900 <hr/> WASHINGTON, DC 20036	\$ 271,983.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization <b>START TREATMENT AND RECOVERY CENTERS, INC.</b>	Employer identification number <b>13-2642451</b>
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**Part II Noncash Property** (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____

Name of organization <b>START TREATMENT AND RECOVERY CENTERS, INC.</b>	Employer identification number <b>13-2642451</b>
---	---

**Part III** Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this info. once.) ▶ \$ \_\_\_\_\_  
 Use duplicate copies of Part III if additional space is needed.

<b>(a) No. from Part I</b>	<b>(b) Purpose of gift</b>	<b>(c) Use of gift</b>	<b>(d) Description of how gift is held</b>
_____	_____ _____ _____	_____ _____ _____	_____ _____ _____
<b>(e) Transfer of gift</b>			
<b>Transferee's name, address, and ZIP + 4</b>		<b>Relationship of transferor to transferee</b>	
_____ _____ _____		_____ _____ _____	
<b>(a) No. from Part I</b>	<b>(b) Purpose of gift</b>	<b>(c) Use of gift</b>	<b>(d) Description of how gift is held</b>
_____	_____ _____ _____	_____ _____ _____	_____ _____ _____
<b>(e) Transfer of gift</b>			
<b>Transferee's name, address, and ZIP + 4</b>		<b>Relationship of transferor to transferee</b>	
_____ _____ _____		_____ _____ _____	
<b>(a) No. from Part I</b>	<b>(b) Purpose of gift</b>	<b>(c) Use of gift</b>	<b>(d) Description of how gift is held</b>
_____	_____ _____ _____	_____ _____ _____	_____ _____ _____
<b>(e) Transfer of gift</b>			
<b>Transferee's name, address, and ZIP + 4</b>		<b>Relationship of transferor to transferee</b>	
_____ _____ _____		_____ _____ _____	
<b>(a) No. from Part I</b>	<b>(b) Purpose of gift</b>	<b>(c) Use of gift</b>	<b>(d) Description of how gift is held</b>
_____	_____ _____ _____	_____ _____ _____	_____ _____ _____
<b>(e) Transfer of gift</b>			
<b>Transferee's name, address, and ZIP + 4</b>		<b>Relationship of transferor to transferee</b>	
_____ _____ _____		_____ _____ _____	

SCHEDULE D (Form 990)

Supplemental Financial Statements

OMB No. 1545-0047

2019

Open to Public Inspection

Department of the Treasury Internal Revenue Service

Complete if the organization answered "Yes" on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b. Attach to Form 990.

Go to www.irs.gov/Form990 for instructions and the latest information.

Name of the organization START TREATMENT AND RECOVERY CENTERS, INC.

Employer identification number 13-2642451

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

Table with 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Includes questions 1-6 regarding donor advised funds.

Part II Conservation Easements. Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

Table with 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Includes questions 1-9 regarding conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

Table with 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Includes questions 1a-2 regarding art and historical treasures.

START TREATMENT AND RECOVERY

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** (continued)

- 3 Using the organization's acquisition, accession, and other records, check any of the following that make significant use of its collection items (check all that apply):
- a  Public exhibition
  - b  Scholarly research
  - c  Preservation for future generations
  - d  Loan or exchange program
  - e  Other \_\_\_\_\_
- 4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.
- 5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?  Yes  No

**Part IV Escrow and Custodial Arrangements.** Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

- 1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?  Yes  No
- b If "Yes," explain the arrangement in Part XIII and complete the following table:
- |                                 | Amount |
|---------------------------------|--------|
| c Beginning balance             | 1c     |
| d Additions during the year     | 1d     |
| e Distributions during the year | 1e     |
| f Ending balance                | 1f     |
- 2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability?  Yes  No
- b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII

**Part V Endowment Funds.** Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

- 2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
- a Board designated or quasi-endowment \_\_\_\_\_ %
  - b Permanent endowment \_\_\_\_\_ %
  - c Term endowment \_\_\_\_\_ %
- The percentages on lines 2a, 2b, and 2c should equal 100%.
- 3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
- |                             | Yes    | No |
|-----------------------------|--------|----|
| (i) Unrelated organizations | 3a(i)  |    |
| (ii) Related organizations  | 3a(ii) |    |
- b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIII the intended uses of the organization's endowment funds.

**Part VI Land, Buildings, and Equipment.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		3,185,000.		3,185,000.
b Buildings		7,349,420.	1,411,143.	5,938,277.
c Leasehold improvements		16,557,867.	6,444,477.	10,113,390.
d Equipment		7,736,948.	7,546,886.	190,062.
e Other		682,494.	475,609.	206,885.
<b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				19,633,614.

**START TREATMENT AND RECOVERY**

**Part VII Investments - Other Securities.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives .....		
(2) Closely held equity interests .....		
(3) Other .....		
(A) <b>INVESTMENT IN JOINT</b>		
(B) <b>VENTURE</b>	<b>26,450,000.</b>	<b>END-OF-YEAR MARKET VALUE</b>
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
<b>Total.</b> (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶	<b>26,450,000.</b>	

**Part VIII Investments - Program Related.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
<b>Total.</b> (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

**Part IX Other Assets.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	

**Part X Other Liabilities.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) <b>DUE TO FUNDING SOURCES</b>	<b>707,478.</b>
(3) <b>CAPITAL ADVANCE</b>	<b>5,588,356.</b>
(4) <b>DEFERRED RENT</b>	<b>114,657.</b>
(5) <b>TENANT SECURITY DEPOSITS PAYABLE</b>	<b>37,620.</b>
(6) <b>LEASE LIABILITIES</b>	<b>2,971,023.</b>
(7)	
(8)	
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	<b>9,419,134.</b>

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FASB ASC 740. Check here if the text of the footnote has been provided in Part XIII ...

START TREATMENT AND RECOVERY

**Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements		1	35,252,034.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:			
a	Net unrealized gains (losses) on investments	2a	254,975.	
b	Donated services and use of facilities	2b		
c	Recoveries of prior year grants	2c		
d	Other (Describe in Part XIII.)	2d	34,998.	
e	Add lines 2a through 2d	2e		289,973.
3	Subtract line 2e from line 1	3		34,962,061.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:			
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	19,403.	
b	Other (Describe in Part XIII.)	4b	-80,324.	
c	Add lines 4a and 4b	4c		-60,921.
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5		34,901,140.

**Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements		1	28,443,099.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:			
a	Donated services and use of facilities	2a		
b	Prior year adjustments	2b		
c	Other losses	2c		
d	Other (Describe in Part XIII.)	2d	116,065.	
e	Add lines 2a through 2d	2e		116,065.
3	Subtract line 2e from line 1	3		28,327,034.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:			
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	19,403.	
b	Other (Describe in Part XIII.)	4b		
c	Add lines 4a and 4b	4c		19,403.
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5		28,346,437.

**Part XIII Supplemental Information.**

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

**PART X, LINE 2:**

THE AGENCY BELIEVES IT DOES NOT HAVE ANY UNCERTAIN TAX POSITIONS AS OF DECEMBER 31, 2019 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.

**PART XI, LINE 2D - OTHER ADJUSTMENTS:**

RELATED ENTITY'S REVENUE 34,998.

**PART XI, LINE 4B - OTHER ADJUSTMENTS:**

RENTAL EXPENSES RE-CLASSIFIED FROM EXPENSES -80,324.

START TREATMENT AND RECOVERY  
CENTERS, INC.

**Part XIII** Supplemental Information *(continued)*

PART XII, LINE 2D - OTHER ADJUSTMENTS:

RELATED ENTITY'S EXPENSES	35,741.
RENTAL EXPENSES RE-CLASSIFIED FROM EXPENSES	80,324.
TOTAL TO SCHEDULE D, PART XII, LINE 2D	116,065.



**SCHEDULE J  
(Form 990)**

**Compensation Information**

OMB No. 1545-0047

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.

▶ Attach to Form 990.

▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

**2019**

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

Name of the organization **START TREATMENT AND RECOVERY CENTERS, INC.**

Employer identification number  
**13-2642451**

**Part I Questions Regarding Compensation**

	Yes	No
<b>1a</b> Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items. <input type="checkbox"/> First-class or charter travel <input type="checkbox"/> Travel for companions <input type="checkbox"/> Tax indemnification and gross-up payments <input type="checkbox"/> Discretionary spending account <input type="checkbox"/> Housing allowance or residence for personal use <input type="checkbox"/> Payments for business use of personal residence <input type="checkbox"/> Health or social club dues or initiation fees <input type="checkbox"/> Personal services (such as maid, chauffeur, chef)		
<b>b</b> If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain .....	<b>1b</b>	
<b>2</b> Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a? .....	<b>2</b>	
<b>3</b> Indicate which, if any, of the following the organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III. <input type="checkbox"/> Compensation committee <input checked="" type="checkbox"/> Independent compensation consultant <input type="checkbox"/> Form 990 of other organizations <input type="checkbox"/> Written employment contract <input checked="" type="checkbox"/> Compensation survey or study <input checked="" type="checkbox"/> Approval by the board or compensation committee		
<b>4</b> During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization: <b>a</b> Receive a severance payment or change-of-control payment? .....	<b>4a</b>	<b>X</b>
<b>b</b> Participate in, or receive payment from, a supplemental nonqualified retirement plan? .....	<b>4b</b>	<b>X</b>
<b>c</b> Participate in, or receive payment from, an equity-based compensation arrangement? .....	<b>4c</b>	<b>X</b>
If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.		
<b>Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.</b>		
<b>5</b> For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of: <b>a</b> The organization? .....	<b>5a</b>	<b>X</b>
<b>b</b> Any related organization? .....	<b>5b</b>	<b>X</b>
If "Yes" on line 5a or 5b, describe in Part III.		
<b>6</b> For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of: <b>a</b> The organization? .....	<b>6a</b>	<b>X</b>
<b>b</b> Any related organization? .....	<b>6b</b>	<b>X</b>
If "Yes" on line 6a or 6b, describe in Part III.		
<b>7</b> For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III .....	<b>7</b>	<b>X</b>
<b>8</b> Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III .....	<b>8</b>	<b>X</b>
<b>9</b> If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)? .....	<b>9</b>	

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2019



START TREATMENT AND RECOVERY  
CENTERS, INC.

**Part III** Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

**PART I, LINE 7:**

**BONUSES ARE APPROVED BY THE BOARD OF DIRECTORS.**

**SCHEDULE O**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990 or 990-EZ**

Complete to provide information for responses to specific questions on  
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for the latest information.

OMB No. 1545-0047

**2019**

Open to Public  
Inspection

Name of the organization

**START TREATMENT AND RECOVERY  
CENTERS, INC.**

Employer identification number  
**13-2642451**

**FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:**

**COMPASSIONATE, COMPREHENSIVE, EVIDENCE-BASED HEALTH CARE AND SOCIAL  
SERVICES; EDUCATION OF THE PUBLIC CONCERNING MAINTENANCE OF HEALTHY  
LIFESTYLES; AND, CUTTING EDGE BEHAVIORAL, BIO-MEDICAL AND HEALTHCARE  
RESEARCH.**

**FORM 990, PART III, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:**

**BEHAVIORAL, BIO-MEDICAL AND HEALTHCARE RESEARCH.**

**FORM 990, PART III, LINE 4A, PROGRAM SERVICE ACCOMPLISHMENTS:**

**IS PROUD TO HAVE PROVIDED SERVICES FOR OVER 3,802 ADULTS DURING 2019.**

**FORM 990, PART III, LINE 4C, PROGRAM SERVICE ACCOMPLISHMENTS:**

**SUPPRESSION BY ENSURING THEY ARE SEEING A MEDICAL PROVIDER QUARTERLY TO  
REVIEW BLOOD TESTS AND PRESCRIBE MEDICATION. IN 2019, 4 PATIENTS  
ACHIEVED SUSTAINED VIRAL LOAD SUPPRESSION FROM THIS PROGRAM.**

**FORM 990, PART III, LINE 4D, OTHER PROGRAM SERVICES:**

**OTHER PROGRAM SERVICES**

**EXPENSES \$ 9,625. INCLUDING GRANTS OF \$ 0. REVENUE \$ 1,019,687.**

**FORM 990, PART VI, SECTION B, LINE 11B:**

**THE FORM 990 IS PREPARED BY AN INDEPENDENT ACCOUNTANT AND IS PRESENTED AND  
REVIEWED BY ALL MEMBERS OF THE BOARD FOR APPROVAL BEFORE IS FILED.**

**FORM 990, PART VI, SECTION B, LINE 12C:**

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule O (Form 990 or 990-EZ) (2019)

Name of the organization **START TREATMENT AND RECOVERY CENTERS, INC.**

Employer identification number  
**13-2642451**

**ALL MEMBERS OF THE GOVERNING BODY SIGN WRITTEN COMPLIANCE AFFIRMATIONS EACH YEAR. POTENTIAL CONFLICTS OF INTEREST ARE REVIEWED BY THE GOVERNANCE COMMITTEE OF THE BOARD.**

**FORM 990, PART VI, SECTION B, LINE 15A:**

**AN INDEPENDENT FIRM WAS RETAINED TO PROVIDE COMPARABILITY DATA. THE DATA WAS RECEIVED BY THE GOVERNING BODY OF THE ORGANIZATION AND BY CORPORATE COUNSEL. THE GOVERNING BODY EVALUATED THE PERFORMANCE OF THE CHIEF EXECUTIVE OFFICER AND SET COMPENSATION AT A LEVEL THAT FELL WITHIN THE COMPARABILITY DATA. THE ACTIONS OF THE GOVERNING BODY WAS CONTEMPORANEOUSLY DOCUMENTED AND APPROVED BY THE BOARD.**

**FORM 990, PART VI, SECTION C, LINE 19:**

**THE ORGANIZATION'S GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS ARE MADE AVAILABLE TO THE PUBLIC UPON REQUEST.**

**FORM 990, PART XII, LINE 2C:**

**THE PROCESS HAS NOT CHANGED FROM THE PRIOR YEAR.**





**Part V Transactions With Related Organizations.** Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

Note: Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

	1a	1b	1c	1d	1e	1f	1g	1h	1i	1j	1k	1l	1m	1n	1o	1p	1q	1r	1s	Yes	No
1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?																					
a Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity																					
b Gift, grant, or capital contribution to related organization(s)																					
c Gift, grant, or capital contribution from related organization(s)																					
d Loans or loan guarantees to or for related organization(s)																					
e Loans or loan guarantees by related organization(s)																					
f Dividends from related organization(s)																					
g Sale of assets to related organization(s)																					
h Purchase of assets from related organization(s)																					
i Exchange of assets with related organization(s)																					
j Lease of facilities, equipment, or other assets to related organization(s)																					
k Lease of facilities, equipment, or other assets from related organization(s)																					
l Performance of services or membership or fundraising solicitations for related organization(s)																					
m Performance of services or membership or fundraising solicitations by related organization(s)																					
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)																					
o Sharing of paid employees with related organization(s)																					
p Reimbursement paid to related organization(s) for expenses																					
q Reimbursement paid by related organization(s) for expenses																					
r Other transfer of cash or property to related organization(s)																					
s Other transfer of cash or property from related organization(s)																					

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

(1)	(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				







Exempt Organization Business Tax Return (and proxy tax under section 6033(e))

2019

For calendar year 2019 or other tax year beginning ... and ending ... Go to www.irs.gov/Form990T for instructions and the latest information. Do not enter SSN numbers on this form as it may be made public if your organization is a 501(c)(3).

Open to Public Inspection for 501(c)(3) Organizations Only

Department of the Treasury Internal Revenue Service

Header section containing: A Check box if address changed; B Exempt under section 501(c)(3); Name of organization: START TREATMENT AND RECOVERY CENTERS, INC.; Number, street, and room or suite no.: 22 CHAPEL STREET; City or town, state or province, country, and ZIP or foreign postal code: BROOKLYN, NY 11201; D Employer identification number: 13-2642451; E Unrelated business activity code.

C Book value of all assets at end of year: 66,973,558; F Group exemption number; G Check organization type: [X] 501(c) corporation; [ ] 501(c) trust; [ ] 401(a) trust; [ ] Other trust.

H Enter the number of the organization's unrelated trades or businesses. Describe the only (or first) unrelated trade or business here. If only one, complete Parts I-V. If more than one, describe the first in the blank space at the end of the previous sentence, complete Parts I and II, complete a Schedule M for each additional trade or business, then complete Parts III-V.

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subidiary controlled group? [ ] Yes [ ] No. If "Yes," enter the name and identifying number of the parent corporation.

J The books are in care of IRVING C. DELA CRUZ, CFO Telephone number 718-260-2906

Table with 4 columns: Description, (A) Income, (B) Expenses, (C) Net. Rows include: 1a Gross receipts or sales; 1b Less returns and allowances; 2 Cost of goods sold; 3 Gross profit; 4a Capital gain net income; 4b Net gain (loss); 5 Income (loss) from a partnership; 6 Rent income; 7 Unrelated debt-financed income; 8 Interest, annuities, royalties, and rents; 9 Investment income; 10 Exploited exempt activity income; 11 Advertising income; 12 Other income; 13 Total. Combine lines 3 through 12. Total income is 0.

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions.) (Deductions must be directly connected with the unrelated business income.)

Table with 4 columns: Description, (A) Income, (B) Expenses, (C) Net. Rows include: 14 Compensation of officers, directors, and trustees; 15 Salaries and wages; 16 Repairs and maintenance; 17 Bad debts; 18 Interest; 19 Taxes and licenses; 20 Depreciation; 21 Less depreciation claimed on Schedule A and elsewhere on return; 22 Depletion; 23 Contributions to deferred compensation plans; 24 Employee benefit programs; 25 Excess exempt expenses; 26 Excess readership costs; 27 Other deductions; 28 Total deductions. Add lines 14 through 27. Total deductions is 0; 29 Unrelated business taxable income before net operating loss deduction. Subtract line 28 from line 13. Total is 0; 30 Deduction for net operating loss arising in tax years beginning on or after January 1, 2018. Total is 0; 31 Unrelated business taxable income. Subtract line 30 from line 29. Total is 0.

