THE VISCARDI CENTER, INC.;
ITS SUBSIDIARY, ABILITIES, INC.;
AND HENRY VISCARDI SCHOOL

Combined Financial Statements and Schedules

June 30, 2017 and 2016

(With Independent Auditors' Report Thereon)

KPMG LLP
Suite 200
1305 Walt Whitman Road
Melville, NY 11747-4302

Independent Auditors' Report

The Board of Directors/Trustees
The Viscardi Center, Inc.;
its subsidiary, Abilities, Inc.;
and Henry Viscardi School:

Report on the Financial Statements

We have audited the accompanying combined financial statements of The Viscardi Center, Inc.; its subsidiary, Abilities, Inc.; and Henry Viscardi School (collectively, the Organization), which comprises the combined statements of financial position as of June 30, 2017 and 2016, and the related combined statements of activities and cash flows for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined 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 combined financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined 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 combined 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 combined financial statements.

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

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of The Viscardi Center, Inc.; its subsidiary, Abilities, Inc.; and Henry Viscardi School as of June 30, 2017 and 2016, and changes in their net assets and their cash flows for the years then ended, in accordance with U.S. generally accepted accounting principles.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the combined financial statements taken as a whole. The supplementary information included in accompanying Schedules 1 and 2 is presented for purposes of additional analysis and is not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements taken as a whole.

KPMG LLP

November 13, 2017

THE VISCARDI CENTER, INC.;
ITS SUBSIDIARY, ABILITIES, INC.;
AND HENRY VISCARDI SCHOOL

Combined Statements of Financial Position

June 30, 2017 and 2016

Assets		**2017**	**2016**
Assets:			
Cash and cash equivalents	$	1,566,482	1,777,053
Receivables (less allowances of $12,438 in 2017 and $65,275 in 2016):			
Government agencies		3,967,708	4,714,135
Contributions and pledges (note 4)		989,792	459,654
Other		63,550	103,759
Prepaid expenses and other assets		574,562	551,964
Investments (note 3)		26,815,341	25,046,680
Beneficial interest in split-interest agreements		2,026,750	2,129,434
Property, plant, and equipment, net (note 5)		4,193,196	3,965,993
Total assets	$	40,197,381	38,748,672
Liabilities and Net Assets			
Liabilities:			
Accounts payable, accrued expenses, and other liabilities	$	1,190,998	1,210,223
Accrued payroll and employee benefits		717,566	691,660
Line of credit (note 6)		2,400,000	4,075,000
Deferred revenue		569,703	493,377
Asset retirement obligation (note 12)		176,360	210,358
Accrued postretirement benefits (note 8)		15,840,060	16,053,204
Total liabilities		20,894,687	22,733,822
Net assets:			
Unrestricted:			
Accrued postretirement benefits (note 8)		(15,840,060)	(16,053,204)
Net investment in property, plant, and equipment		4,193,196	3,965,993
Other (note 7)		14,835,888	13,914,267
Total unrestricted		3,189,024	1,827,056
Temporarily restricted (note 7)		7,787,344	5,866,968
Permanently restricted (note 7)		8,326,326	8,320,826
Total net assets		19,302,694	16,014,850
Total liabilities and net assets	$	40,197,381	38,748,672

See accompanying notes to combined financial statements.

