

<h1>CHAR500</h1> <p>NYS Annual Filing for Charitable Organizations www.CharitiesNYS.com</p>	<p>Send with fee and attachments to: NYS Office of the Attorney General Charities Bureau Registration Section 28 Liberty Street New York, NY 10005</p>	<h2>2018</h2> <p>Open to Public Inspection</p>
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1. General Information

For Fiscal Year Beginning (mm/dd/yyyy) 01/01/2018 and Ending (mm/dd/yyyy) 12/31/2018		
Check if Applicable: Address Change Name Change Initial Filing Final Filing Amended Filing Reg ID Pending	Name of Organization: START TREATMENT AND RECOVERY CENTERS, IN	Employer Identification Number (EIN): 13-2642451
	Mailing Address: 22 CHAPEL STREET	NY Registration Number: 01-47-75
	City / State / ZIP: BROOKLYN, NY 11201	Telephone: 718 260-2906
	Website: WWW.STARTNY.ORG	Email:
Check your organization's registration category: 7A only EPTL only <input checked="" type="checkbox"/> DUAL (7A & EPTL) EXEMPT* Confirm your Registration Category in the Charities Registry at www.CharitiesNYS.com.		

2. Certification

See instructions for certification requirements. Improper certification is a violation of law that may be subject to penalties. The certification requires two signatories.

We certify under penalties of perjury that we reviewed this report, including all attachments, and to the best of our knowledge and belief, they are true, correct and complete in accordance with the laws of the State of New York applicable to this report.

President or Authorized Officer:		DR. LAWRENCE S. BROWN JR	CHIEF EXECUTIVE OFFICER	11/14/2019
	Signature	Print Name and Title		Date
Chief Financial Officer or Treasurer:		IRVING C. DELA CRUZ	CHIEF FINANCIAL OFFI	11/14/2019
	Signature	Print Name and Title		Date

3. Annual Reporting Exemption

Check the exemption(s) that apply to your filing. If your organization is claiming an exemption under one category (7A or EPTL only filers) or both categories (DUAL filers) that apply to your registration, complete only parts 1, 2, and 3, and submit the certified Char500. No fee, schedules, or additional attachments are required. If you cannot claim an exemption or are a DUAL filer that claims only one exemption, you must file applicable schedules and attachments and pay applicable fees.

3a. 7A filing exemption: Total contributions from NY State including residents, foundations, government agencies, etc. did not exceed \$25,000 and the organization did not engage a professional fund raiser (PFR) or fund raising counsel (FRC) to solicit contributions during the fiscal year.

3b. EPTL filing exemption: Gross receipts did not exceed \$25,000 and the market value of assets did not exceed \$25,000 at any time during the fiscal year.

4. Schedules and Attachments

See the following page for a checklist of schedules and attachments to complete your filing.	Yes <input checked="" type="checkbox"/> No	4a. Did your organization use a professional fund raiser, fund raising counsel or commercial co-venturer for fund raising activity in NY State? If yes, complete Schedule 4a.
	<input checked="" type="checkbox"/> Yes No	4b. Did the organization receive government grants? If yes, complete Schedule 4b.

5. Fee

See the checklist on the next page to calculate your fee(s). Indicate fee(s) you are submitting here:	7A filing fee: \$ <u>25.</u>	EPTL filing fee: \$ <u>750.</u>	Total fee: \$ <u>775.</u>	Make a single check or money order payable to: "Department of Law"
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CHAR500 Annual Filing for Charitable Organizations (Updated January 2019)

*The "Exempt" category refers to an organization's NYS registration status. It does not refer to its IRS tax designation.

START TREATMENT AND RECOVERY CENTERS, INC.

CHAR500

Annual Filing Checklist

- Simply submit the certified CHAR500 with no fee, schedule, or additional attachments IF:
- Your organization is registered as 7A only and you marked the 7A filing exemption in Part 3.
 - Your organization is registered as EPTL only and you marked the EPTL filing exemption in Part 3.
 - Your organization is registered as DUAL and you marked both the 7A and EPTL filing exemption in Part 3.

Checklist of Schedules and Attachments

Check the schedules you must submit with your CHAR500 as described in Part 4:

- If you answered "yes" in Part 4a, submit Schedule 4a: Professional Fund Raisers (PFR), Fund Raising Counsel (FRC), Commercial Co-Venturers (CCV)
- If you answered "yes" in Part 4b, submit Schedule 4b: Government Grants

Check the financial attachments you must submit with your CHAR500:

- IRS Form 990, 990-EZ, or 990-PF, and 990-T if applicable
- All additional IRS Form 990 Schedules, including Schedule B (Schedule of Contributors). Schedule B of public charities is exempt from disclosure and will not be available for public review.

Our organization was eligible for and filed an IRS 990-N e-postcard. Our revenue exceeded \$25,000 and/or our assets exceeded \$25,000 in the filing year. We have included an IRS Form 990-EZ for state purposes only.

If you are a 7A only or DUAL filer, submit the applicable independent Certified Public Accountant's Review or Audit Report:

- Review Report if you received total revenue and support greater than \$250,000 and up to \$750,000.
- Audit Report if you received total revenue and support greater than \$750,000
- No Review Report or Audit Report is required because total revenue and support is less than \$250,000
- We are a DUAL filer and checked box 3a, no Review Report or Audit Report is required

Calculate Your Fee

For 7A and DUAL filers, calculate the 7A fee:

- \$0, if you checked the 7A exemption in Part 3a
- \$25, if you did not check the 7A exemption in Part 3a

For EPTL and DUAL filers, calculate the EPTL fee:

- \$0, if you checked the EPTL exemption in Part 3b
- \$25, if the NET WORTH is less than \$50,000
- \$50, if the NET WORTH is \$50,000 or more but less than \$250,000
- \$100, if the NET WORTH is \$250,000 or more but less than \$1,000,000
- \$250, if the NET WORTH is \$1,000,000 or more but less than \$10,000,000
- \$750, if the NET WORTH is \$10,000,000 or more but less than \$50,000,000
- \$1500, if the NET WORTH is \$50,000,000 or more

Send Your Filing

Send your CHAR500, all schedules and attachments, and total fee to:

NYS Office of the Attorney General
Charities Bureau Registration Section
28 Liberty Street
New York, NY 10005

Need Assistance?

Visit: www.CharitiesNYS.com
Call: (212) 416-8401
Email: Charities.Bureau@ag.ny.gov

Is my Registration Category 7A, EPTL, DUAL or EXEMPT?

Organizations are assigned a Registration Category upon registration with the NY Charities Bureau:

7A filers are registered to solicit contributions in New York under Article 7-A of the Executive Law ("7A")

EPTL filers are registered under the Estates, Powers & Trusts Law ("EPTL") because they hold assets and/or conduct activities for charitable purposes in NY.

DUAL filers are registered under both 7A and EPTL.

EXEMPT filers have registered with the NY Charities Bureau and meet conditions in **Schedule E - Registration Exemption for Charitable Organizations**. These organizations are not required to file annual financial reports but may do so voluntarily.

Confirm your Registration Category and learn more about NY law at www.CharitiesNYS.com.

Where do I find my organization's NET WORTH?

NET WORTH for fee purposes is calculated on:

- IRS Form 990 Part I, line 22
- IRS Form 990 EZ Part I, line 21
- IRS Form 990 PF, calculate the difference between Total Assets at Fair Market Value (Part II, line 16(c)) and Total Liabilities (Part II, line 23(b)).

CHAR500

Schedule 4b: Government Grants
www.CharitiesNYS.com

2018

**Open to Public
Inspection**

If you checked the box in question 4b in Part 4, complete this schedule and list EACH government grant award by a domestic (federal, state or local) agency; interstate or intergovernmental agency (for example Port Authority of New York and New Jersey); and state or local authorities.

Use additional pages if necessary. Include this schedule with your certified CHAR500 NYS Annual Filing for Charitable Organizations.

1. Organization Information

Name of Organization:	NY Registration Number:
START TREATMENT AND RECOVERY CENTERS, INC.	01-47-75

2. Government Grants

Name of Government Agency	Amount of Grant
1. NYS OFFICE OF ALCOHOLISM AND SUBSTANCE ABUSE SERVICES	1. 896,733.
2. NYC ADMINISTRATION FOR CHILDREN SERVICES	2. 952,455.
3. NYS DEPARTMENT OF HEALTH	3. 90,174.
4.	4.
5.	5.
6.	6.
7.	7.
8.	8.
9.	9.
10.	10.
11.	11.
12.	12.
13.	13.
14.	14.
15.	15.
Total Government Grants:	Total: 1,939,362.

Form **990**

Return of Organization Exempt From Income Tax

OMB No. 1545-0047

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

2018

Department of the Treasury
Internal Revenue Service

▶ Do not enter social security numbers on this form as it may be made public.
▶ Go to www.irs.gov/Form990 for instructions and the latest information.