**Part III Total Unrelated Business Taxable Income**

32	Total of unrelated business taxable income computed from all unrelated trades or businesses (see instructions)	32	0.
33	Amounts paid for disallowed fringes	33	
34	Charitable contributions (see instructions for limitation rules)	34	0.
35	Total unrelated business taxable income before pre-2018 NOLs and specific deduction. Subtract line 34 from the sum of lines 32 and 33	35	
36	Deduction for net operating loss arising in tax years beginning before January 1, 2018 (see instructions)	36	
37	Total of unrelated business taxable income before specific deduction. Subtract line 36 from line 35	37	
38	Specific deduction (Generally \$1,000, but see line 38 instructions for exceptions)	38	1,000.
39	Unrelated business taxable income. Subtract line 38 from line 37. If line 38 is greater than line 37, enter the smaller of zero or line 37	39	0.

**Part IV Tax Computation**

40	Organizations Taxable as Corporations. Multiply line 39 by 21% (0.21)	40	0.
41	Trusts Taxable at Trust Rates. See instructions for tax computation. Income tax on the amount on line 39 from: <input type="checkbox"/> Tax rate schedule or <input type="checkbox"/> Schedule D (Form 1041)	41	
42	Proxy tax. See instructions	42	
43	Alternative minimum tax (trusts only)	43	
44	Tax on Noncompliant Facility Income. See instructions	44	
45	Total. Add lines 42, 43, and 44 to line 40 or 41, whichever applies	45	0.

**Part V Tax and Payments**

46a	Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116)	46a	
b	Other credits (see instructions)	46b	
c	General business credit. Attach Form 3800	46c	
d	Credit for prior year minimum tax (attach Form 8801 or 8827)	46d	
e	Total credits. Add lines 46a through 46d	46e	
47	Subtract line 46e from line 45	47	0.
48	Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Other (attach schedule)	48	
49	Total tax. Add lines 47 and 48 (see instructions)	49	0.
50	2019 net 965 tax liability paid from Form 965-A or Form 965-B, Part II, column (k), line 3	50	0.
51a	Payments: A 2018 overpayment credited to 2019	51a	210.
b	2019 estimated tax payments	51b	21,124.
c	Tax deposited with Form 8868	51c	
d	Foreign organizations; Tax paid or withheld at source (see instructions)	51d	
e	Backup withholding (see instructions)	51e	
f	Credit for small employer health insurance premiums (attach Form 8941)	51f	
g	Other credits, adjustments, and payments: <input type="checkbox"/> Form 2439 <input type="checkbox"/> Form 4136 <input type="checkbox"/> Other Total	51g	
52	Total payments. Add lines 51a through 51g	52	21,334.
53	Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>	53	
54	Tax due. If line 52 is less than the total of lines 49, 50, and 53, enter amount owed	54	
55	Overpayment. If line 52 is larger than the total of lines 49, 50, and 53, enter amount overpaid	55	21,334.
56	Enter the amount of line 55 you want Credited to 2020 estimated tax Refunded	56	21,334.

**Part VI Statements Regarding Certain Activities and Other Information (see instructions)**

57	At any time during the 2019 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If "Yes," the organization may have to file FinCEN Form 114, Report of Foreign Bank and Financial Accounts. If "Yes," enter the name of the foreign country here	Yes	No
58	During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," see instructions for other forms the organization may have to file.		X
59	Enter the amount of tax-exempt interest received or accrued during the tax year \$		

Sign Here

Under penalty of perjury, I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true.

**COPY**

I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true. Preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

**CHIEF EXECUTIVE OFFICER**

May the IRS discuss this return with the preparer shown below (see instructions)?  Yes  No

Paid Preparer Use Only	Print/Type preparer's name <b>MAGDALENA M. CZERNIAWSKI</b>	Preparer's signature <b>MAGDALENA M. CZERNIAWSKI</b>	Date <b>11/03/20</b>	Check <input type="checkbox"/> if self-employed	PTIN <b>P00535099</b>
	Firm's name <b>MARKS PANETH LLP</b>	Firm's EIN <b>11-3518842</b>			
	Firm's address <b>685 THIRD AVENUE NEW YORK, NY 10017</b>	Phone no. <b>212-503-8800</b>			

**START TREATMENT AND RECOVERY CENTERS, INC.  
AND  
SUBSIDIARY**



**Consolidated Financial Statements  
and Supplementary Information  
(Together with Independent Auditors' Report)**

**Years Ended December 31, 2019 and 2018**

**START TREATMENT AND RECOVERY CENTERS, INC. AND SUBSIDIARY**

**CONSOLIDATED FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION  
(Together with Independent Auditors' Report)**

**YEARS ENDED DECEMBER 31, 2019 AND 2018**

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## INDEPENDENT AUDITORS' REPORT

The Board of Trustees  
START Treatment and Recovery Centers, Inc. and Subsidiary

We have audited the accompanying consolidated statements of financial position of START Treatment and Recovery Centers, Inc. ("START") and Affiliated Services and Resources Corporation ("Subsidiary") (collectively, the "Agency") as of December 31, 2019 and 2018, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### ***Management's Responsibility for the Consolidated Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Agency as of December 31, 2019 and 2018, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matter***

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedules (shown on pages 19-20) are presented for the purposes of additional analysis, rather than to present the financial position and changes in net assets of the subsidiary and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in our audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Marks Paneth UP*

New York, NY  
May 15, 2020



**START TREATMENT AND RECOVERY CENTERS, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2019 AND 2018**

<b>ASSETS</b>	<b>2019</b>	<b>2018</b>
Cash and cash equivalents (Notes 2C, 2G, 3 and 15)	\$ 10,673,134	\$ 6,161,530
Investments in securities (Notes 2D, 2E, 3, 4 and 13)	2,184,257	1,925,602
Accounts receivable, net (Notes 2F, 3 and 5)	2,945,737	3,898,124
Rent receivable, current (Notes 2G, and 6)	256,416	-
Prepaid expenses and other current assets	406,831	182,040
<b>Total current assets</b>	<u>16,466,375</u>	<u>12,167,296</u>
Property and equipment, net (Notes 2H, 7, 9 and 10)	19,797,714	9,324,528
Investment in joint venture (Note 8)	26,450,000	26,450,000
Due from related parties (Note 8)	-	461,367
Rent receivable, noncurrent (Notes 2G and 6)	1,449,387	-
Operating lease right of use assets (Notes 2O and 14B)	2,971,023	4,220,450
Security deposits	97,485	183,711
<b>TOTAL ASSETS</b>	<u>\$ 67,231,984</u>	<u>\$ 52,807,352</u>
 <b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 765,382	\$ 807,487
Accrued salaries, vacation and benefits	2,153,747	1,387,479
Mortgages payable, current (Notes 10 and 14)	389,050	261,644
Unearned rental revenue, current (Notes 2G, 2O and 6)	256,416	-
Lease liabilities, current (Notes 2O and 14B)	439,575	687,750
Due to funding sources (Note 11)	707,478	821,449
<b>Total current liabilities</b>	<u>4,711,648</u>	<u>3,965,809</u>
Tenant security deposits payable (Note 2G)	37,620	-
Capital advance (Note 9)	5,588,356	5,588,356
Lease liabilities, noncurrent (Notes 2O and 14B)	2,531,448	3,532,700
Mortgages payable, noncurrent (Notes 10 and 14)	8,090,992	1,717,040
Unearned rental revenue, noncurrent (Notes 2G, 2O and 6)	1,449,387	-
Deferred rent (Notes 2J and 14B)	114,657	104,506
<b>TOTAL LIABILITIES</b>	<u>22,524,108</u>	<u>14,908,411</u>
 <b>COMMITMENTS AND CONTINGENCIES (Note 14)</b>		
 <b>NET ASSETS (Note 2B)</b>		
Net assets without donor restrictions:		
Operations	38,978,560	30,879,809
Invested in property and equipment, net	5,729,316	2,019,132
Board designated - Third Horizon building development fund	-	5,000,000
<b>TOTAL NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<u>44,707,876</u>	<u>37,898,941</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 67,231,984</u>	<u>\$ 52,807,352</u>