THE VISCARDI CENTER, INC.;
ITS SUBSIDIARY, ABILITIES, INC.;
AND HENRY VISCARDI SCHOOL

Combined Statement of Activities

Year ended June 30, 2017

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Operating activities:				
Revenue, gains, and other support:				
New York State grants (note 10)	$ 14,689,616	—	—	14,689,616
Federal grants (note 10)	2,477,801	—	—	2,477,801
New York State fees for programs for the disabled	2,156,291	—	—	2,156,291
Other fees for programs for the disabled	3,412,208	—	—	3,412,208
Contributions and pledges	2,461,439	1,932,764	5,500	4,399,703
Change in value of split-interest agreements	—	(102,684)	—	(102,684)
Investment income utilized in operations (notes 3 and 7)	529,636	417,415	—	947,051
Miscellaneous (note 5)	372,142	—	—	372,142
Net assets released from restriction for programs and related expenses (note 7)	810,865	(810,865)	—	—
Total revenue, gains, and other support	26,909,998	1,436,630	5,500	28,352,128
Program expenses (note 9):				
Henry Viscardi School – education and related	15,623,483	—	—	15,623,483
Vocational programs	2,310,900	—	—	2,310,900
Transition services	2,511,007	—	—	2,511,007
Community integration programs	1,162,531	—	—	1,162,531
Employer Assistance and Resource Network on Disability Inclusion	1,903,001	—	—	1,903,001
National Business & Disability Council	288,799	—	—	288,799
Innovation and expansion	646,986	—	—	646,986
Total program expenses	24,446,707	—	—	24,446,707
Supporting services expenses:				
Management and general	1,893,750	—	—	1,893,750
Fund-raising and external relations	1,351,450	—	—	1,351,450
Total supporting services expenses	3,245,200	—	—	3,245,200
Total expenses	27,691,907	—	—	27,691,907
Change in net assets, before other changes	(781,909)	1,436,630	5,500	660,221
Other changes:				
Postretirement-related changes other than net periodic benefit cost (note 8)	844,823	—	—	844,823
Investment income, in excess of amounts utilized in operations (note 3)	1,002,867	735,952	—	1,738,819
Net assets released from restriction for capital (note 7)	252,206	(252,206)	—	—
Other changes (note 12)	43,981	—	—	43,981
Total other changes	2,143,877	483,746	—	2,627,623
Change in net assets	1,361,968	1,920,376	5,500	3,287,844
Net assets at beginning of year	1,827,056	5,866,968	8,320,826	16,014,850
Net assets at end of year	$ 3,189,024	7,787,344	8,326,326	19,302,694

See accompanying notes to combined financial statements.

THE VISCARDI CENTER, INC.;
ITS SUBSIDIARY, ABILITIES, INC.;
AND HENRY VISCARDI SCHOOL

Combined Statement of Activities

Year ended June 30, 2016

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Operating activities:				
Revenue, gains, and other support:				
New York State grants (note 10)	$ 14,354,618	—	—	14,354,618
Federal grants (note 10)	2,247,264	—	—	2,247,264
New York State fees for programs for the disabled	2,091,760	—	—	2,091,760
Other fees for programs for the disabled	2,960,623	—	—	2,960,623
Contributions and pledges	2,842,997	765,304	3,550	3,611,851
Change in value of split-interest agreements	—	(73,042)	—	(73,042)
Investment income utilized in operations (notes 3 and 7)	686,651	326,781	—	1,013,432
Miscellaneous (note 5)	368,174	—	—	368,174
Net assets released from restriction for programs and related expenses (note 7)	832,708	(832,708)	—	—
Total revenue, gains, and other support	26,384,795	186,335	3,550	26,574,680
Program expenses (note 9):				
Henry Viscardi School – education and related	15,365,955	—	—	15,365,955
Vocational programs	2,642,152	—	—	2,642,152
Transition services	2,027,508	—	—	2,027,508
Community integration programs	965,468	—	—	965,468
Employer Assistance and Resource Network on Disability Inclusion	1,708,967	—	—	1,708,967
National Business & Disability Council	348,251	—	—	348,251
Innovation and expansion	654,045	—	—	654,045
Total program expenses	23,712,346	—	—	23,712,346
Supporting services expenses:				
Management and general	1,824,701	—	—	1,824,701
Fund-raising and external relations	1,361,937	—	—	1,361,937
Total supporting services expenses	3,186,638	—	—	3,186,638
Total expenses	26,898,984	—	—	26,898,984
Change in net assets, before other changes	(514,189)	186,335	3,550	(324,304)
Other changes:				
Postretirement-related changes other than net periodic benefit cost (note 8)	(1,811,705)	—	—	(1,811,705)
Investment loss, less than amounts utilized in operations (note 3)	(1,320,969)	(689,118)	—	(2,010,087)
Net assets released from restriction for capital (note 7)	114,677	(114,677)	—	—
Other changes	490,040	—	—	490,040
Total other changes	(2,527,957)	(803,795)	—	(3,331,752)
Change in net assets	(3,042,146)	(617,460)	3,550	(3,656,056)
Net assets at beginning of year	4,869,202	6,484,428	8,317,276	19,670,906
Net assets at end of year	$ 1,827,056	5,866,968	8,320,826	16,014,850

See accompanying notes to combined financial statements.