Open to Public Inspection

A For the 2018 calendar year, or tax year beginning and ending

B Check if applicable: Address change Name change Initial return Final return/terminated Amended return Application pending	C Name of organization START TREATMENT AND RECOVERY CENTERS, INC.		D Employer identification number 13-2642451
	Doing business as		E Telephone number 718-260-2906
	Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	G Gross receipts \$ 31,103,301.
	22 CHAPEL STREET		H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
City or town, state or province, country, and ZIP or foreign postal code BROOKLYN, NY 11201		H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No	
F Name and address of principal officer: DR. LAWRENCE S. BROWN JR 22 CHAPEL STREET, BROOKLYN, NY 11201		If "No," attach a list. (see instructions)	
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) 501(c) () (insert no.) 4947(a)(1) or 527		H(c) Group exemption number ▶	
J Website: ▶ WWW.STARTNY.ORG		L Year of formation: 1969 M State of legal domicile: NY	
K Form of organization: <input checked="" type="checkbox"/> Corporation Trust Association Other ▶			

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: THE MISSION OF START TREATMENT AND RECOVERY CENTERS, INC. IS TO PROVIDE THE HIGHEST QUALITY OF		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	17
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	17
	5 Total number of individuals employed in calendar year 2018 (Part V, line 2a)	5	380
	6 Total number of volunteers (estimate if necessary)	6	17
	7 a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.
b Net unrelated business taxable income from Form 990-T, line 38	7b	144,990.	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year 2,621,752.	Current Year 2,731,838.
	9 Program service revenue (Part VIII, line 2g)	24,437,275.	25,178,097.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	77,808.	64,605.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	118,097.	227,593.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	27,254,932.	28,202,133.
	Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0.
14 Benefits paid to or for members (Part IX, column (A), line 4)		0.	0.
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)		18,074,674.	18,842,593.
16a Professional fundraising fees (Part IX, column (A), line 11e)		102,370.	0.
b Total fundraising expenses (Part IX, column (D), line 25) ▶ 244,450.			
17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)		10,860,087.	9,805,622.
18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	29,037,131.	28,648,215.	
19 Revenue less expenses. Subtract line 18 from line 12	-1,782,199.	-446,082.	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Current Year 22,863,522.	End of Year 48,314,275.
	21 Total liabilities (Part X, line 26)	2,281,140.	10,671,503.
	22 Net assets or fund balances. Subtract line 21 from line 20	20,582,382.	37,642,772.

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.

Sign Here	Signature of officer		Date		
	DR. LAWRENCE S. BROWN JR, CHIEF EXECUTIVE OFFICER				
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check if self-employed	PTIN
	MAGDALENA M. CZERNIAWSKI	MAGDALENA M. CZERNIA	11/08/19	<input type="checkbox"/>	P00535099
Firm's name ▶ MARKS PANETH LLP			Firm's EIN ▶ 11-3518842		
Firm's address ▶ 685 THIRD AVENUE NEW YORK, NY 10017			Phone no. 212-503-8800		

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: **11/13/2019 7:45 AM**

Notification:

Fiscal Year Begin Date: **1/1/2018**

Fiscal Year End Date: **12/31/2018**

eSigned:

Return Information

Date	Return ID	Type of Activity	Submission ID	Refund/ (Due)	Updated By	eSign Date
11/08/2019	18X:ny13407-0001:V1	Upload Started			Espinosa,Cynthia	
11/08/2019		Ready to Release by Customer				
11/13/2019		Released for Transmission - Validation in Progress			Baptiste, Guerline	
11/13/2019		Ready to transmit - Validation Complete				
11/13/2019		Transmitted to FD	26298220193170331e24			
11/13/2019		Accepted by FD on 11/13/2019				

START TREATMENT AND RECOVERY
CENTERS, INC.

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 \$ 22,998,827. including grants of \$) (Revenue \$ 25,031,558.)
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 ADDICTION DISORDERS. START'S SEVEN MEDICATION ASSISTANCE TREATMENT PROGRAMS (MATP) ARE DUALY LICENSED BY NEW YORK STATE OFFICE OF ALCOHOLISM AND SUBSTANCE ABUSE SERVICES (OASAS) AND THE DEPARTMENT OF HEALTH SERVICES INCLUDED COUNSELING, PRIMARY CARE, VOCATIONAL EDUCATION AND TREATMENT FOR HIV AND HEPATITIS C. THE MATPS ARE ALSO ACCREDITED BY CARF, DEMONSTRATING MAINTENANCE OF THE HIGHEST STANDARDS. THE OASAS-LICENSED REACH CHEMICAL DEPENDENCY PROGRAM OFFERS INDIVIDUAL AND GROUP COUNSELLING, 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

4b (Code:) (Expenses \$ 1,637,957. including grants of \$) (Revenue \$ 146,539.)
IN ADDITION TO ITS ADULT PROGRAMS, START HAS THREE MENTAL HEALTH PROGRAMS FOR ADOLESCENTS. IN 2018, VIA A CONTRACT WITH THE NEW YORK CITY ADMINISTRATION FOR CHILDREN'S SERVICES, START PROVIDED MENTAL HEALTH SERVICES TO 493 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 16 NYC PUBLIC HIGH SCHOOLS UNDER ITS "100 SCHOOLS" CONTRACT WITH THE JEWISH BOARD OF CHILDREN AND FAMILIY SERVICES. IN 2018, START'S OUTPATIENT ADOLESCENT MENTAL HEALTH PROGRAM, NAMED TEEN START CELEBRATED ITS ONE YEAR ANNIVERSARY AND SERVED 85 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 \$ 52,745. 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 ITS PATIENTS IN THE MEDICATION ASSISTED TREATMENT PROGRAMS (MATPS). RECOGNIZED THAT SUBSTANCE USERS HAVE A HIGHER RATE OF HEPATITIS C VIRUS (HCV) INFECTION THAT THE GENERAL POPULATION, START SCREENED OVER 3,500 OF ITS PATIENTS FOR HCV AND PROVIDED CASE MANAGEMENT SERVICES, LINKING PATIENTS TO CARE. IN ADDITION, START CONTINUED TO PROVIDE ONSITE HCV SERVICES WITH A CONTRACTED LIVER SPECIALIST VIA TELEMEDICINE TO 78 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 ASSISTS PATIENTS IN ACHIEVING AND MAINTAINING VIRAL LOAD

4d Other program services (Describe in Schedule O.)
(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses **24,689,529.**

**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>	X	
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ?	X	
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>		X
4 Section 501(c)(3) organizations. 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>		X
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>		X
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>		X
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>		X
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>		X
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>		X
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>		X
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>	X	
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>	X	
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>		X
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>		X
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	X	
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>	X	
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>		X
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>	X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
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>		X
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>		X
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>		X
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>		X
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>	X	
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>		X
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>		X
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>		X

**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>	22	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>	23	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>	24a	X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b	
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?	24c	
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d	
25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. 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>	25a	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>	25b	X
26 Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If "Yes," complete Schedule L, Part II</i>	26	X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>	27	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, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a	X
b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b	X
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c	X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29	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>	30	X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31	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>	32	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>	33	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>	34	X
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	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>	35b	X
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36	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>	37	X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O	38	X

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	15	
b Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	0	
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	X

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

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

		Yes	No
2a	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		380
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	X	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	X	
b	If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O	X	
4a	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	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).		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?		
6a	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	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
a	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	If "Yes," did the organization notify the donor of the value of the goods or services provided?	X	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
d	If "Yes," indicate the number of Forms 8282 filed during the year		
	7d		
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
8	Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?		
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the sponsoring organization make any taxable distributions under section 4966?		
b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter:		
a	Initiation fees and capital contributions included on Part VIII, line 12	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b	
11	Section 501(c)(12) organizations. Enter:		
a	Gross income from members or shareholders	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b	
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b	
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.		
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	
c	Enter the amount of reserves on hand	13c	
14a	Did the organization receive any payments for indoor tanning services during the tax year?		X
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O		
15	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.		X
16	Is the organization an educational institution subject to the section 4968 excise tax on net investment income? If "Yes," complete Form 4720, Schedule O.		X

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

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

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

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year 1a 17 If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.		
b	Enter the number of voting members included in line 1a, above, who are independent 1b 17		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		<input checked="" type="checkbox"/>
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?		<input checked="" type="checkbox"/>
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		<input checked="" type="checkbox"/>
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		<input checked="" type="checkbox"/>
6	Did the organization have members or stockholders?		<input checked="" type="checkbox"/>
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		<input checked="" type="checkbox"/>
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		<input checked="" type="checkbox"/>
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a	The governing body?	<input checked="" type="checkbox"/>	
b	Each committee with authority to act on behalf of the governing body?	<input checked="" type="checkbox"/>	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		<input checked="" type="checkbox"/>

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates?		<input checked="" type="checkbox"/>
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	<input checked="" type="checkbox"/>	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	<input checked="" type="checkbox"/>	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	<input checked="" type="checkbox"/>	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	<input checked="" type="checkbox"/>	
13	Did the organization have a written whistleblower policy?	<input checked="" type="checkbox"/>	
14	Did the organization have a written document retention and destruction policy?	<input checked="" type="checkbox"/>	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a	The organization's CEO, Executive Director, or top management official	<input checked="" type="checkbox"/>	
b	Other officers or key employees of the organization		<input checked="" type="checkbox"/>
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	<input checked="" type="checkbox"/>	
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?		<input checked="" type="checkbox"/>

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed **▶NY**
- 18** Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
 Own website Another's website Upon request Other (explain in Schedule O)
- 19** Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20** State the name, address, and telephone number of the person who possesses the organization's books and records **▶** _____
IRVING C. DELA CRUZ - 718-260-2906
937 FULTON STREET, BROOKLYN, NY 11238

**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.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

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	X		X			0.	0.	0.	
(5) CLAUDIA LATOUCHE, NP TRUSTEE	1.00	X					0.	0.	0.	
(6) DAVID C. CONDLIFFE, ESQ TRUSTEE	1.00	X					0.	0.	0.	
(7) FELICIA IVEY-TOURE, LMHC, CASAC SECRETARY	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 TRUSTEE	1.00	X					0.	0.	0.	
(10) JENNIFER NORMAN, ESQ TRUSTEE	1.00	X					0.	0.	0.	
(11) JOYCE Y. HALL, MPH VICE CHAIR	1.00	X		X			0.	0.	0.	
(12) KAMNA GUPTA, MBA TRUSTEE	1.00	X					0.	0.	0.	
(13) MATTHEW DANZER, ESQ TRUSTEE	1.00	X					0.	0.	0.	
(14) MEGAN MARX, MS TRUSTEE	1.00	X					0.	0.	0.	
(15) NEHA MADAN, MBA TRUSTEE	1.00	X					0.	0.	0.	
(16) SHAUN SMITH, ESQ CHAIRPERSON	1.00	X		X			0.	0.	0.	
(17) THOMAS RAFALSKY, ESQ TRUSTEE	1.00	X					0.	0.	0.	