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

**START TREATMENT AND RECOVERY CENTERS, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

	<b>2019</b>	<b>2018</b>
<b>OPERATING ACTIVITIES:</b>		
<b>REVENUE AND SUPPORT</b>		
Revenue		
Government contracts and grants (Note 2I)	\$ 2,471,842	\$ 2,535,884
Medicaid (Note 2I)	26,174,088	25,033,810
Patient fees	106,914	144,287
Contributions (Note 2F)	96,572	95,286
Special events, net of direct expenses of \$98,649 (Note 2K)	-	18,019
Investment activity (Note 4)	401,357	(33,287)
Rental income (Note 2G)	108,431	30,000
Gain on disposition of property (Note 7)	4,838,145	25,556,871
Other income	1,054,685	258,283
	<b>35,252,034</b>	<b>53,639,153</b>
<b>EXPENSES (Note 2M):</b>		
<b>Program services:</b>		
Clinic operations	20,796,640	21,694,183
Research operations	437,516	200,582
Other programs	1,911,387	1,705,711
Total program services	<b>23,145,543</b>	<b>23,600,476</b>
<b>Supporting services:</b>		
Management and administration	5,258,211	4,954,501
Fundraising	39,345	192,583
Total supporting services	<b>5,297,556</b>	<b>5,147,084</b>
	<b>28,443,099</b>	<b>28,747,560</b>
<b>CHANGE IN NET ASSETS FROM OPERATIONS</b>	<b>6,808,935</b>	<b>24,891,593</b>
<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<b>6,808,935</b>	<b>24,891,593</b>
Net assets - beginning of year	37,898,941	20,823,424
Prior period adjustments (Note 16)	-	(7,816,076)
Net assets - beginning of year, as restated	<b>37,898,941</b>	<b>13,007,348</b>
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 44,707,876</b>	<b>\$ 37,898,941</b>

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

**START TREATMENT AND RECOVERY CENTERS, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**  
(With Comparative Totals for 2018)

	Program Services			Supporting Services			Total 2018
	Clinic Operations	Research Operations	Other Programs	Management and Administration	Fundraising	Total Supporting Services	
<b>Salaries and related expenses</b>							
Salaries	\$ 11,655,472	\$ 325,908	\$ 1,390,140	\$ 2,396,272	\$ 20,342	\$ 2,416,614	\$ 15,340,447
Payroll taxes and other benefits (Note 12)	2,687,325	64,888	288,133	607,668	4,015	611,683	3,648,136
<b>Total salaries and related expenses</b>	<b>14,322,797</b>	<b>390,796</b>	<b>1,678,273</b>	<b>3,003,940</b>	<b>24,357</b>	<b>3,028,297</b>	<b>18,988,583</b>
Professional fees	1,521,588	24,846	48,941	618,212	3,418	621,630	2,249,863
Patient costs	536,447	6,375	9,279	612	2	614	501,712
Medical supplies and prescriptive drugs	589,249	-	-	-	-	-	647,495
Consumable supplies	80,266	331	6,676	26,996	486	27,482	193,530
Occupancy (Note 14B)	778,598	-	5,366	-	-	-	928,950
Real estate taxes	60,655	-	28,437	-	-	-	89,092
Utilities	422,864	-	16,208	-	-	-	439,072
Telephone	354,602	1,568	11,467	40,779	192	40,779	479,851
Outside security services	92,676	-	198	61,260	-	61,452	429,089
Repairs and maintenance	471,595	-	10,346	172	-	172	93,046
Equipment rental	50,706	263	1,031	58,242	824	59,066	86,361
Janitorial and maintenance supplies	77,687	382	2,399	9,182	85	9,267	573,949
Conference and meetings	21,434	406	13,158	3,785	124	3,909	64,066
Staff travel	3,999	224	753	40,732	2,238	42,970	84,377
Staff recruitment and development	206,439	5,064	14,816	1,685	26	1,711	6,687
Insurance	340,568	1,855	11,270	44,332	1,148	45,480	372,774
Interest (Note 10)	83,813	-	-	45,428	601	46,029	399,722
Depreciation and amortization (Notes 2H and 7)	697,161	2,155	51,773	46,228	-	46,228	130,041
Bad debt expenses	-	-	-	151,755	1,523	153,278	904,367
Miscellaneous	83,496	707	996	1,062,159	-	1,062,159	1,369,605
<b>Total expenses</b>	<b>\$ 20,796,640</b>	<b>\$ 437,516</b>	<b>\$ 1,911,387</b>	<b>\$ 5,258,211</b>	<b>\$ 39,345</b>	<b>\$ 5,297,556</b>	<b>\$ 28,443,099</b>

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



**START TREATMENT AND RECOVERY CENTERS, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

	<b>2019</b>	<b>2018</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 6,808,935	\$ 24,891,593
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	904,367	738,873
Bad debts expense	1,062,159	1,369,605
Gain on disposition of property	(4,838,145)	(25,556,871)
Loss on disposal of property	-	6,173
Unrealized (gain) loss on investments	(254,975)	120,161
<b>Subtotal</b>	3,682,341	1,569,534
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	(109,772)	(2,696,782)
Rent receivable	(1,705,803)	-
Operating lease right of use	1,249,427	4,220,450
Prepaid expenses and other assets	(224,791)	63,115
Due from related parties	461,367	(369,103)
Security deposits	86,226	(23,531)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(42,105)	(975,805)
Accrued salaries, vacation and benefits	766,268	1,387,479
Unearned rental revenue	1,705,803	-
Lease liabilities	(1,249,427)	(4,220,450)
Deferred rent	10,151	104,506
Due to funding sources	(113,971)	308,643
Tenant security deposits payable	37,620	-
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>4,553,334</b>	<b>(631,944)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of securities	(242,523)	(2,844,031)
Proceeds from sales of securities	238,843	2,822,653
Sale of property and equipment	5,500,000	-
Purchases of property and equipment	(12,039,408)	(1,285,995)
<b>Net Cash Used in Investing Activities</b>	<b>(6,543,088)</b>	<b>(1,307,373)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from mortgages payable	6,825,000	-
Deferred financing costs	(43,059)	-
Repayment of mortgages payable	(280,583)	(249,036)
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>6,501,358</b>	<b>(249,036)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>4,511,604</b>	<b>(2,188,353)</b>
Cash and cash equivalents - beginning of year	6,161,530	8,349,883
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 10,673,134</b>	<b>\$ 6,161,530</b>
<b>Supplemental Disclosure of Cash Flow Information:</b>		
Cash paid during the year for interest	\$ 130,041	\$ 101,375
<b>Supplemental Disclosure of Non-Cash Financing Activities:</b>		
Capital advance	\$ -	\$ 5,588,356
Mortgage payable	\$ -	\$ 2,227,720

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

**START TREATMENT AND RECOVERY CENTERS, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019 AND 2018**

**NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES**

START Treatment and Recovery Centers, Inc. (“START”) and Subsidiary (collectively the “Agency”) is a private, nonprofit corporation established in 1969. The Agency primarily offers substance abuse treatment and rehabilitation services in the boroughs of Brooklyn and Manhattan of New York City. In addition, the Agency performs research in several areas related to substance abuse.

Affiliated Services and Resources Corporation (“ASRC”) is a private, nonprofit corporation and wholly-owned subsidiary of START, which owns and manages facilities rented to nonprofit corporations.

Both START and ASRC are exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- A. ***Basis of Accounting:*** The Agency’s consolidated financial statements have been prepared using the accrual basis of accounting. The Agency adheres to accounting principles generally accepted in the United States of America (“U.S. GAAP”), which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The accompanying consolidated financial statements consist of the accounts of START and Subsidiary (collectively, the “Agency”). All inter-company transactions are eliminated in consolidation.
- B. ***Basis of Presentation:*** The Agency maintains its net assets under the following two classes:
- Net assets without donor restrictions – represents resources available for support of the Agency’s operations over which the Board of Trustees has discretionary control.  
  
Board designated funds consists of funds designated by the Board of Trustees which represents a portion of the Agency’s net assets without donor restrictions for the development of the Third Horizon treatment facility which is owed by the Agency.
  - Net assets with donor restrictions – represents net assets subject to donor-imposed stipulations, including stipulations that will be met either by actions of the Agency or the passage of time and stipulations that they be maintained intact in perpetuity by the Agency. As of December 31, 2019 and 2018, there are no net assets with donor restrictions.
- C. ***Cash and Cash Equivalents:*** Cash equivalents include all highly liquid instruments with maturities of three months or less when acquired.
- D. ***Investments:*** Investments are carried at fair value. Net appreciation/(depreciation) in the fair value of investments, which includes realized and unrealized gains and losses on those investments, is reported in the consolidated statements of activities as increases or decreases in net assets without donor restrictions, unless their use is restricted by explicit donor stipulations or by law. Cost basis is determined on the date of purchase. Securities received as gifts are recorded at fair value at the date of the gift. Investment securities are exposed to various market risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least possible that changes in risks in the near term could materially affect investment balances.
- E. ***Fair Value Measurements:*** Investments are stated at fair value. Fair value measurements are based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three levels, as reported in Note 13.
- F. ***Contributions and Accounts Receivables:*** Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows if deemed material to the consolidated financial statements. Conditional promises to give are not included as support until the conditions are substantially met. The Agency’s management evaluates the need for an allowance for doubtful accounts applicable to its contributions and accounts receivable based on a combination of factors such as management’s estimate of the creditworthiness of its donors, a review of individual accounts outstanding, and the aged basis of the receivables, current economic conditions and historical experience. As of December 31, 2019 and 2018, the Agency determined that an allowance of approximately \$539,000 and \$685,000, respectively, was necessary.