THE VISCARDI CENTER, INC.;
ITS SUBSIDIARY, ABILITIES, INC.;
AND HENRY VISCARDI SCHOOL

Combined Statements of Cash Flows

Years ended June 30, 2017 and 2016

		2017	2016
Cash flows from operating activities:			
Change in net assets	$	3,287,844	(3,656,056)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:			
Postretirement-related changes other than net periodic benefit cost		(844,823)	1,811,705
Change in value of split-interest agreements		102,684	73,042
Depreciation expense		800,368	752,098
Bad debt expense		50,017	96,153
Net realized and unrealized (gains) losses on investments		(2,214,527)	1,433,410
Contributions restricted for capital and endowment		(179,401)	(38,250)
Changes in assets and liabilities:			
Receivables		206,481	545,359
Prepaid expenses and other assets		(22,598)	(240,776)
Accounts payable, accrued expenses, and other liabilities		(19,225)	(380,135)
Accrued payroll and employee benefits		657,585	247,800
Deferred revenue		76,326	(1,574,724)
Asset retirement obligation		(33,998)	11,907
Net cash provided by (used in) operating activities		1,866,733	(918,467)
Cash flows from investing activities:			
Purchases of investment securities		(78,278,682)	(20,155,445)
Proceeds from redemption and sales of investment securities		78,724,548	19,829,128
Acquisition of property and equipment		(1,027,571)	(1,023,034)
Net cash used in investing activities		(581,705)	(1,349,351)
Cash flows from financing activities:			
Contributions restricted for capital and endowment		179,401	38,250
Proceeds from line of credit		3,150,000	2,800,000
Principal payments on line of credit		(4,825,000)	(3,675,000)
Net cash used in financing activities		(1,495,599)	(836,750)
Change in cash and cash equivalents		(210,571)	(3,104,568)
Cash and cash equivalents at beginning of year		1,777,053	4,881,621
Cash and cash equivalents at end of year	$	1,566,482	1,777,053
Supplemental disclosure:			
Interest paid	$	110,840	120,386

See accompanying notes to combined financial statements.

(1) Organization

The Viscardi Center, Inc. (the Center); its subsidiary, Abilities, Inc. (Abilities); and Henry Viscardi School (the School) (collectively, the Organization) are dedicated to empowering people with disabilities to be active, independent, and self-sufficient participants in our society.

The School provides tuition-free education for approximately 160 children with disabilities through its elementary and secondary educational programs.

The Center conducts much of its work through Abilities, which provides vocational programs, transition services, and community integration programs.

- Vocational programs include evaluation, training, counseling, and job placement services for over 1,500 adults with disabilities.
- Transition services help facilitate the transition from school to work through career exploration, counseling, and work experience that give students an understanding of the relevancy of education as it relates to the world of work.
- Community integration programs include day habilitation services, driver education, assistive technology services, and benefits counseling for people with disabilities, as well as their families.

The Employer Assistance and Resource Network on Disability Inclusion (EARN) is a federally funded program that provides technical support to help employers recruit, hire, retain, and promote workers with disabilities. This program was previously known as The National Employer Policy, Research, and Technical Assistance Center.

The National Business & Disability Council (NBDC), along with other companies, conducts training seminars, programs, conferences, and technical assistance to its members to facilitate the employment of persons with disabilities.

Innovation and expansion programs promote the development of innovative ways to better serve and empower individuals with disabilities through the funding of new technologies and programs.

The Organization receives a majority of its revenue from state, federal, and private sources. Revenue from New York State for state-funded programs represents approximately 59% and 62% of the Organization’s operating revenue for the years ended June 30, 2017 and 2016, respectively.

(Continued)

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The accompanying combined financial statements have been prepared on the accrual basis of accounting, which combine the accounts of the Center, including its wholly owned subsidiary, Abilities, and the School, which operate under common management but separate, independent boards. All intercompany accounts and transactions have been eliminated in consolidation and combination.