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

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	35.00			X				193,087.	0.	27,497.
(19) IRVING C. DELA CRUZ CHIEF FINANCIAL OFFICER	35.00			X				107,500.	0.	183.
(20) LAWRENCE S. BROWN JR., MD, MPH, CHIEF EXECUTIVE OFFICER	35.00			X				314,029.	0.	60,053.
(21) SUDHAKAR DUVOOR CHIEF FINANCIAL OFFICER (OUTGOING)	35.00			X				156,019.	0.	13,772.
(22) MICHELLE SOTO, MD VICE PRESIDENT FOR MEDICAL SERVICES	35.00				X			210,494.	0.	31,712.
(23) RENEE R. SUMPTER, LCSW-R, CASAC VICE PRESIDENT OF BEHAVIORAL HEALTH	35.00				X			158,577.	0.	24,114.
(24) CHARLES SHELL MANAGER OF TECHNOLOGY SERV	35.00					X		125,534.	0.	10,132.
(25) DAANISH SHAIKH CHIEF OF MEDICAL UNIT	35.00					X		132,107.	0.	17,657.
(26) JEREMY KING DEPUTY DIRECTOR	35.00					X		119,410.	0.	9,584.
1b Sub-total								1,516,757.	0.	194,704.
c Total from continuation sheets to Part VII, Section A								325,827.	0.	31,381.
d Total (add lines 1b and 1c)								1,842,584.	0.	226,085.

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 **15**

	Yes	No
3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		X
4 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? <i>If "Yes," complete Schedule J for such individual</i>	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		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	601,386.
CMIT SOLUTIONS OF BROOKLYN NORTH 320 7TH AVE NO. 106, BROOKLYN, NY 11215	INFORMATION TECHNOLOGY	600,520.
HARTER SECREST & EMERY LLP, 1600 BAUSCH & LOMB PLACE, ROCHESTER, NY 14604	LEGAL SERVICES	282,976.
TNT STAFFING LLC, 70 KINDERKAMACK RD, STE 202, EMERSON, NJ 07630	STAFFING SERVICES	135,600.
PARKER POHL LLP, 420 LEXINGTON AVE, RM 2440, NEW YORK, NY 10170	LEGAL SERVICES	101,238.

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 **5**

SEE PART VII, SECTION A CONTINUATION SHEETS

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

Form 990

13-2642451

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees <i>(continued)</i>											
(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (check all that apply)						(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				
(27) JUDITH O. SOBOWALE, MD, MPH CHIEF OF MEDICAL UNIT (HIGHBRIDGE CL	35.00				X		179,725.	0.	18,781.		
(28) LINDEN E. THOMAS, ESQ LEGAL COUNSEL & COMPLIANCE OFFICER	35.00				X		146,102.	0.	12,600.		
Total to Part VII, Section A, line 1c							325,827.	31,381.			

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

Form 990 (2018)

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	
Contributions, Gifts, Grants and Other Similar Amounts	1 a Federated campaigns	1a					
	b Membership dues	1b					
	c Fundraising events	1c	98,248.				
	d Related organizations	1d					
	e Government grants (contributions)	1e	1,939,362.				
	f All other contributions, gifts, grants, and similar amounts not included above	1f	694,228.				
	g Noncash contributions included in lines 1a-1f: \$						
	h Total. Add lines 1a-1f		2,731,838.				
	Program Service Revenue	2 a <u>MEDICAID</u>	Business Code 621420	25,033,810.	25,033,810.		
b <u>PATIENT FEES</u>		621420	144,287.	144,287.			
c _____							
d _____							
e _____							
f All other program service revenue							
g Total. Add lines 2a-2f			25,178,097.				
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		96,433.			96,433.	
	4 Income from investment of tax-exempt bond proceeds						
	5 Royalties						
	6 a Gross rents	(i) Real	(ii) Personal				
		b Less: rental expenses					
		c Rental income or (loss)					
		d Net rental income or (loss)					
	7 a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
		2,822,653.					
		b Less: cost or other basis and sales expenses					
		2,854,481.					
	c Gain or (loss)						
	-31,828.						
	d Net gain or (loss)			-31,828.			-31,828.
	8 a Gross income from fundraising events (not including \$ <u>98,248.</u> of contributions reported on line 1c). See Part IV, line 18	a	16,000.				
b Less: direct expenses		b	46,687.				
c Net income or (loss) from fundraising events				-30,687.		-30,687.	
9 a Gross income from gaming activities. See Part IV, line 19	a						
	b Less: direct expenses	b					
	c Net income or (loss) from gaming activities						
10 a Gross sales of inventory, less returns and allowances	a						
	b Less: cost of goods sold	b					
	c Net income or (loss) from sales of inventory						
Miscellaneous Revenue		Business Code					
11 a <u>MISCELLANEOUS INCOME</u>			258,280.			258,280.	
b _____							
c _____							
d All other revenue							
e Total. Add lines 11a-11d			258,280.				
12 Total revenue. See instructions			28,202,133.	25,178,097.	0.	292,198.	

START TREATMENT AND RECOVERY

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	1,395,999.	743,782.	652,217.	
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	14,083,446.	12,498,096.	1,466,637.	118,713.
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	935,209.	862,124.	64,361.	8,724.
9 Other employee benefits	1,183,359.	1,007,695.	174,895.	769.
10 Payroll taxes	1,244,580.	1,071,018.	167,900.	5,662.
11 Fees for services (non-employees):				
a Management				
b Legal	356,696.	354,576.	2,120.	
c Accounting	95,250.		95,250.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees	9,559.		9,559.	
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch. O.)	1,135,709.	848,216.	240,943.	46,550.
12 Advertising and promotion	31,800.		31,800.	
13 Office expenses	839,305.	660,847.	170,023.	8,435.
14 Information technology	220,868.	195,154.	25,714.	
15 Royalties				
16 Occupancy	1,773,166.	1,747,224.	25,942.	
17 Travel	25,233.	4,409.	20,824.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials ...				
19 Conferences, conventions, and meetings	123,458.	94,441.	29,017.	
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	725,497.	675,306.	46,691.	3,500.
23 Insurance	348,215.	230,869.	117,346.	
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a PROVISION FOR BAD DEBTS	1,369,605.	1,226,747.	142,858.	
b DATA PROCESSING	660,923.	593,803.	67,120.	
c MED. SUPPLIES & DRUGS	647,495.	647,495.		
d PATIENT COSTS	501,713.	498,501.	3,212.	
e All other expenses	941,130.	729,226.	159,807.	52,097.
25 Total functional expenses. Add lines 1 through 24e	28,648,215.	24,689,529.	3,714,236.	244,450.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				
Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

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

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
Assets	1 Cash - non-interest-bearing	8,284,735.	1	6,066,379.
	2 Savings and temporary cash investments	636,337.	2	
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	1,934,610.	4	3,898,124.
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L			5
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L			6
	7 Notes and loans receivable, net	92,264.	7	
	8 Inventories for sale or use	17,645.	8	11,336.
	9 Prepaid expenses and deferred charges	227,510.	9	170,704.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	24,412,526.		
	b Less: accumulated depreciation	15,265,474.		
	11 Investments - publicly traded securities	9,485,856.	10c	9,147,052.
	12 Investments - other securities. See Part IV, line 11	2,024,385.	11	1,925,602.
	13 Investments - program-related. See Part IV, line 11		12	26,450,000.
	14 Intangible assets		13	
	15 Other assets. See Part IV, line 11	160,180.	14	
16 Total assets. Add lines 1 through 15 (must equal line 34)	22,863,522.	15	645,078.	
		16	48,314,275.	
Liabilities	17 Accounts payable and accrued expenses	1,748,294.	17	2,158,468.
	18 Grants payable	512,806.	18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L			22
	23 Secured mortgages and notes payable to unrelated third parties		23	1,978,684.
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 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	20,040.	25	6,534,351.
	26 Total liabilities. Add lines 17 through 25	2,281,140.	26	10,671,503.
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	20,582,382.	27	37,642,772.
	28 Temporarily restricted net assets		28	
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
33 Total net assets or fund balances	20,582,382.	33	37,642,772.	
34 Total liabilities and net assets/fund balances	22,863,522.	34	48,314,275.	

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

Part XI Reconciliation of Net Assets

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

1 Total revenue (must equal Part VIII, column (A), line 12)	1	28,202,133.
2 Total expenses (must equal Part IX, column (A), line 25)	2	28,648,215.
3 Revenue less expenses. Subtract line 2 from line 1	3	-446,082.
4 Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	20,582,382.
5 Net unrealized gains (losses) on investments	5	-88,333.
6 Donated services and use of facilities	6	
7 Investment expenses	7	
8 Prior period adjustments	8	-7,816,076.
9 Other changes in net assets or fund balances (explain in Schedule O)	9	25,410,881.
10 Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	37,642,772.

Part XII Financial Statements and Reporting

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

		Yes	No
1 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.			
2a Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		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 Were the organization's financial statements audited by an independent accountant?	2b	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			
c 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?	2c	X	
If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.			
3a 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?	3a		X
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 in Schedule O and describe any steps taken to undergo such audits	3b		

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ.

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

OMB No. 1545-0047

2018

Open to Public Inspection

Name of the organization **START TREATMENT AND RECOVERY CENTERS, INC.** Employer identification number **13-2642451**

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 12, check only one box.)

- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2 A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E (Form 990 or 990-EZ).)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: _____
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 8 A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 9 An agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university: _____
- 10 An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)
- 11 An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**
- 12 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2).** See **section 509(a)(3).** Check the box in lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.
 - a **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
 - b **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
 - c **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
 - d **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
 - e Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.
 - f Enter the number of supported organizations
- g Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-10 above (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			Yes	No		
Total						

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) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	3379272.	2646553.	2053514.	2621752.	2731838.	13432929.
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 Total. Add lines 1 through 3	3379272.	2646553.	2053514.	2621752.	2731838.	13432929.
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 Public support. Subtract line 5 from line 4.						13432929.