**START TREATMENT AND RECOVERY CENTERS, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019 AND 2018**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- G. **Rent Receivable and Operating Lease Rental Income:** The Agency received rental income of approximately \$68,000 and \$0 for the years ended December 31, 2019 and 2018, respectively, from commercial leases. The income is included in rental income in the accompanying consolidated financial statements. As of December 31, 2019, the present value of the approximate future minimum annual rentals to be received under the leases are recorded as rent receivable and unearned rental revenue amounting to \$1,705,803 and \$1,705,803, respectively, in the accompanying consolidated statements of financial position. All tenant security deposits are considered the property of the tenants and recorded as a liability.
- H. **Property and Equipment:** Property and equipment is stated at cost less accumulated depreciation or amortization. These amounts do not purport to represent replacement or realizable values. The Agency capitalizes property and equipment with a cost of \$1,000 or more and a useful life of greater than one year. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. Leasehold improvements are amortized over the shorter of the useful life of the asset or the remaining term of the lease. Certain purchases of equipment are expensed by the Agency (rather than capitalized) because the cost of these items were reimbursed by governmental funding sources, where the contractual agreement specifies that title to these assets rests with the governmental funding source rather than the Agency. Under the terms of its grant with its principal governmental funding agency, title to capitalized assets acquired with government contract revenues reverts to that government funding agency, should the Agency cease operations.
- I. **Revenue Recognition:** The Agency is primarily funded through billings to the State of New York – Department of Health for patient services provided under Title XIX of the Social Security Act of 1985 (“Medicaid”) and by the New York State Department of Health (“DOH”) – Office of Alcoholism and Substance Abuse Services (“OASAS”). Effective October 1, 2015, Medicaid Managed Care became effective. Payment arrangements include predetermined fee schedules and discounted charges. Service fees are reported at the estimated net realizable amounts from patients, third-party payers, which are subject to audit by administering agencies. These adjustments are accrued on an estimated basis and are adjusted in future periods as final settlements are determined. Laws and regulations governing the Medicaid and Medicare programs are complex and subject to interpretation. Compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action.

Performance obligations are determined based on the nature of the services provided by the Agency in accordance with the contract. Revenue for performance obligations are satisfied at a point in time at which services are provided. The Agency believes this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. The Agency measures the performance obligation from the beginning of the next month or day to the point when it is no longer required to provide services under the contract or has met the requirements to bill for the services provided, which is generally at the end of each month or period of time allowed based on the government agencies' stipulations.

Because all of its performance obligations relate to contracts with a duration of less than one year, the Agency has elected to apply the optional exemption provided in Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 606-10-50-1 4(a) and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. The performance obligations for these contracts are generally completed when the service is completed and upon submission of required documentation.

The Agency determines the transaction price based on established rates and contracts for services provided. The initial estimate of the transaction price is determined by reducing the established rates for services provided by any implicit price concessions based on historical collection experience with each government agency. The Agency has determined that the nature, amount, timing and uncertainty of revenue and cash flows are affected by the payors and service lines. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to revenue in the period of the change.

#### **Financing Component**

The Agency has elected the practical expedient allowed under FASB ASC 606-10-32-18, and does not adjust the promised amount of consideration from customers and third parties for the effects of a significant financing component due to the Agency's expectation that the period between the time the service is provided to a customer

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and the time the customer or a third-party payor pays for that service will be one year or less.

**Contract Costs**

The Agency has applied the practical expedient provided by FASB ASC 340-40-25-4 and all incremental customer contract acquisition costs are expensed as they are incurred, as the amortization period of the asset that the Agency otherwise would have recognized is one year or less in duration.

Revenue from billings to Medicaid is recorded at the time service is provided. Program revenue under the Agency's OASAS contracts and its federal and state contracts/grants is recognized in an amount sufficient to absorb allowable expenditures including capital items and excluding depreciation, net of all applicable third-party reimbursements, up to the maximum allowable amount under the terms of the contracts/grants and in accordance with Accounting Standards Update ("ASU") 2018-08. A receivable from the funding agency is recognized to the extent expenses have been incurred, but not reimbursed. A liability is recorded when contract advances exceed expenses. Rental income from tenants is recorded on a monthly basis.

As of December 31, 2019 and 2018, the Agency received conditional grants and contracts from foundations and government agencies in the aggregate amount of \$1,138,337 and \$2,116,096, respectively, that have not been recorded in the accompanying consolidated financial statements, as they have not been earned. These grants and contracts require the Agency to provide vocational education services, behavioral health coaching to schools, mental health services for youth in secure and non-secure detention facilities, early intervention services involving HIV testing and counseling, patient-centered HCV via telemedicine for individuals with opiate substitution therapy and support for patients living with HIV/AIDS through Retention & Adherence Program (RAP) and/or during specified future periods. If such services are not provided, the foundations and governmental entities are not obligated to expend the funds allotted under the grants and contracts and the Agency may be required to return the funds already remitted.

- J. **Deferred Rent:** The Agency leases real property under operating leases expiring on May 31, 2027 for its office located at 2406-12 Amsterdam, New York. For the years ended December 31, 2019 and 2018, the Agency recorded an adjustment to rent expense to reflect its straight-lining policy that amounted to \$114,657 and \$104,506, respectively. Straight-lining of rent gives rise to a timing difference that is reflected as deferred rent in the accompanying consolidated statements of financial position.
- K. **Special Events Direct Costs:** The direct costs of special events include expenses for the benefit of the donor. For example, meals and facilities rental are considered direct costs of special events.
- L. **Prior Period Activity:** There are occasions when funding source reimbursements for prior years are adjusted in the current year. Such adjustments may be due to additional monies available over and above original contract amounts, recoupment by funding agencies, audit results, final contract reconciliation by funding agencies, etc.
- M. **Functional Expenses:** The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited as determined by management. Expenses that can be identified with a specific program are charged directly to the particular program.

The consolidated financial statements report certain categories of expenses that are attributable 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 depreciation and amortization, which are allocated on a square footage basis, as well as salaries, benefits, payroll taxes, professional services, interest, insurance and other, which are allocated on the basis of estimates of time and effort.

- N. **Use of Estimates:** The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures at the date of the consolidated financial statements. Actual results could differ from these estimates.
- O. **Recent Accounting Pronouncements:** In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842). Topic 842 was subsequently amended by ASU No. 2018-10, *Codification Improvements to Topic 842, Leases*, and ASU No. 2018-11, *Leases* (Topic 842): Targeted Improvements. The Agency adopted these



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standards effective January 1, 2019, which was the date of the Agency’s initial application. The most significant change in the new leasing guidance is the requirement to recognize right-of-use (ROU) assets and lease

liabilities for operating leases and rent receivable and unearned rental revenue from operating leases on the consolidated statements of financial position.

The Agency adopted FASB Topic 842, *Leases*, using the modified retrospective approach with January 1, 2019 as the date of initial adoption. The Agency elected the package of practical expedients permitted under the transition guidance within the new standard, which among other things, allowed the Agency to carry forward the historical lease classification. In addition, the Agency elected the practical expedient to use hindsight in determining the lease term for existing leases, which resulted in shortening the lease terms for certain existing leases and the useful lives of corresponding leasehold improvements as certain options to renew were not reasonably certain.

As a result of adopting the new standards effective January 1, 2019, the Agency recorded additional net lease assets and lease liabilities which amounted to \$4,220,450 and \$4,220,450, respectively. Adoption of the new standard did not have any impact on the Agency’s net assets and had no impact on cash flows.

The following details the consolidated statements of financial position line items affected as of January 1, 2019:

	<b>As Reported Under 840 <u>12/31/2018</u></b>	<b>As Reported Under 842 <u>1/1/2019</u></b>	<b>Effect of Change</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 6,161,530	\$ 6,161,530	\$ -
Investments in securities	1,925,602	1,925,602	-
Accounts receivable, net	3,898,124	3,898,124	-
Prepaid expenses and other current assets	<u>182,040</u>	<u>182,040</u>	-
<b>Total current assets</b>	12,167,296	12,855,046	-
Property and equipment, net	9,324,528	9,324,528	-
Investment in joint venture	26,450,000	26,450,000	-
Due from related parties	461,367	461,367	-
Operating lease right of use	-	4,220,450	4,220,450
Security deposits	<u>183,711</u>	<u>183,711</u>	-
<b>TOTAL ASSETS</b>	<u>\$ 48,586,902</u>	<u>\$ 52,807,352</u>	<u>\$ 4,220,450</u>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	\$ 807,487	\$ 807,487	\$ -
Accrued salaries, vacation and benefits	1,387,479	1,387,479	-
Mortgages payable, current	261,644	261,644	-
Lease liabilities, current	-	687,750	687,750
Due to funding sources	<u>821,449</u>	<u>821,449</u>	-
<b>Total current liabilities</b>	3,278,059	3,965,809	687,750
Capital advance	5,588,356	5,588,356	-
Mortgages payable, noncurrent	1,717,040	1,717,040	-
Lease liabilities, noncurrent	-	3,532,700	3,532,700
Deferred rent	<u>104,506</u>	<u>104,506</u>	-
<b>TOTAL LIABILITIES</b>	<u>10,687,961</u>	<u>14,908,411</u>	<u>4,220,450</u>
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>			
Operations	30,879,809	30,879,809	-
Invested in property and equipment	2,019,132	2,019,132	-
Board designated - Third Horizon building development fund	5,000,000	5,000,000	-
<b>TOTAL NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<u>37,898,941</u>	<u>37,898,941</u>	<u>-</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 48,586,902</u>	<u>\$ 52,807,352</u>	<u>\$ 4,220,450</u>

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P. **Reclassification:** Certain line items in the December 31, 2018 financial statements have been reclassified to conform to the December 31, 2019 presentation. These changes had no impact on the change in net assets for the year ended December 31, 2018.