(b) Use of Estimates

The preparation of financial statements in conformity with U.S. Generally Accepted Accounting Principles (U.S. GAAP) requires management of the Organization to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. These estimates and assumptions are based on management's best estimates and judgment. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment. The current economic environment has increased the degree of uncertainty inherent in those estimates and assumptions. Management adjusts such estimates when facts and circumstances dictate. Significant items subject to such estimates and assumptions include the useful lives and valuation of property, plant, and equipment; allowances for doubtful receivables; valuation of investments; and reserves for employee benefit obligations, uncertainties, and other contingencies. As future events and their effects cannot be determined with precision, actual results could differ from those estimates.

(c) Cash and Cash Equivalents

The Organization considers all short-term investments with a maturity at date of purchase of three months or less to be cash equivalents, except for those short-term investments purchased by the Organization's investment managers as a part of their investment strategy.

(d) Investments and Investment Income

Investments in marketable securities with readily determinable market values are carried at fair value based on quoted market prices or, with respect to alternative investments, at estimated values provided by external investment managers. The Organization follows Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2009-12, *Fair Value Measurements and Disclosures – Investments in Certain Entities That Calculate Net Asset Value per Share (or its Equivalent)*, with respect to certain investments in funds that do not have readily determinable fair values. This guidance allows, as a practical expedient, for the estimation of the fair value of investments in investment companies for which the investment does not have a readily determinable fair value using net asset value per share or its equivalent.

These estimated values, as well as the underlying valuation methodologies and assumptions, are reviewed and evaluated by the Organization. Due to the inherent uncertainties of these estimates, these values may differ significantly from the values that would have been used had a ready market existed for such investments. Donated marketable securities are recorded at fair value at the date of the gift.

Investment income or loss is included in the increase or decrease in unrestricted net assets unless the income or loss is restricted by the donor or law. The Organization uses the specific-identification method to determine the cost of securities sold. Income derived from investments is classified based upon the absence or presence of donor-imposed restrictions.

(e) Split-Interest Agreements

The Organization’s split-interest agreements with donors consist primarily of the Organization’s interest in irrevocable charitable remainder trusts. Contributions are recognized at the date the trusts are established. The change in the value of the Organization’s interest is reflected as a change in value of split-interest agreements in the accompanying combined statements of activities. The fair value of split-interest agreements is primarily determined using certain observable inputs (i.e., the fair value of the underlying marketable securities of the trust) and are considered Level 2 in the fair value hierarchy.

(f) Property and Equipment

Property and equipment are recorded at cost when acquired and at estimated fair value when donated. Depreciation is provided over the estimated useful lives of the assets on the straight-line method. Estimated useful lives are as follows:

Building, land, and building improvements	5 to 40 years
Furniture, fixtures, and equipment	3 to 30 years
Vehicles and computer software	3 to 5 years

Building and land improvements are depreciated over the lesser of the estimated useful life of the improvement or the remaining useful life of the building. Equipment under capital lease obligations is amortized on the straight-line method over the shorter of the lease term or the estimated useful life of the asset.

(g) Temporarily and Permanently Restricted Net Assets

The Organization reports gifts of cash and other assets as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets to a specific purpose. If assets are donated with the stipulation that they must be retained indefinitely with only income from the assets to be used, the assets are reported as permanently restricted. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the temporarily restricted net assets are reclassified to unrestricted net assets and reported in the combined statements of activities as released from restriction.

(h) Contributions and Pledges

Unconditional contributions and pledges are recognized as revenue in the period received. Such amounts are recorded at fair value on the date of the gift, inclusive of an allowance for uncollectible pledges receivable.

(Continued)

Gifts of long-lived assets such as land, buildings, or equipment are reported as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as temporarily restricted support. Absent explicit donor stipulations, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service. Donated long-lived assets, securities, and other assets are recorded as contributions at their fair value at the date of the gift.

(i) Revenue

Revenue for program services, primarily New York State and Federal grants, is recorded at amounts appropriated or rates established by governmental payors and are recognized as services are performed. Certain appropriations and rates are subject to audit and adjustment by governmental payors based upon regulations of the various funding entities.