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(f) Total
7 Amounts from line 4	3379272.	2646553.	2053514.	2621752.	2731838.	13432929.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources	150,441.	94,668.	69,773.	77,808.	96,433.	489,123.
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.)	90,549.	73,912.	121,657.	148,504.	274,280.	708,902.
11 Total support. Add lines 7 through 10						14630954.
12 Gross receipts from related activities, etc. (see instructions)					12	121,163,014.
13 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						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2018 (line 6, column (f) divided by line 11, column (f))	14	91.81 %
15 Public support percentage from 2017 Schedule A, Part II, line 14	15	96.20 %
16a 33 1/3% support test - 2018. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input checked="" type="checkbox"/>
b 33 1/3% support test - 2017. 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 stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
17a 10% -facts-and-circumstances test - 2018. 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 stop here. 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 10% -facts-and-circumstances test - 2017. 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 stop here. 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 Private foundation. 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) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(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) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(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 2018 (line 8, column (f), divided by line 13, column (f))	15	%
16 Public support percentage from 2017 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2018 (line 10c, column (f), divided by line 13, column (f))	17	%
18 Investment income percentage from 2017 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2018. 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 - 2017. 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
1 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>		
2 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>		
3a 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 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>		
c 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>		
4a 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 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>		
c 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>		
5a 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 Type I or Type II only. Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
c Substitutions only. Was the substitution the result of an event beyond the organization's control?		
6 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>		
7 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>		
8 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>		
9a 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 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>		
c 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>		
10a 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 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
11 Has the organization accepted a gift or contribution from any of the following persons?		
a 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?	11a	
b A family member of a person described in (a) above?	11b	
c 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>	11c	

Section B. Type I Supporting Organizations

	Yes	No
1 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>	1	
2 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>	2	

Section C. Type II Supporting Organizations

	Yes	No
1 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>	1	

Section D. All Type III Supporting Organizations

	Yes	No
1 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?	1	
2 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>	2	
3 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>	3	

Section E. Type III Functionally Integrated Supporting Organizations

1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).		
a <input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below.		
b <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below.		
c <input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).		
2 Activities Test. Answer (a) and (b) below.		
a 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>	2a	
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>	2b	
3 Parent of Supported Organizations. Answer (a) and (b) below.		
a 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>	3a	
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>	3b	

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.

Section A - Adjusted Net Income		(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	Adjusted Net Income (subtract lines 5, 6, and 7 from line 4)	8	

Section B - Minimum Asset Amount		(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	Total (add lines 1a, 1b, and 1c)	1d	
e	Discount 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	Minimum Asset Amount (add line 7 to line 6)	8	

Section C - Distributable Amount			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	Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions)	6	
7	<input type="checkbox"/> 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 Total annual distributions. 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 2018 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-2018	(iii) Distributable Amount for 2018
1 Distributable amount for 2018 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2018 (reasonable cause required- explain in Part VI). See instructions.			
3 Excess distributions carryover, if any, to 2018			
a From 2013			
b From 2014			
c From 2015			
d From 2016			
e From 2017			
f Total of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2018 distributable amount			
i Carryover from 2013 not applied (see instructions)			
j Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
4 Distributions for 2018 from Section D, line 7: \$			
a Applied to underdistributions of prior years			
b Applied to 2018 distributable amount			
c Remainder. Subtract lines 4a and 4b from 4.			
5 Remaining underdistributions for years prior to 2018, 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 2018. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in Part VI . See instructions.			
7 Excess distributions carryover to 2019. Add lines 3j and 4c.			
8 Breakdown of line 7:			
a Excess from 2014			
b Excess from 2015			
c Excess from 2016			
d Excess from 2017			
e Excess from 2018			

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

2014 AMOUNT: \$ 4,469.

2016 AMOUNT: \$ 28,398.

2017 AMOUNT: \$ 118,097.

2018 AMOUNT: \$ 258,280.

FUNDRAISING INCOME

2014 AMOUNT: \$ 86,080.

2015 AMOUNT: \$ 73,912.

2016 AMOUNT: \$ 93,259.

2017 AMOUNT: \$ 30,407.

2018 AMOUNT: \$ 16,000.

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 for the latest information.

OMB No. 1545-0047

2018

Name of the organization

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

Employer identification number

13-2642451

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 (entering "N/A" in column (b) instead of the contributor name and address), 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 START TREATMENT AND RECOVERY CENTERS, INC.	Employer identification number 13-2642451
---	---

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 135 WEST 50TH STREET NEW YORK, NY 10020	\$ 357,631.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
2	THE RESEARCH FOUNDATION FOR THE STATE UNIVERSITY OF NEW YORK UB COMMONS, 520 LEE ENTRANCE SUITE 211 AMHERST, NY 14228-2567	\$ 228,070.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
3	NYS OFFICE OF ALCOHOLISM AND SUBSTANCE ABUSE SERVICES 501 FASHION AVE NEW YORK, NY 10018	\$ 896,733.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
4	NYC ADMINISTRATION FOR CHILDREN SERVICES 112 W 34TH ST NEW YORK, NY 10120	\$ 952,455.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
5	NYS DEPARTMENT OF HEALTH 4209 28TH ST FL 14 LONG ISLAND CITY, NY 11101	\$ 90,174.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
_____	_____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

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

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 START TREATMENT AND RECOVERY CENTERS, INC.	Employer identification number 13-2642451
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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.

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

SCHEDULE D (Form 990)

Department of the Treasury Internal Revenue Service

Supplemental Financial Statements

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.

OMB No. 1545-0047

2018

Open to Public Inspection

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. Rows include total number at end of year, aggregate value of contributions, grants, and end of year, and two yes/no questions about donor property and grant fund usage.

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. Rows include purpose of easements, lines 2a-2d for total number, acreage, and modified easements, and three yes/no questions about monitoring, expenses, and reporting.

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. Rows include questions 1a and 1b about reporting art and treasures, and question 2 about amounts required to be reported.

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

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 are a 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 programs
 - 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** Temporarily restricted 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? <input type="checkbox"/> | 3b | |
- 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		279,208.		279,208.
b Buildings		15,202,719.	7,837,672.	7,365,047.
c Leasehold improvements				
d Equipment		8,224,168.	7,427,802.	796,366.
e Other		706,431.		706,431.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				9,147,052.

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

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) INVESTMENT IN JOINT		
(B) VENTURE	26,450,000.	END-OF-YEAR MARKET VALUE
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶	26,450,000.	

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)		
Total. (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)	
Total. (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) DUE TO FUNDING SOURCES	821,449.
(3) DUE TO RELATED PARTIES	20,040.
(4) CAPITAL ADVANCE	5,588,356.
(5) DEFERRED RENT	104,506.
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	6,534,351.

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 FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII

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

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	53,639,153.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains (losses) on investments	2a	-88,333.
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII.)	2d	25,534,912.
e	Add lines 2a through 2d	2e	25,446,579.
3	Subtract line 2e from line 1	3	28,192,574.
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	9,559.
b	Other (Describe in Part XIII.)	4b	
c	Add lines 4a and 4b	4c	9,559.
5	Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12.)	5	28,202,133.

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	28,747,560.
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	160,866.
e	Add lines 2a through 2d	2e	160,866.
3	Subtract line 2e from line 1	3	28,586,694.
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	9,559.
b	Other (Describe in Part XIII.)	4b	51,962.
c	Add lines 4a and 4b	4c	61,521.
5	Total expenses. Add lines 3 and 4c . (This must equal Form 990, Part I, line 18.)	5	28,648,215.

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, 2018 IN ACCORDANCE WITH ACCOUNTING STANDARDS CODIFICATION
("ASC") TOPIC 740 ("INCOME TAXES"), WHICH PROVIDES STANDARDS FOR
ESTABLISHING AND CLASSIFYING ANY TAX PROVISIONS FOR UNCERTAIN TAX
POSITIONS.

PART XI, LINE 2D - OTHER ADJUSTMENTS:

RELATED ENTITY'S REVENUE	30,003.
GAIN ON DISPOSITION OF PROPERTY	25,556,871.
INDIRECT FUNDRAISING EVENTS	-51,962.
TOTAL TO SCHEDULE D, PART XI, LINE 2D	25,534,912.

Part XIII Supplemental Information (continued)

PART XII, LINE 2D - OTHER ADJUSTMENTS:

NON-DEDUCTIBLE TRANSPORTATION BENEFITS	145,990.
RELATED ENTITY'S EXPENSES	14,876.
TOTAL TO SCHEDULE D, PART XII, LINE 2D	160,866.

PART XII, LINE 4B - OTHER ADJUSTMENTS:

INDIRECT FUNDRAISING EVENTS	51,962.
-----------------------------	---------

SCHEDULE D, PART XI:

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. 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").

SCHEDULE G (Form 990 or 990-EZ)

Supplemental Information Regarding Fundraising or Gaming Activities

OMB No. 1545-0047

Complete if the organization answered "Yes" on Form 990, Part IV, line 17, 18, or 19, or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.

2018

Open to Public Inspection

Attach to Form 990 or Form 990-EZ.

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

Department of the Treasury Internal Revenue Service

Name of the organization START TREATMENT AND RECOVERY CENTERS, INC. Employer identification number 13-2642451

Part I Fundraising Activities. Complete if the organization answered "Yes" on Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

- 1 Indicate whether the organization raised funds through any of the following activities. Check all that apply. a Mail solicitations b Internet and email solicitations c Phone solicitations d In-person solicitations e Solicitation of non-government grants f Solicitation of government grants g Special fundraising events 2 a Did the organization have a written or oral agreement with any individual... b If "Yes," list the 10 highest paid individuals or entities (fundraisers) pursuant to agreements...