**NOTE 3 – LIQUIDITY AND AVAILABILITY**

The Agency regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Agency has various sources of liquidity at its disposal, including cash and cash equivalents, accounts receivable, investments and a line of credit. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Agency considers all expenditures related to its ongoing program activities as well as the supporting services to be general expenditures.

In addition to financial assets available to meet general expenditures over the next 12 months, the Agency anticipates collecting sufficient revenue to cover general expenditures not covered by restricted resources. Refer to the consolidated statements of cash flows, which identifies the sources and uses of the Agency's cash.

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

Cash and cash equivalents	\$ 10,760,782
Investments in securities	2,184,257
Accounts receivable, net	2,945,737
Rent receivable - current	<u>256,416</u>
	<u>\$ 16,147,192</u>

The Agency also has a line of credit available to meet short-term needs. See Note 14C for information about this line of credit.

**NOTE 4 – INVESTMENTS**

Investments consist of the following as of December 31:

	<u>2019</u>	<u>2018</u>
Fixed income:		
U.S. Government securities	\$ 90,375	\$ 82,849
Corporate bonds	1,172,271	1,062,051
Mutual funds	794,269	751,287
Equity securities – mutual funds	<u>127,342</u>	<u>29,415</u>
	<u>\$ 2,184,257</u>	<u>\$ 1,925,602</u>

Investment activity consists of the following for the years ended December 31:

	<u>2019</u>	<u>2018</u>
Interest and dividends	\$ 165,785	\$ 96,433
Realized and unrealized gain (loss) on investments	254,975	(120,161)
Investment fees	<u>(19,403)</u>	<u>(9,559)</u>
	<u>\$ 401,357</u>	<u>\$ (33,287)</u>

Investments are subject to market volatility that could substantially change their carrying value in the near term.

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**NOTE 5 – ACCOUNTS RECEIVABLE**

Accounts receivable consist of the following as of December 31:

	<u>2019</u>	<u>2018</u>
NYS DOH–Medicaid/Managed Care Organizations	\$ 2,704,206	\$ 3,082,713
NYC Administration for Children’s Services	389,945	902,320
NYS OASAS	30,787	179,174
Patient-Centered Outcomes Research Initiative	189,719	169,494
Jewish Board of Family and Children Services	49,592	161,257
Other receivables	120,574	88,255
Sub-total	<u>3,484,823</u>	<u>4,583,213</u>
Less – Allowance for doubtful accounts	<u>(539,086)</u>	<u>(685,089)</u>
	<u>\$ 2,945,737</u>	<u>\$ 3,898,124</u>

**NOTE 6 – OPERATING LEASE RENTAL**

The Agency leases space to companies that are classified as operating leases, with terms of two to ten years. Leases do not transfer ownership of the underlying asset to the lessee. Leases have the right to cancel at the option of the tenant after three years.

Following are the details of lease income from operating leases for the years ended December 31:

	<u>2019</u>	<u>2018</u>
Rental receivable	\$ 1,705,803	\$ -

The Agency uses the incremental borrowing rate of treasury bonds to determine the present value of future lease payments. For the two-year lease, the rate is 1.58%, and 1.92% for the ten-year lease.

The maturity of rental receivables as of December 31, 2019 is as follows:

2020	\$ 256,416
2021	225,391
2022	181,956
2023	185,388
2024	185,388
Thereafter	<u>762,648</u>
Total undiscounted cash flow	1,797,187
Lease receivable	<u>1,705,803</u>
Difference between undiscounted and discounted cash flows	<u>\$ 91,384</u>

**NOTE 7 – PROPERTY AND EQUIPMENT**

Property and equipment consists of the following as of December 31:

	<u>2019</u>	<u>2018</u>	<u>Estimated Useful Lives</u>
Land	\$ 3,333,382	\$ 427,590	
Buildings and improvements	24,327,886	15,623,318	25 Years
Furniture and equipment	8,228,649	7,984,177	3-10 Years
Vehicles	190,793	239,991	5 Years
Construction in progress	<u>-</u>	<u>706,431</u>	
	<u>36,080,710</u>	<u>24,981,507</u>	

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Less: Accumulated depreciation	(16,282,996)	(15,656,979)	
	\$ 19,797,714	\$ 9,324,528	

Depreciation expense amounted to \$904,367 and \$738,873 for the years ended December 31, 2019 and 2018, respectively. On September 26, 2019, the Agency sold land and building, located at 2193-2195 Third Avenue, with a net book value amounting to \$385,290, which resulted in a gain amounting to \$4,838,145.

**NOTE 8 – RELATED - PARTY TRANSACTIONS**

In December 2014, START entered into a Contribution Agreement pursuant to which on December 31, 2018 START became an 83% member of a New York Limited Liability Company, Delshah-OTL-START 22 Chapel JV LLC (the “JV”) along with a 17% member, DELSHAH/OTL 22 LLC (the “Managing Member”). The JV’s purpose is to, solely or through one more subsidiary, own the land located at 22 Chapel Street, Brooklyn, NY (the “land”), construct a new building that will consist of approximately 180 rental units and a separate 14,076 square foot unit (the “START Unit”) to be occupied by START upon completion for its administrative offices (the “Project”). The JV is the sole member of 22 Chapel EB5 LLC (“EB5”), a Delaware limited liability company. EB5 is the sole member of another Delaware limited liability company, Delshah-OTL-START 22 Chapel Mezz borrower LLC (the “Mezz Borrower LLC”). The Mezz Borrower LLC is the sole member of another Delaware limited liability company, Delshah-OTL-START 22 Chapel Property Owner LLC (the “Property Owner LLC”). The purpose of the Property Owner LLC is to develop the Project.

On December 17, 2014, a contribution agreement and an operating agreement (collectively, the “agreements”) were executed by and between the JV, Managing Member and START (collectively the “Parties”) by which START agreed to transfer and convey title to the land to the JV, or through one or more subsidiary, for a mutually agreed upon fair value in the amount of \$24 million, which is START’s capital contribution.

The parties amended the agreements in November 2017 and December 2018, by which the fair market value of the land and START’s capital contribution was increased to \$26,450,000. On December 31, 2018, pursuant to a bargain and sale deed executed between START and the Property Owner LLC, the title for the land was conveyed to the Property Owner, LLC for \$26,450,000. As of the date of the transfer the net book value of the property amounted to \$893,129, and accordingly, START recorded a gain in the amount of \$25,556,871 and investment in JV of \$26,450,000 in the accompanying consolidated financial statements. As of December 31, 2019 and 2018, the outstanding amount due from JV amounted to \$0 and \$461,367, respectively.

The estimated cost of the project is \$100 million, which is funded through a loan in the amount of \$40.5 million from a Canadian limited partnership evidenced by two promissory notes executed by Mezz Borrower LLC and another loan in the amount of \$62 million from a bank evidenced by two promissory notes executed by the Property Owner, LLC. The loans are collateralized by mortgages on the land. As a requirement of the above-referenced loans, and following completion and delivery of the START Unit, START, has agreed to enter into a five-year lease-back of the START Unit at an annual base rent of \$1,217,237 for the first year, with 3% increases each year thereafter. Under the terms of the Operating Agreement of the JV, START is entitled to be reimbursed out of available cash of the JV for all rent and other charges paid by START under such lease prior to any other distribution from the JV to any other member of the JV. START is not a guarantor on the loans and, except for the lease obligation referenced above, no assets of START other than the value of its interest in the JV will be at risk with respect to the Project.

Although START is an 83% member in the JV, the deal is structured in such a way that no individual or entity, when aggregated with its affiliates, owns 10% or more of the direct or indirect beneficial interest in the Property Owner, LLC. Accordingly, control does not rest with START, and therefore, START uses the equity method of accounting to report its interest in the JV.

**NOTE 9 – CAPITAL ADVANCE**

In April 2008, the Agency entered into a state aid grant lien agreement (the “Agreement”) with OASAS to fund the rehabilitation of its alcoholism and substance abuse facility located at 937 Fulton Street, Brooklyn, New York. The maximum funding amount was \$6,100,000. Pursuant to the Agreement, the capital advance will be refinanced with the proceeds of bonds issued by the Dormitory Authority of the State of New York (“DASNY”) by a mortgage loan closing, and OASAS will pay the mortgage directly to DASNY.

As of December 31, 2019 and 2018, the total advances received amounted to \$5,588,356. The rehabilitation project as completed in December 2015.