Rate and appropriation adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as adjustments become known or as years are no longer subject to such audits. For the years ended June 30, 2017 and 2016, there were no adjustments related to grant appropriations for prior years.

At June 30, 2017, deferred revenue primarily represents a New York State Education Department payment for the 2017–2018 school year received prior to June 30 and New York State Medicaid payments received prior to June 30 for related services that will be used in fiscal years subsequent to 2017 for the educational program. At June 30, 2016, deferred revenue primarily represents New York State Medicaid payments received prior to June 30 for related services that will be used in subsequent fiscal years for the educational program. Deferred revenue is also recorded by the Organization for grant payments received in the current fiscal year relating to grants awarded for the next fiscal year.

(j) Income Taxes

The Organization has been recognized by the Internal Revenue Service as a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code (IRC) and is exempt from federal income taxes pursuant to Section 501(a) of the IRC. Accordingly, it is not subject to income taxes except to the extent it has taxable income from activities that are not related to its exempt purpose. The Organization recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. No provision for income taxes was required for 2017 or 2016 as there were no activities that were not related to its exempt purpose.

(k) Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

(3) Investments and Fair Value Measurements

Investment income (loss), net for 2017 and 2016 comprised the following:

		2017	2016
Interest and dividend income	$	634,041	682,985
Net realized and unrealized gains (losses) on investments		2,214,527	(1,433,410)
Investment advisory fees		(162,698)	(246,230)
	$	2,685,870	(996,655)

Investment income (loss), net for 2017 and 2016 is reported in the combined statements of activities as follows:

		2017	2016
Unrestricted:			
Investment income utilized in operations	$	529,636	686,651
Investment income (loss), in excess of (less than) amount utilized in operations		1,002,867	(1,320,969)
Total		1,532,503	(634,318)
Temporarily restricted:			
Investment income utilized in operations		417,415	326,781
Investment income (loss), in excess of (less than) amount utilized in operations		735,952	(689,118)
Total		1,153,367	(362,337)
Total investment income (loss), net	$	2,685,870	(996,655)

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. FASB Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurement*, establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices in active markets for identical assets or liabilities

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest-level input that is significant to the fair value in its entirety.

The Organization’s assets at June 30, 2017 and 2016, which are reported at fair value, are summarized in the following tables by their fair value hierarchy:

	2017		
	Level 1	**Investments measured at net asset value**	**Total**
Investments:			
Cash and cash equivalents	$ 3,968,100	—	3,968,100
Domestic fixed income	1,728,930	—	1,728,930
Domestic equities	13,074,782	—	13,074,782
International equities	5,785,558	—	5,785,558
Global asset allocation funds	1,212,450	—	1,212,450
Redemption receivable	1,045,521	—	1,045,521
Total investments	$ 26,815,341	—	26,815,341

	2016		
	Level 1	**Investments measured at net asset value**	**Total**
Investments:			
Cash and cash equivalents	$ 254,049	—	254,049
Domestic fixed income	3,711,934	—	3,711,934
Domestic equities	7,106,734	1,064,590	8,171,324
International fixed income	2,753,989	—	2,753,989
International equities	4,070,480	—	4,070,480
Global asset allocation funds	6,084,904	—	6,084,904
Total investments	$ 23,982,090	1,064,590	25,046,680

At June 30, 2016, the Organization’s investments measured at net asset value contain redemption restrictions with required written notice ranging from 30 to 95 days.

(4) Contributions and Pledges Receivable

(a) Contributions receivable consisted of the following at June 30, 2017 and 2016:

		2017	2016
Total contributions receivable	$	1,213,020	525,218
Less:			
Allowance for uncollectible receivables		(12,000)	(65,275)
Discounted at rates ranging from 1.8% to 2.4%		(211,228)	(289)
	$	989,792	459,654

Contributions receivable as of June 30, 2017 and 2016 are expected to be collected as follows:

		2017	2016
Less than one year	$	213,020	520,218
More than five years		1,000,000	5,000
	$	1,213,020	525,218

(b) The Center received donated services and in-kind gifts from various professional individuals. The amount of these services recorded as contribution revenue and expense in the accompanying combined statements of activities is $70,874 and $47,994 in fiscal years 2017 and 2016, respectively.