Table with 6 main columns: (i) Name and address of individual or entity (fundraiser), (ii) Activity, (iii) Did fundraiser have custody or control of contributions?, (iv) Gross receipts from activity, (v) Amount paid to (or retained by) fundraiser listed in col. (i), (vi) Amount paid to (or retained by) organization. Includes a 'Total' row at the bottom.

- 3 List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing.

START TREATMENT AND RECOVERY

Part II Fundraising Events. Complete if the organization answered "Yes" on Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other events	(d) Total events (add col. (a) through col. (c))
		SIGNATURE EVENT (event type)	(event type)	NONE (total number)	
Revenue	1 Gross receipts	114,248.			114,248.
	2 Less: Contributions	98,248.			98,248.
	3 Gross income (line 1 minus line 2)	16,000.			16,000.
Direct Expenses	4 Cash prizes				
	5 Noncash prizes				
	6 Rent/facility costs	13,230.			13,230.
	7 Food and beverages	10,918.			10,918.
	8 Entertainment				
	9 Other direct expenses	22,539.			22,539.
	10 Direct expense summary. Add lines 4 through 9 in column (d)				46,687.
11 Net income summary. Subtract line 10 from line 3, column (d)				-30,687.	

Part III Gaming. Complete if the organization answered "Yes" on Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
Revenue	1 Gross revenue				
	2 Cash prizes				
Direct Expenses	3 Noncash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
Revenue	6 Volunteer labor	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	
	7 Direct expense summary. Add lines 2 through 5 in column (d)				
	8 Net gaming income summary. Subtract line 7 from line 1, column (d)				

9 Enter the state(s) in which the organization conducts gaming activities: _____

a Is the organization licensed to conduct gaming activities in each of these states? Yes No

b If "No," explain: _____

10a Were any of the organization's gaming licenses revoked, suspended, or terminated during the tax year? Yes No

b If "Yes," explain: _____

START TREATMENT AND RECOVERY

- 11** Does the organization conduct gaming activities with nonmembers? Yes No
- 12** Is the organization a grantor, beneficiary or trustee of a trust, or a member of a partnership or other entity formed to administer charitable gaming? Yes No
- 13** Indicate the percentage of gaming activity conducted in:
- | | | |
|--------------------------------------|------------|---|
| a The organization's facility | 13a | % |
| b An outside facility | 13b | % |
- 14** Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ▶ _____

Address ▶ _____

- 15a** Does the organization have a contract with a third party from whom the organization receives gaming revenue? Yes No
- b** If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ _____ and the amount of gaming revenue retained by the third party ▶ \$ _____
- c** If "Yes," enter name and address of the third party:

Name ▶ _____

Address ▶ _____

16 Gaming manager information:

Name ▶ _____

Gaming manager compensation ▶ \$ _____

Description of services provided ▶ _____

- Director/officer Employee Independent contractor

17 Mandatory distributions:

- a** Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? Yes No
- b** Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$ _____

Part IV Supplemental Information. Provide the explanations required by Part I, line 2b, columns (iii) and (v); and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also provide any additional information. See instructions.

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Compensation Information

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 for instructions and the latest information.

OMB No. 1545-0047

2018

Open to Public Inspection

Name of the organization **START TREATMENT AND RECOVERY CENTERS, INC.** Employer identification number **13-2642451**

Part I Questions Regarding Compensation

1a 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"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (such as maid, chauffeur, chef) |

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

2 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?

3 Indicate which, if any, of the following the filing 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 type="checkbox"/> Written employment contract |
| <input checked="" type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

4 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:

- a** Receive a severance payment or change-of-control payment?
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?
- c** Participate in, or receive payment from, an equity-based compensation arrangement?
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.

5 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:

- a** The organization?
- b** Any related organization?
- If "Yes" on line 5a or 5b, describe in Part III.

6 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:

- a** The organization?
- b** Any related organization?
- If "Yes" on line 6a or 6b, describe in Part III.

7 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

8 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

9 If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
1b		
2		
4a	X	
4b		X
4c		X
5a		X
5b		X
6a		X
6b		X
7	X	
8		X
9		

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

Schedule J (Form 990) 2018

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

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that aren't listed on Form 990, Part VII.

Note: The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) GEMMA ROGERS CHIEF OPERATING OFFICER	(i)	193,087.	0.	0.	18,817.	8,680.	220,584.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(2) LAWRENCE S. BROWN JR., MD, MPH, CHIEF EXECUTIVE OFFICER	(i)	313,220.	0.	809.	28,981.	31,072.	374,082.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(3) SUDHAKAR DUVOOR CHIEF FINANCIAL OFFICER (OUTGOING)	(i)	102,788.	0.	53,231.	9,232.	4,540.	169,791.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(4) MICHELLE SOTO, MD VICE PRESIDENT FOR MEDICAL SERVICES	(i)	200,494.	10,000.	0.	21,670.	10,042.	242,206.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(5) RENEE R. SUMPSTER, LCSW-R, CASAC VICE PRESIDENT OF BEHAVIORAL HEALTH	(i)	141,441.	17,000.	136.	14,201.	9,913.	182,691.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(6) JUDITH O. SOBOWALE, MD, MPH CHIEF OF MEDICAL UNIT (HIGHBRIDGE CL	(i)	179,725.	0.	0.	16,730.	2,051.	198,506.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(7) LINDEN E. THOMAS, ESQ LEGAL COUNSEL & COMPLIANCE OFFICER	(i)	146,102.	0.	0.	12,158.	442.	158,702.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

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 4A:

SUDHAKAR DUVOOR, CHIEF FINANCIAL OFFICER, RECEIVED A SEVERANCE PAYMENT OF
\$53,231

PART I, LINE 7:

MICHELE SOTO AND RENEE R. SUMPTEK RECEIVED BONUS.

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 for the latest information.

OMB No. 1545-0047

2018

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:

BETTER AND MORE EFFECTIVE TREATMENTS FOR OUR PATIENT POPULATION. START
IS PROUD TO HAVE PROVIDED SERVICES FOR OVER 3,500 ADULTS DURING 2018.

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 2018, 23 PATIENTS
ACHIEVED SUSTAINED VIRAL LOAD SUPPRESSION FROM THIS PROGRAM.

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, LINE 16B:

DUE TO THIS BEING THE FIRST VENTURE THAT THE ORGANIZATION HAS BEEN
GIVEN THE OPPORTUNITY TO PURSUE, THE ORGANIZATION HAS NOT HAD A POLICY

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

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IN PLACE. HOWEVER, THE BOARD HAS A DESIGNATED BOARD MEMBER TO WORK WITH
MANAGEMENT DURING THE NEGOTIATIONS, AND IS WORKING WITH OUTSIDE COUNSEL
TO ENSURE COMPLIANCE WITH IRS RULES REGARDING JOINT VENTURES. MOVING
FORWARD, THE ORGANIZATION PLANS TO DEVELOP A FORMAL JOINT VENTURE
POLICY.

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

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.

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 XI, LINE 9, CHANGES IN NET ASSETS:

TRANSPORTATION BENEFITS	-145,990.
ASSET CONTRIBUTED TO PARTNERSHIP	25,556,871.
TOTAL TO FORM 990, PART XI, LINE 9	25,410,881.

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

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FORM 990, PART XI, LINE 8

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, 2018, THE AGENCY'S NET ASSETS BALANCE DECREASED BY \$7,816,076 FROM THE BALANCE THAT WAS PREVIOUSLY REPORTED. THIS AMOUNT IS REPORTED ON PART XI, LINE 8.

FORM 990, PART XI CHANGES IN NET ASSETS:

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. 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

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

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**LIMITED LIABILITY COMPANY, DELSHAH-OTL-START 22 CHAPEL JV LLC (THE
"JV") ALONG WITH A 17% MEMBER, DELSHAH/OTL 22 LLC (THE "MANAGING
MEMBER").**

FORM 990, PART XII, LINE 2C

THE PROCESS HAS NOT CHANGED FROM THE PRIOR YEAR.

**SCHEDULE R
(Form 990)**

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
▶ Attach to Form 990.

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

OMB No. 1545-0047

2018

Open to Public Inspection

Name of the organization **START TREATMENT AND RECOVERY CENTERS, INC.** Employer identification number **13-2642451**

Part I Identification of Disregarded Entities. Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
AFFILIATED SERVICES AND RESOURCES CORP - 11-2813909, 22 CHAPEL STREET, BROOKLYN, NY 11201	SUPPORT ORGANIZATION	NEW YORK	509(A)(3)	501(C)(3)	START TREATMENT AND RECOVERY CENTERS, INC.	X	

START TREATMENT AND RECOVERY

Part III Identification of Related Organizations Taxable as a Partnership. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a partnership during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
DELSHAH-OTL-START CHAPEL JV LLC - 47-4002169, 114 E. 13TH STREET, FRONT 1, NEW YORK, NY 10003	REAL ESTATE	NY	DELSHAH/OTL 22 LLC	RELATED	0.	0.		X	N/A		X	83.00%

Part IV Identification of Related Organizations Taxable as a Corporation or Trust. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No

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

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.

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?

	Yes	No
a Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b Gift, grant, or capital contribution to related organization(s)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c Gift, grant, or capital contribution from related organization(s)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d Loans or loan guarantees to or for related organization(s)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e Loans or loan guarantees by related organization(s)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f Dividends from related organization(s)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g Sale of assets to related organization(s)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h Purchase of assets from related organization(s)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
i Exchange of assets with related organization(s)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
j Lease of facilities, equipment, or other assets to related organization(s)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
k Lease of facilities, equipment, or other assets from related organization(s)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
l Performance of services or membership or fundraising solicitations for related organization(s)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
m Performance of services or membership or fundraising solicitations by related organization(s)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
o Sharing of paid employees with related organization(s)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
p Reimbursement paid to related organization(s) for expenses	<input type="checkbox"/>	<input checked="" type="checkbox"/>
q Reimbursement paid by related organization(s) for expenses	<input type="checkbox"/>	<input checked="" type="checkbox"/>
r Other transfer of cash or property to related organization(s)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
s Other transfer of cash or property from related organization(s)	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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.