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**NOTE 10 – MORTGAGES PAYABLE**

	<b>2019</b>	<b>2018</b>
Mortgage payable to the DASNY for the Agency's Chemical Dependence Treatment Program facility located at 119-121 West 124 <sup>th</sup> Street, New York, New York, and secured by a mortgage on the facility. The mortgage bears interest at the rate of 4.71% per annum on the unpaid principal balance and shall be payable to DASNY in 40 semi-annual installments (due February and August 15 <sup>th</sup> each year) in the amount as set forth in the agreement. The mortgage matures February 2025. OASAS provides the Agency with funding to service the required mortgage through operating grants.	\$ 1,717,040	\$ 1,978,684
On September 26, 2019, the Agency obtained a mortgage from a bank, amounting to \$6,825,000, to finance the purchase of a property located at 2191 Third Avenue, New York. The mortgage bears interest at the rate of 4% per annum and is collateralized by the real estate property. Monthly principal and interest payments are due on the first of each month as set forth in the agreement. The mortgage matures October 2022.	<u>6,806,061</u>	<u>-</u>
Total mortgage obligation	8,523,101	1,978,684
Less: unamortized deferred financing costs	<u>(43,059)</u>	<u>-</u>
Mortgages payable - net	<u>\$ 8,480,042</u>	<u>\$ 1,978,684</u>

For the years ended December 31, 2019 and 2018, interest expense amounted to \$130,041 and \$133,440, respectively.

Future annual principal repayments are as follows for each of the years ended after December 31, 2019:

2020	\$ 389,050
2021	407,246
2022	6,867,201
2023	315,234
2024	330,996
Thereafter	<u>213,374</u>
	<u>\$ 8,523,101</u>

**NOTE 11 – DUE TO FUNDING SOURCES**

Due to funding sources includes funds that were received by the Agency under government grants, primarily from OASAS, for which the Agency has not yet met the grant conditions. Should these conditions not be met, these funds would then be due back to the governmental funding sources.

**NOTE 12 – RETIREMENT PLAN**

The Agency maintains a qualified defined contribution retirement plan (the "Plan") for all its full-time employees who are at least 21 years of age, have completed one year of service and have worked 1,000 hours or more during the year. For the year ended December 31, 2018 and prior years, the Plan was funded through the Agency's annual contributions equal to 7.5 percent of eligible employees' current salaries. For the year ended December 31, 2019, the Plan is funded through the Agency's annual contributions equal to 7.5 percent for non-union and 5 percent for union participants. Pension expense for the years ended December 31, 2019 and 2018 amounted to \$816,573 and \$1,034,956, respectively.

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**NOTE 13 – FAIR VALUE MEASUREMENTS**

The fair value hierarchy defines three levels as follows:

Level 1: Valuations based on quoted prices (unadjusted) in an active market that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Valuations based on observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3: Valuations based on unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

In determining fair value, the Agency utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible in its assessment of fair value.

Following is a description of the valuation methodologies used for assets measured at fair value.

**Equities:** Equities are valued at the closing price reported on the active market on which the individual securities are traded.

**Mutual Funds:** Mutual funds are valued at the daily closing price reported in the active market on which the funds are traded. The funds are listed at Net Asset Value (“NAV”) and expected to be transacted at that price. The mutual funds held by the Agency are deemed to be actively traded.

**Fixed Income:** Investments are valued at the closing price reported in the active market in which the bonds are traded.

Financial assets carried at fair value at December 31, 2019 are classified in the table as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
<b>Assets Carried at Fair Value:</b>			
<b>Fixed Income</b>			
U.S. Government	\$ -	\$ 90,375	\$ 90,375
Corporate bonds	-	<u>1,172,271</u>	<u>1,172,271</u>
Total Fixed Income	-	1,262,646	1,262,646
Mutual funds	794,269	-	794,269
Equities	<u>127,342</u>	-	<u>127,342</u>
<b>Total Assets Carried at Fair Value</b>	<b><u>\$ 921,611</u></b>	<b><u>\$ 1,262,646</u></b>	<b><u>\$ 2,184,257</u></b>

Financial assets carried at fair value at December 31, 2018 are classified in the table as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
<b>Assets Carried at Fair Value:</b>			
<b>Fixed Income</b>			
U.S. Government	\$ -	\$ 82,849	\$ 82,849
Corporate bonds	-	<u>1,062,051</u>	<u>1,062,051</u>
Total Fixed Income	-	1,144,900	1,144,900
Fixed Income			
Mutual funds	751,287	-	751,287
Equities	<u>29,415</u>	-	<u>29,415</u>
<b>Total Assets Carried at Fair Value</b>	<b><u>\$ 780,702</u></b>	<b><u>\$ 1,144,900</u></b>	<b><u>\$ 1,925,602</u></b>

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**NOTE 13 – FAIR VALUE MEASUREMENTS (Continued)**

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Change in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another.

In such instances, the transfer is reported at the beginning or end of the reporting period depending on when the economic condition occurred affecting the valuation.

The significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total assets are evaluated. For the years ended December 31, 2019 and 2018, there were no transfers in or out of levels 1, 2 or 3.

**NOTE 14 – COMMITMENTS AND CONTINGENCIES**

- A. Pursuant to the Agency's contractual relationships with certain governmental funding sources, outside governmental agencies have the right to examine the books and records of the Agency involving transactions relating to these contracts. The accompanying consolidated financial statements make no provision for possible disallowances.
- B. The Agency has operating leases of buildings for clinic offices and for certain equipment. Leases have remaining lease terms of one to seven years, some of which include options to extend the leases for up to five years.

The following summarizes the line items in the consolidated statements of financial position which include amounts for operating leases as of December 31:

	2019	2018
Operating lease right-of-use assets	\$ 2,971,023	\$ 4,220,450
Lease liabilities	\$ 2,971,023	\$ 4,220,450

The Agency uses the incremental borrowing rate of treasury bonds to determine the present value of future lease payments. For the three-year lease, the rate is 1.62%, and 1.92% for ten-year lease. The maturities of lease liabilities as of December 31, 2019 were as follows:

	2020	\$	438,451
	2021		452,810
	2022		430,543
	2023		424,642
	2024		437,381
	Thereafter		1,110,237
Total undiscounted cash flow			3,294,064
Right of use liabilities			2,971,023
Difference between undiscounted and discounted cash flows		\$	323,041

Rent expense for the years ended December 31, 2019 and 2018, which is recorded on a straight-line basis, amounted to \$783,964 and \$928,950, respectively.

- C. The Agency has a revolving line of credit with a financial institution for \$250,000. The line of credit balance amounted to \$0 as of December 31, 2019, and was terminated as of December 31, 2019. The Agency will have a new line of credit of \$500,000 with Sterling National Bank in 2020. There were no amounts outstanding.
- D. The Agency has been named as a defendant in certain legal actions. Upon review by the Agency's legal counsel, management believes that if liability is established, all pending claims will be adequately covered by the Agency's insurance coverage.

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**NOTE 14 – COMMITMENTS AND CONTINGENCIES (Continued)**

- E. In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (“COVID-19”) as a pandemic, which continues to spread throughout the United States. The Agency could be materially and adversely affected by the risks, or the public perception of the risks, related to an epidemic, pandemic, outbreak, or other public health crisis, such as the recent outbreak of COVID-19. The ultimate extent of the impact of any epidemic, pandemic or other health crisis on the Agency’s mission, financial condition and results of operations will depend on future developments, which are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of such epidemic, pandemic or other health crisis and actions taken to contain or prevent their further spread, among others. Accordingly, the Agency cannot predict the extent to which its financial condition and results of operations will be affected
- F. The Agency believes it does not have any uncertain tax positions as of December 31, 2019 in accordance with ASC Topic 740 (“Income Taxes”), which provides standards for establishing and classifying any tax provisions for uncertain tax positions.

**NOTE 15 – CONCENTRATIONS**

Cash and cash equivalents that potentially subject the Agency to a concentration of credit risk include cash accounts at a bank that exceeded the Federal Deposit Insurance Corporation (“FDIC”) insurance limits by approximately \$10,228,000 and \$6,119,000 as of December 31, 2019 and 2018, respectively. Cash accounts with participating banks are insured up to \$250,000 per depositor.

**NOTE 16 – PRIOR PERIOD ADJUSTMENTS**

Subsequent to the issuance of the prior year consolidated financial statements, the Agency’s management discovered that capital advances received from OASAS and a mortgage payable to DASNY were not properly reflected in the consolidated financial statements and, accordingly the beginning net asset balance was overstated by \$7,816,076. As a result, for the year ended December 31, 2017, the Agency’s net assets balance decreased by \$7,816,076 from the balance that was previously reported.

A summary of the adjustment to the beginning net assets is below:

	<u>As previously Reported</u>	<u>As Restated</u>	<u>Adjustment</u>
Capital Advance	\$ -	\$ 5,588,356	\$ 5,588,356
Mortgage payable	\$ -	\$ 2,227,720	\$ 2,227,720
Net Assets without donor restriction	<u>\$ 20,823,424</u>	<u>\$ 13,007,348</u>	<u>\$ (7,816,076)</u>

**NOTE 17 – SUBSEQUENT EVENTS**

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the consolidated statement of financial position through May 15, 2020, the date the consolidated financial statements were available to be issued.