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) DELSHAH-OTL-START 22 CHAPEL JV LLC	R	893,129.	NET BOOK VALUE
(2) DELSHAH-OTL-START 22 CHAPEL JV LLC	S	26,450,000.	FAIR MARKET VALUE
(3)			
(4)			
(5)			
(6)			

START TREATMENT AND RECOVERY

CENTERS, INC.

Part VI Unrelated Organizations Taxable as a Partnership. Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners sec. 501(c)(3) orgs.?		(f) Share of total income	(g) Share of end-of-year assets	(h) Dispropor- tionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	

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

2018

For calendar year 2018 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

A Check box if address changed

Name of organization (Check box if name changed and see instructions.)

D Employer identification number (Employees' trust, see instructions.)

START TREATMENT AND RECOVERY CENTERS, INC.

13-2642451

B Exempt under section 501(c)(3) 408(e) 220(e) 408A 530(a) 529(a)

Print or Type

Number, street, and room or suite no. If a P.O. box, see instructions.

E Unrelated business activity code (See instructions.)

22 CHAPEL STREET

City or town, state or province, country, and ZIP or foreign postal code

BROOKLYN, NY 11201

480000

C Book value of all assets at end of year 48,314,275.

F Group exemption number (See instructions.)

G Check organization type 501(c) corporation 501(c) trust 401(a) trust Other trust

H Enter the number of the organization's unrelated trades or businesses. 1 Describe the only (or first) unrelated trade or business here TRANSPORTATION BENEFITS

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? Yes No

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

Table with 4 columns: (A) Income, (B) Expenses, (C) Net, and a description column. Rows include Gross receipts or sales, Cost of goods sold, Gross profit, Capital gain net income, Net gain (loss), Capital loss deduction for trusts, Income (loss) from a partnership or an S corporation, Rent income, Unrelated debt-financed income, Interest, annuities, royalties, and rents from a controlled organization, Investment income of a section 501(c)(7), (9), or (17) organization, Exploited exempt activity income, Advertising income, Other income, and Total.

Table with 4 columns: (A) Income, (B) Expenses, (C) Net, and a description column. Rows include Compensation of officers, directors, and trustees, Salaries and wages, Repairs and maintenance, Bad debts, Interest (attach schedule), Taxes and licenses, Charitable contributions, Depreciation, Less depreciation claimed on Schedule A and elsewhere on return, Depletion, Contributions to deferred compensation plans, Employee benefit programs, Excess exempt expenses, Excess readership costs, Other deductions, Total deductions, Unrelated business taxable income before net operating loss deduction, Deduction for net operating loss arising in tax years beginning on or after January 1, 2018, and Unrelated business taxable income.

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

Part III Total Unrelated Business Taxable Income			
33	Total of unrelated business taxable income computed from all unrelated trades or businesses (see instructions)	33	0.
34	Amounts paid for disallowed fringes	34	145,990.
35	Deduction for net operating loss arising in tax years beginning before January 1, 2018 (see instructions)	35	
36	Total of unrelated business taxable income before specific deduction. Subtract line 35 from the sum of lines 33 and 34	36	145,990.
37	Specific deduction (Generally \$1,000, but see line 37 instructions for exceptions)	37	1,000.
38	Unrelated business taxable income. Subtract line 37 from line 36. If line 37 is greater than line 36, enter the smaller of zero or line 36	38	144,990.

Part IV Tax Computation			
39	Organizations Taxable as Corporations. Multiply line 38 by 21% (0.21)	39	30,448.
40	Trusts Taxable at Trust Rates. See instructions for tax computation. Income tax on the amount on line 38 from: <input type="checkbox"/> Tax rate schedule or <input type="checkbox"/> Schedule D (Form 1041)	40	
41	Proxy tax. See instructions	41	
42	Alternative minimum tax (trusts only)	42	
43	Tax on Noncompliant Facility Income. See instructions	43	
44	Total. Add lines 41, 42, and 43 to line 39 or 40, whichever applies	44	30,448.

Part V Tax and Payments					
45a	Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116)	45a			
b	Other credits (see instructions)	45b			
c	General business credit. Attach Form 3800	45c			
d	Credit for prior year minimum tax (attach Form 8801 or 8827)	45d			
e	Total credits. Add lines 45a through 45d	45e			
46	Subtract line 45e from line 44	46	30,448.		
47	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)	47			
48	Total tax. Add lines 46 and 47 (see instructions)	48	30,448.		
49	2018 net 965 tax liability paid from Form 965-A or Form 965-B, Part II, column (k), line 2	49	0.		
50a	Payments: A 2017 overpayment credited to 2018	50a			
b	2018 estimated tax payments	50b	30,658.		
c	Tax deposited with Form 8868	50c			
d	Foreign organizations: Tax paid or withheld at source (see instructions)	50d			
e	Backup withholding (see instructions)	50e			
f	Credit for small employer health insurance premiums (attach Form 8941)	50f			
g	Other credits, adjustments, and payments: <input type="checkbox"/> Form 2439 <input type="checkbox"/> Form 4136 <input type="checkbox"/> Other Total	50g			
51	Total payments. Add lines 50a through 50g	51	30,658.		
52	Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>	52			
53	Tax due. If line 51 is less than the total of lines 48, 49, and 52, enter amount owed	53			
54	Overpayment. If line 51 is larger than the total of lines 48, 49, and 52, enter amount overpaid	54	210.		
55	Enter the amount of line 54 you want: Credited to 2019 estimated tax 210. Refunded	55	0.		

Part VI Statements Regarding Certain Activities and Other Information (see instructions)		Yes	No
56	At any time during the 2018 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		X
57	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
58	Enter the amount of tax-exempt interest received or accrued during the tax year \$		

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 taxpayer) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer	Date	CHIEF EXECUTIVE OFFICER	May the IRS discuss this return with the preparer shown below (see instructions)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Paid Preparer Use Only	Print/Type preparer's name MAGDALENA M. CZERNIAWSKI	Preparer's signature MAGDALENA M. CZERNIAWSKI	Date 11/08/19	Check <input type="checkbox"/> if self-employed
	Firm's name MARKS PANETH LLP	Firm's EIN 11-3518842		PTIN P00535099
	Firm's address 685 THIRD AVENUE NEW YORK, NY 10017	Phone no. 212-503-8800		

START TREATMENT AND RECOVERY

Schedule A - Cost of Goods Sold. Enter method of inventory valuation ► **N/A**

1	Inventory at beginning of year	1		6	Inventory at end of year	6			
2	Purchases	2							
3	Cost of labor	3		7	Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2	7			
4a	Additional section 263A costs (attach schedule)	4a		8	Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?			Yes	No
b	Other costs (attach schedule)	4b							
5	Total. Add lines 1 through 4b	5							

Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property)

(see instructions)

1. Description of property

(1)	
(2)	
(3)	
(4)	

2. Rent received or accrued

(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(1)		
(2)		
(3)		
(4)		
Total	0.	Total

(c) **Total income.** Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A)

(b) **Total deductions.** Enter here and on page 1, Part I, line 6, column (B) ... 0.

Schedule E - Unrelated Debt-Financed Income (see instructions)

1. Description of debt-financed property	2. Gross income from or allocable to debt-financed property	3. Deductions directly connected with or allocable to debt-financed property		
		(a) Straight line depreciation (attach schedule)	(b) Other deductions (attach schedule)	
(1)				
(2)				
(3)				
(4)				
4. Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5. Average adjusted basis of or allocable to debt-financed property (attach schedule)	6. Column 4 divided by column 5	7. Gross income reportable (column 2 x column 6)	8. Allocable deductions (column 6 x total of columns 3(a) and 3(b))
(1)		%		
(2)		%		
(3)		%		
(4)		%		
Totals			0.	0.
Total dividends-received deductions included in column 8				0.

START TREATMENT AND RECOVERY

Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations (see instructions)

1. Name of controlled organization	2. Employer identification number	Exempt Controlled Organizations			
		3. Net unrelated income (loss) (see instructions)	4. Total of specified payments made	5. Part of column 4 that is included in the controlling organization's gross income	6. Deductions directly connected with income in column 5
(1)					
(2)					
(3)					
(4)					

Nonexempt Controlled Organizations

7. Taxable income	8. Net unrelated income (loss) (see instructions)	9. Total of specified payments made	10. Part of column 9 that is included in the controlling organization's gross income	11. Deductions directly connected with income in column 10
(1)				
(2)				
(3)				
(4)				
			Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A).	Add columns 6 and 11. Enter here and on page 1, Part I, line 8, column (B).
Totals			0.	0.

Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization (see instructions)

1. Description of income	2. Amount of income	3. Deductions directly connected (attach schedule)	4. Set-asides (attach schedule)	5. Total deductions and set-asides (col. 3 plus col. 4)
(1)				
(2)				
(3)				
(4)				
		Enter here and on page 1, Part I, line 9, column (A).		Enter here and on page 1, Part I, line 9, column (B).
Totals		0.		0.

Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income (see instructions)

1. Description of exploited activity	2. Gross unrelated business income from trade or business	3. Expenses directly connected with production of unrelated business income	4. Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols. 5 through 7.	5. Gross income from activity that is not unrelated business income	6. Expenses attributable to column 5	7. Excess exempt expenses (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
		Enter here and on page 1, Part I, line 10, col. (A).	Enter here and on page 1, Part I, line 10, col. (B).			Enter here and on page 1, Part II, line 26.
Totals		0.	0.			0.

Schedule J - Advertising Income (see instructions)

Part I Income From Periodicals Reported on a Consolidated Basis

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals (carry to Part II, line (5))		0.	0.			0.

START TREATMENT AND RECOVERY

Part II **Income From Periodicals Reported on a Separate Basis** (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals from Part I	0.	0.				0.
Totals, Part II (lines 1-5)	Enter here and on page 1, Part I, line 11, col. (A). 0.	Enter here and on page 1, Part I, line 11, col. (B). 0.				Enter here and on page 1, Part II, line 27. 0.

Schedule K - Compensation of Officers, Directors, and Trustees (see instructions)

1. Name	2. Title	3. Percent of time devoted to business	4. Compensation attributable to unrelated business
(1)		%	
(2)		%	
(3)		%	
(4)		%	
Total. Enter here and on page 1, Part II, line 14			0.

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



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

Year Ended December 31, 2018

START TREATMENT AND RECOVERY CENTERS, INC. AND SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS
(Together with Independent Auditors' Report)

YEAR ENDED DECEMBER 31, 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 statement 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, 2018, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the 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 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 START Treatment and Recovery Centers, Inc. and Subsidiary as of December 31, 2018, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the financial statements, during the year ended December 31, 2018, the Agency adopted Accounting Standards Update 2016-14, "Not-for-Profit Entities". Our opinion is not modified with respect to this matter.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedules (shown on pages 14-15) 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 LLP

New York, NY
April 5, 2019

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

ASSETS

Cash and cash equivalents (Notes 2C and 14)	\$ 6,161,530
Investments in securities (Notes 2D, 2E, 3, 4 and 12)	1,925,602
Accounts receivable, net (Notes 2F and 5)	3,898,124
Prepaid expenses and other assets	<u>182,040</u>
Total current assets	12,167,296

Investment in joint venture (Note 7)	26,450,000
Due from related parties (Note 7)	461,367
Security deposits	183,711
Property and equipment, net (Notes 2G, 6, 8 and 9)	<u>9,324,528</u>

TOTAL ASSETS **\$ 48,586,902**

LIABILITIES

Accounts payable and accrued expenses	\$ 807,487
Accrued salaries, vacation and benefits	1,387,479
Mortgage payable, current (Notes 9 and 15)	261,644
Due to funding sources (Note 10)	<u>821,449</u>
Total current liabilities	3,278,059

Capital advance (Notes 8 and 15)	5,588,356
Mortgage payable, noncurrent (Notes 9 and 15)	1,717,040
Deferred rent (Notes 2I and 13B)	<u>104,506</u>

TOTAL LIABILITIES **10,687,961**

COMMITMENTS AND CONTINGENCIES (Note 13)

NET ASSETS (Note 2B)

Net assets without donor restrictions:	
Operations	30,879,809
Invested in property and equipment	2,019,132
Board designated - Third Horizon building development fund	<u>5,000,000</u>

TOTAL NET ASSETS WITHOUT DONOR RESTRICTIONS **37,898,941**

TOTAL LIABILITIES AND NET ASSETS **\$ 48,586,902**

START TREATMENT AND RECOVERY CENTERS, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

OPERATING ACTIVITIES:

REVENUE AND SUPPORT

Revenue	
Government contracts and grants (Note 2H)	\$ 2,535,884
Medicaid (Note 2H)	25,033,810
Patient fees	144,287
Contributions (Note 2F)	95,286
Special events, net of direct expenses of \$98,649 (Note 2J)	18,019
Investment activity (Note 4)	(33,287)
Rental income	30,000
Other income	<u>258,283</u>
TOTAL REVENUE AND SUPPORT	<u>28,082,282</u>

EXPENSES (Note 2L):

Program services:

Clinic operations	22,914,051
Research operations	200,582
Other programs	<u>1,712,590</u>
Total program services	<u>24,827,223</u>

Supporting services:

Management and administration	3,727,754
Fundraising	<u>192,583</u>
Total support services	<u>3,920,337</u>

TOTAL EXPENSES 28,747,560

CHANGE IN NET ASSETS FROM OPERATIONS (665,278)

NONOPERATING ACTIVITIES:

 Gain on disposition of property (Note 7) 25,556,871

TOTAL NONOPERATING ACTIVITIES 25,556,871

CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS 24,891,593

Net assets - beginning of year, before prior period adjustments 20,823,424

Prior period adjustments (Note 15) (7,816,076)

Net assets - beginning of year, as restated 13,007,348

NET ASSETS - END OF YEAR \$ 37,898,941

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, 2018

	Program Services			Supporting Services			Total	
	Clinic Operations	Research Operations	Other Programs	Total Program Services	Management and Administration	Fundraising		Total Supporting Services
Salaries and related expenses (Note 2L):								
Salaries	\$ 11,715,908	\$ 148,717	\$ 1,294,238	\$ 13,158,863	\$ 2,062,871	\$ 118,713	\$ 2,181,584	\$ 15,340,447
Payroll taxes and other benefits (Note 11)	2,809,118	34,944	304,109	3,148,171	484,715	15,250	499,965	3,648,136
Total salaries and related expenses	14,525,026	183,661	1,598,347	16,307,034	2,547,586	133,963	2,681,549	18,988,583
Professional fees (Note 2L)	1,790,595	-	6,000	1,796,595	406,718	46,550	453,268	2,249,863
Patient costs	481,243	10,769	6,488	498,500	3,212	-	3,212	501,712
Medical supplies and prescriptive drugs	647,385	110	-	647,495	-	-	-	647,495
Consumable supplies	135,002	864	8,456	144,322	41,064	8,144	49,208	193,530
Occupancy (Note 13B)	910,576	-	18,374	928,950	-	-	-	928,950
Real estate taxes	195,146	-	-	195,146	-	-	-	195,146
Utilities	388,026	-	-	388,026	24,412	-	24,412	412,438
Telephone	327,150	2,123	9,405	338,678	82,705	-	82,705	421,383
Outside security services	81,676	-	-	81,676	4,685	-	4,685	86,361
Repairs and maintenance	503,439	-	991	504,430	69,519	-	69,519	573,949
Equipment rental	38,390	-	-	38,390	25,696	-	25,696	64,086
Janitorial and maintenance supplies	74,010	1,524	2,459	77,993	6,013	-	6,013	84,006
Conference and meetings	86,832	-	6,086	92,918	20,886	-	20,886	113,804
Staff travel	3,240	395	158	3,793	2,771	-	2,771	6,564
Staff recruitment and development	236,147	678	11,641	248,466	124,308	-	124,308	372,774
Insurance	311,188	-	8,183	319,371	118,876	-	118,876	438,247
Interest (Notes 2L and 9)	133,440	-	-	133,440	-	-	-	133,440
Depreciation and amortization (Notes 2L and 6)	659,427	458	28,797	688,682	46,691	3,500	50,191	738,873
Bad debt expenses	1,219,868	-	6,879	1,226,747	142,858	-	142,858	1,369,605
Miscellaneous	166,245	-	326	166,571	59,754	426	60,180	226,751
Total expenses	\$ 22,914,051	\$ 200,582	\$ 1,712,590	\$ 24,827,223	\$ 3,727,754	\$ 192,583	\$ 3,920,337	\$ 28,747,560

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

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

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	\$ 24,891,593
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation and amortization	738,873
Bad debts	1,369,605
Gain on transfer of property	(25,556,871)
Loss on disposal of property	6,173
Unrealized loss on investments	<u>120,161</u>
Subtotal	1,569,534
Changes in operating assets and liabilities:	
(Increase) decrease in assets:	
Accounts receivable	(2,696,782)
Prepaid expenses and other assets	63,115
Due from related parties	(369,103)
Security deposits	352,180
Increase (decrease) in liabilities:	
Accounts payable and accrued expenses	(975,805)
Accrued salaries, vacation and benefits	1,387,479
Deferred rent	104,506
Due to funding sources	<u>308,643</u>
Net Cash Used In Operating Activities	<u>(256,233)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of securities	(2,844,031)
Proceeds from sales of securities	2,822,653
Purchases of property and equipment	<u>(1,285,995)</u>
Net Cash Used In Investing Activities	<u>(1,307,373)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Repayment of mortgages payable	<u>(249,036)</u>
Net Cash Used In Investing Activities	<u>(249,036)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,812,642)
Cash and cash equivalents - beginning of year	<u>8,349,883</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 6,537,241</u>
Supplemental Disclosure of Cash Flow Information:	
Cash paid during the year for interest	<u>\$ 101,375</u>
Supplemental Disclosure of Non-Cash Financing Activities:	
Capital advance	<u>\$ 5,588,356</u>
Mortgage payable	<u>\$ 2,227,720</u>

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, 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 ASRC (collectively, the “Agency”). All inter-company transactions are eliminated in consolidation.
- B. ***Basis of Presentation:*** The Agency maintains its net assets under the following three 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 fund 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, stipulations that they be maintained intact in perpetuity by the Agency. As of December 31, 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 12.
- 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, 2018, the Agency determined that an allowance of approximately \$685,000 was necessary for its accounts receivable.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- G. **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.
- H. **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 Service (“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.

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. 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.

- I. **Deferred Rent:** The Agency leases real property under operating leases expiring on May 31, 2022 and May 31, 2027 for its offices located at 2191 Third Avenue, New York and 2406-12 Amsterdam, New York, respectively. For the year ended December 31, 2018, the Agency recorded an adjustment to rent expense to reflect its straight-lining policy that amounted to \$104,506. Straight-lining of rent gives rise to a timing difference that is reflected as deferred rent in the accompanying consolidated statement of financial position.
- J. **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.
- K. **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.
- L. **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.