On March 27, 2020, in response to COVID-19, the federal government passed the Coronavirus Aid, Relief, and Economic Stability Act (“CARES Act”). Among many other provisions, to help businesses retain employees, the CARES Act provides relief to qualifying businesses through a program called the Paycheck Protection Program (“PPP”). Participating in the PPP enables the business to obtain a loan from the Small Business Administration sector of the government. The maximum loan amount is equal to the lesser of (a) 2.5 times the entity’s average monthly payroll costs, as defined and incurred during the one-year period before the date on which the loan is made; or (b) \$10 million. The term of the loan is two years and bears interest at a fixed rate of 1% per annum. If the proceeds from the loan are used for specified purposes, some or all of the loan can be forgiven, based on how much is spent in the eight week period immediately following funding of the loan times a forgiveness factor that is based on employee headcount and amounts paid to the START’s employees. START applied for this loan through an SBA authorized lender in the amount of \$2,896,000. As of the date of this report, the loan has been approved.



**START TREATMENT AND RECOVERY CENTERS, INC. AND SUBSIDIARY**  
**CONSOLIDATING SCHEDULES**  
**OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2019 AND 2018**

	START Treatment and Recovery Centers	Affiliated Services and Resources Corporation	Eliminations	Total 2019	START Treatment and Recovery Centers	Affiliated Services and Resources Corporation	Eliminations	Total 2018
<b>ASSETS</b>								
Cash and cash equivalents	\$ 10,577,983	\$ 95,151	\$ -	\$ 10,673,134	\$ 6,066,379	\$ 95,151	\$ -	\$ 6,161,530
Investments in securities	2,184,257	-	-	2,184,257	1,925,602	-	-	1,925,602
Accounts receivable, net	2,945,737	-	-	2,945,737	3,898,124	-	-	3,898,124
Rent receivable - current	256,416	-	-	256,416	-	-	-	-
Prepaid expenses and other current assets	406,831	-	-	406,831	182,040	-	-	182,040
<b>Total current assets</b>	<b>16,371,224</b>	<b>95,151</b>	<b>-</b>	<b>16,466,375</b>	<b>12,072,145</b>	<b>95,151</b>	<b>-</b>	<b>12,167,296</b>
Property and equipment, net	19,633,614	164,100	-	19,797,714	9,147,052	171,476	-	9,324,528
Investment in joint venture	26,450,000	-	-	26,450,000	26,450,000	-	-	26,450,000
Due from related parties	825	-	(825)	-	461,367	-	-	461,367
Rent receivable - noncurrent	1,449,387	-	-	1,449,387	4,220,450	-	-	4,220,450
Operating lease right of use assets	2,971,023	-	-	2,971,023	183,711	-	-	183,711
Security deposits	97,485	-	-	97,485	-	-	(20,040)	-
<b>TOTAL ASSETS</b>	<b>\$ 66,973,558</b>	<b>\$ 259,251</b>	<b>\$ (825)</b>	<b>\$ 67,231,984</b>	<b>\$ 52,534,725</b>	<b>\$ 292,667</b>	<b>\$ (20,040)</b>	<b>\$ 52,807,352</b>
<b>LIABILITIES</b>								
Accounts payable and accrued expenses	\$ 762,382	\$ 3,000	\$ -	\$ 765,382	\$ 770,989	\$ 36,498	\$ -	\$ 807,487
Accrued salaries, vacation and benefits	2,153,747	-	-	2,153,747	1,387,479	-	-	1,387,479
Mortgage payable, current	389,050	-	-	389,050	261,644	-	-	261,644
Unearned rental revenue, current	256,416	-	-	256,416	687,750	-	-	687,750
Lease liabilities, current	439,575	-	-	439,575	821,449	-	-	821,449
Due to funding sources	707,478	-	-	707,478	-	-	-	-
<b>Total current liabilities</b>	<b>4,708,648</b>	<b>3,000</b>	<b>-</b>	<b>4,711,648</b>	<b>3,929,311</b>	<b>36,498</b>	<b>-</b>	<b>3,965,809</b>
Due to related parties	-	825	(825)	-	20,040	-	(20,040)	-
Tenant security deposits payable	37,620	-	-	37,620	-	-	-	-
Capital advance	5,588,356	-	-	5,588,356	5,588,356	-	-	5,588,356
Mortgage payable, noncurrent	8,090,992	-	-	8,090,992	1,717,040	-	-	1,717,040
Unearned rental revenue, non current	1,449,387	-	-	1,449,387	-	-	-	-
Lease liabilities, noncurrent	2,531,448	-	-	2,531,448	3,532,700	-	-	3,532,700
Deferred rent	114,657	-	-	114,657	104,506	-	-	104,506
<b>TOTAL LIABILITIES</b>	<b>22,521,108</b>	<b>3,825</b>	<b>(825)</b>	<b>22,524,108</b>	<b>14,891,953</b>	<b>36,498</b>	<b>(20,040)</b>	<b>14,908,411</b>
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>								
Operations	38,887,234	91,326	-	38,978,560	30,801,116	78,693	-	30,879,809
Invested in property and equipment, net	5,565,216	164,100	-	5,729,316	1,841,866	177,476	-	2,019,132
Board designated - Third Horizon building development fund	-	-	-	-	5,000,000	-	-	5,000,000
<b>TOTAL NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<b>44,452,450</b>	<b>255,426</b>	<b>-</b>	<b>44,707,876</b>	<b>37,642,772</b>	<b>256,169</b>	<b>-</b>	<b>37,898,941</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 66,973,558</b>	<b>\$ 259,251</b>	<b>\$ (825)</b>	<b>\$ 67,231,984</b>	<b>\$ 52,534,725</b>	<b>\$ 292,667</b>	<b>\$ (20,040)</b>	<b>\$ 52,807,352</b>

See independent auditors' report.

**START TREATMENT AND RECOVERY CENTERS, INC. AND SUBSIDIARY**  
**CONSOLIDATING SCHEDULES OF ACTIVITIES**  
**FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

	START Treatment and Recovery Centers	Affiliated Services and Resources Corporation	Eliminations	Total 2019	START Treatment and Recovery Centers	Affiliated Services and Resources Corporation	Eliminations	Total 2018
<b>OPERATING ACTIVITIES:</b>								
<b>REVENUE AND SUPPORT</b>								
Revenue	\$ 2,471,842	\$ -	\$ -	\$ 2,471,842	\$ 2,535,884	\$ -	\$ -	\$ 2,535,884
Government contracts and grants	26,174,088	-	-	26,174,088	25,033,810	-	-	25,033,810
Medical	106,914	-	-	106,914	144,287	-	-	144,287
Patient fees	96,572	-	-	96,572	95,286	-	-	95,286
Contributions	-	-	-	-	18,019	-	-	18,019
Special events, net of direct expenses	401,357	-	-	401,357	(33,287)	-	-	(33,287)
Investment activity	108,431	-	-	108,431	-	-	-	-
Rental income	4,838,145	-	-	4,838,145	25,556,871	30,000	-	30,000
Gain on disposition of property	1,019,587	34,998	-	1,054,585	258,280	-	-	25,556,871
Other income	-	-	-	-	-	-	-	258,283
<b>TOTAL REVENUE AND SUPPORT</b>	<b>35,217,036</b>	<b>34,998</b>	<b>-</b>	<b>35,252,034</b>	<b>53,609,150</b>	<b>30,003</b>	<b>-</b>	<b>53,639,153</b>
<b>EXPENSES</b>								
<b>Program services:</b>								
Clinic operations	20,796,640	-	-	20,796,640	21,694,183	-	-	21,694,183
Research operations	437,516	-	-	437,516	200,582	-	-	200,582
Other programs	1,898,011	13,376	-	1,911,387	1,692,335	13,376	-	1,705,711
Total program services	23,132,167	13,376	-	23,145,543	23,587,100	13,376	-	23,600,476
<b>Supporting services:</b>								
Management and administration	5,235,846	22,385	-	5,258,231	4,953,001	1,500	-	4,954,501
Fundraising	39,345	-	-	39,345	192,583	-	-	192,583
Total supporting services	5,275,191	22,385	-	5,297,576	5,145,584	1,500	-	5,147,084
<b>TOTAL EXPENSES</b>	<b>28,407,358</b>	<b>35,741</b>	<b>-</b>	<b>28,443,099</b>	<b>28,732,684</b>	<b>14,876</b>	<b>-</b>	<b>28,747,560</b>
<b>CHANGE IN NET ASSETS FROM OPERATIONS</b>								
<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>								
Net assets - beginning of year	-	-	-	-	24,876,466	15,127	-	24,891,593
Prior period adjustments	-	-	-	-	24,876,466	15,127	-	24,891,593
Net assets - beginning of year	37,642,772	256,169	-	37,898,941	20,582,382	241,042	-	20,823,424
<b>NET ASSETS - END OF YEAR</b>	<b>44,452,450</b>	<b>255,426</b>	<b>\$ -</b>	<b>\$ 44,707,876</b>	<b>\$ 37,642,772</b>	<b>\$ 256,169</b>	<b>\$ -</b>	<b>\$ 37,898,941</b>

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