- M. **Use of Estimates:** The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America 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.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. **Recent Accounting Pronouncements:** Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) 2016-14, “Not-for-Profit Entities” was adopted for the year ended December 31, 2018. ASU 2016-14 provides for a number of changes, including the presentation of two classes of net assets and enhanced disclosure on liquid resources and expense allocation. These changes had no impact on the change in net assets for the year ended 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 statement 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	\$ 1,161,530
Accounts receivable	3,898,124
Investments	<u>1,925,602</u>
	<u>\$ 6,985,256</u>

The Agency also has a line of credit available to meet short-term needs. See Note 13C for information about this line of credit.

NOTE 4 – INVESTMENTS

Investments consist of the following as of December 31, 2018:

Fixed income:	
US Government securities	\$ 82,849
Corporate bonds	1,062,051
Mutual funds	751,287
Equity securities – mutual funds	<u>29,415</u>
	<u>\$ 1,925,602</u>

Investment activity consists of the following for the year ended December 31, 2018:

Interest and dividends	\$ 96,433
Realized and unrealized loss on investments	(120,161)
Investment fees	<u>(9,559)</u>
	<u>\$ (33,287)</u>

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

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

NOTE 5 – ACCOUNTS RECEIVABLE

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

NYS DOH–Medicaid/Managed Care Organizations	\$ 3,082,713
NYC Administration for Children’s Services	902,320
NYS OASAS	179,174
Patient-Centered Outcomes Research Initiative	169,494
Jewish Board of Family and Children Services	161,257
Other receivables	<u>88,255</u>
Sub-total	4,583,213
Less – Allowance for doubtful accounts	<u>(685,089)</u>
	<u>\$ 3,898,124</u>

NOTE 6 – PROPERTY AND EQUIPMENT

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

		<u>Estimated Useful Lives</u>
Land	\$ 427,590	
Buildings and improvements	15,623,318	25 Years
Furniture and equipment	7,984,177	3-10 Years
Vehicles	239,991	5 Years
Construction in progress	<u>706,431</u>	
	24,981,507	
Less: Accumulated depreciation	<u>15,656,979</u>	
	<u>\$ 9,324,528</u>	

Depreciation expense amounted to \$738,873 for the year ended December 31, 2018.

As of December 31, 2018, the fair market value of the Agency’s properties amounted to approximately \$40 million based on a comparable sales analysis performed by a licensed broker.

As of December 31, 2018, construction in progress relates to renovation projects at the Third Horizon building and Highbridge clinic. The projects at Third Horizon building and Highbridge clinic are expected to be completed in April 2019 and May 2019, respectively, with expected future costs of approximately \$811,000 and \$2,519,000, respectively.

NOTE 7 – 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.

START TREATMENT AND RECOVERY CENTERS, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 7 – RELATED PARTY TRANSACTIONS (Continued)

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 \$25,558,871 and investment in JV of \$26,450,000 in the accompanying consolidated financial statements. As of December 31 2018, the outstanding amount due from JV amounted to \$461,367.

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 this 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 8 – 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, 2018, the total advances received amounted to \$5,588,356. The rehabilitation project was completed in December 2015.

NOTE 9 – MORTGAGE PAYABLE

Mortgage payable to the DASNY for the Agency’s Chemical Dependence Treatment Program facility located at 119-121 West 124th 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 15th 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. The outstanding balance as of December 31, 2018 was \$1,978,684.

For the year ended December 31, 2018, interest expense amounted to \$133,440.

Future annual principal repayments are as follows for the years ended after December 31, 2018:

2019	\$ 261,644
2020	272,677
2021	285,287
2022	299,472
2023	315,234
Thereafter	<u>544,370</u>
	<u>\$ 1,978,684</u>

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

NOTE 10 – 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 11 – 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. The Plan is funded through Agency’s annual contributions equal to 7.5 percent of eligible employees’ current salaries. Pension expense for the year ended December 31, 2018 amounted to \$1,034,956.

NOTE 12 – 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 lowest priority to Level 3 inputs.

In determining fair value, the Agency utilizes valuation techniques that maximize the use of observable inputs and minimizes 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 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, 2018 are classified in the table as follows:

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

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.

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

NOTE 12 – FAIR VALUE MEASUREMENTS (Continued)

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 year ended December 31, 2018, there were no transfers in or out of levels 1, 2 or 3.

NOTE 13 – 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 is obligated, pursuant to several non-cancelable operating lease agreements, to approximate minimum future annual rentals for each of the years ended after December 31, 2018 as indicated below:

2019	\$	653,123
2020		673,901
2021		696,890
2022		537,209
2023		424,642
Thereafter		1,547,618
		\$ 4,533,383

Rent expense for the year ended December 31, 2018 which is recorded on a straight-line basis, amounted to \$1,019,589.

- 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, 2018. The line expires on December 12, 2019 and is collateralized by the Agency's business assets, and carries interest at one percentage point above the Wall Street Prime Rate (amounting to an interest rate of 6.50% as of December 31, 2018. As of April 5, 2019, no amounts were 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.
- E. The Agency believes it does not have any uncertain tax positions as of December 31, 2018 in accordance with Accounting Standards Codification ("ASC") Topic 740 ("Income Taxes"), which provides standards for establishing and classifying any tax provisions for uncertain tax positions.

NOTE 14 – 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 \$6,119,000 as of December 31, 2018.

NOTE 15 – 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	\$ 20,823,424	\$ 13,007,348	\$ (7,816,076)

NOTE 16 – SUBSEQUENT EVENTS

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the consolidated statement of financial position through April 5, 2019, the date the consolidated financial statements were available to be issued.

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

	START Treatment and Recovery Centers	Affiliated Services and Resources Corporation	Eliminations	Total
ASSETS				
Cash and cash equivalents	\$ 6,066,379	\$ 95,151	\$ -	\$ 6,161,530
Investments	1,925,602	-	-	1,925,602
Accounts receivable, net	3,898,124	-	-	3,898,124
Prepaid expenses and other assets	182,040	-	-	182,040
Total current assets	12,072,145	95,151	-	12,167,296
Investment in joint venture	26,450,000	-	-	26,450,000
Due from related parties	461,367	-	-	461,367
Security deposits	183,711	20,040	(20,040)	183,711
Property and equipment, net	9,147,052	177,476	-	9,324,528
TOTAL ASSETS	\$ 48,314,275	\$ 292,667	\$ (20,040)	\$ 48,586,902
LIABILITIES				
Accounts payable and accrued expenses	\$ 770,989	\$ 36,498	\$ -	\$ 807,487
Accrued salaries, vacation and benefits	1,387,479	-	-	1,387,479
Mortgage payable, current	261,644	-	-	261,644
Due to funding sources	821,449	-	-	821,449
Total current liabilities	3,241,561	36,498	-	3,278,059
Due to related parties	20,040	-	(20,040)	-
Capital advance	5,588,356	-	-	5,588,356
Mortgage payable, noncurrent	1,717,040	-	-	1,717,040
Deferred rent	104,506	-	-	104,506
TOTAL LIABILITIES	10,671,503	36,498	(20,040)	10,687,961
NET ASSETS WITHOUT DONOR RESTRICTIONS				
Operations	30,801,116	78,693	-	30,879,809
Invested in property and equipment	1,841,656	177,476	-	2,019,132
Board designated - Third Horizon building development fund	5,000,000	-	-	5,000,000
TOTAL NET ASSETS WITHOUT DONOR RESTRICTIONS	37,642,772	256,169	-	37,898,941
TOTAL LIABILITIES AND NET ASSETS	\$ 48,314,275	\$ 292,667	\$ (20,040)	\$ 48,586,902

See independent auditors' report.

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

	START Treatment and Recovery Centers	Affiliated Services and Resources Corporation	Eliminations	Total
OPERATING ACTIVITIES:				
REVENUE AND SUPPORT				
Revenue				
Government contracts and grants	\$ 2,535,884	\$ -	\$ -	\$ 2,535,884
Medicaid	25,033,810	-	-	25,033,810
Patient fees	144,287	-	-	144,287
Contributions	95,286	-	-	95,286
Special events, net of direct expenses \$98,649	18,019	-	-	18,019
Investment activity	(33,287)	-	-	(33,287)
Rental income	-	30,000	-	30,000
Other income	258,280	3	-	258,283
TOTAL REVENUE AND SUPPORT	<u>28,052,279</u>	<u>30,003</u>	<u>-</u>	<u>28,082,282</u>
OPERATING EXPENSES				
Program services:				
Clinic operations	22,914,051	-	-	22,914,051
Research activities	200,582	-	-	200,582
Other programs	1,699,214	13,376	-	1,712,590
Total program services	<u>24,813,847</u>	<u>13,376</u>	<u>-</u>	<u>24,827,223</u>
Support services:				
Management and administration	3,726,254	1,500	-	3,727,754
Fundraising	192,583	-	-	192,583
Total support services	<u>3,918,837</u>	<u>1,500</u>	<u>-</u>	<u>3,920,337</u>
TOTAL EXPENSES	<u>28,732,684</u>	<u>14,876</u>	<u>-</u>	<u>28,747,560</u>
CHANGE IN NET ASSETS FROM OPERATIONS	<u>(680,405)</u>	<u>15,127</u>	<u>-</u>	<u>(665,278)</u>
NONOPERATING ACTIVITIES:				
Gain on disposition of property	25,556,871	-	-	25,556,871
TOTAL NONOPERATING ACTIVITIES	<u>25,556,871</u>	<u>-</u>	<u>-</u>	<u>25,556,871</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>24,876,466</u>	<u>15,127</u>	<u>-</u>	<u>24,891,593</u>
Net assets - beginning of year, before prior period adjustments	20,582,382	241,042	-	20,823,424
Prior period adjustments	(7,816,076)	-	-	(7,816,076)
Net assets - beginning of year, as restated	<u>12,766,306</u>	<u>241,042</u>	<u>-</u>	<u>13,007,348</u>
NET ASSETS - END OF YEAR	<u>\$ 37,642,772</u>	<u>\$ 256,169</u>	<u>\$ -</u>	<u>\$ 37,898,941</u>

See independent auditors' report.