(5) Property and Equipment

The components of property and equipment and accumulated depreciation as of June 30, 2017 and 2016 consisted of the following:

		2017	2016
Land and improvements	$	2,519,918	2,418,462
Buildings and improvements		25,422,590	25,208,313
Furniture, fixtures, computer, and other equipment		7,879,763	7,348,063
Vehicles		437,400	376,959
Purchased computer software		928,600	808,903
		37,188,271	36,160,700
Less accumulated depreciation		32,995,075	32,194,707
Property and equipment, net	$	4,193,196	3,965,993

(Continued)

Depreciation expense amounted to $800,368 and $752,098 in fiscal years 2017 and 2016, respectively.

In April 1997, the Center executed an agreement, which expired in September 2017, to lease 9,040 square feet of its facility to St. Charles Hospital. The Center is in ongoing negotiations with St. Charles Hospital to renew the lease. The rental payments under this lease agreement were $286,022 and $281,795 for the years ended June 30, 2017 and 2016, respectively. Such payments are recorded as miscellaneous revenue in the accompanying combined statements of activities. Future annual rental payments receivable under the current lease are $71,122 for fiscal year 2018.

(6) Line of Credit

The Center has an approved working capital line of credit of $8 million with a financial institution. As of June 30, 2017 and 2016, there was $2,400,000 and $4,075,000, respectively, outstanding under this line. The line expires on January 31, 2019 and bears interest at the London Interbank Offered Rate (LIBOR) Daily Floating Rate plus 1.75%. The line is secured by the Organization's investments with the financial institution.

(7) Temporarily Restricted and Permanently Restricted Net Assets

(a) Released from Restrictions

The following purpose and time restrictions on temporarily restricted net assets were satisfied during 2017 and 2016:

	2017		
	Programs and related expenses	**Capital**	**Total**
After-school programs	$ 11,871	27,177	39,048
Appropriated spending from general purpose endowment	342,007	—	342,007
Building security system	—	79,893	79,893
Fine arts program	92,360	15,473	107,833
Inclusive technology program	27,210	87,067	114,277
Kornreich Technology Center	11,934	10,004	21,938
National Business & Disability Council	100,041	—	100,041
Skills development area	48,164	—	48,164
Transition services	18,290	—	18,290
All other purposes	158,988	32,592	191,580
	$ 810,865	252,206	1,063,071

	2016		
	Programs and related expenses	**Capital**	**Total**
Abilities, Inc. computer upgrade	$ 5,505	66,361	71,866
After-school programs	139,296	2,983	142,279
Appropriated spending from general purpose endowment	262,874	—	262,874
Fine arts program	73,265	5,407	78,672
Inclusive technology program	26,695	22,875	49,570
Kornreich Technology Center	9,532	2,645	12,177
National Business & Disability Council	91,427	—	91,427
Skills development area	60,138	2,823	62,961
Transition services	27,896	—	27,896
All other purposes	136,080	11,583	147,663
	$ 832,708	114,677	947,385

(b) Composition

Temporarily restricted net assets at June 30, 2017 and 2016 are available for the following purposes:

	2017	**2016**
Abilities, Inc. computer upgrade	$ —	6,679
After-school programs	354,541	181,284
Beneficial interest in remainder trusts	2,026,750	2,129,434
Day Habilitation program	30,000	—
Fine arts program	344,026	84,587
General purpose endowment income	2,987,229	2,432,303
HorseAbility therapeutic riding program	25,000	25,000
Inclusive technology program	136,308	110,537
Kornreich Technology Center	414,871	397,841
National Business & Disability Council	151,035	151,077
New Jersey laboratory project	34,341	34,341
Skills development area	1,350	24,945
Transition services	21,760	—
Time restricted pledges	788,861	—
Veterans training program	100,000	—
All other purposes	371,272	288,940
	$ 7,787,344	5,866,968

(Continued)

Permanently restricted net assets at June 30, 2017 and 2016 are restricted to investment in perpetuity, with the accumulated investment income available to support the following purposes:

		2017	2016
General – Center	$	4,091,103	4,091,103
General education – School		1,577,197	1,577,197
Kornreich Technology Center		1,117,136	1,111,636
To be designated by donor – School		400,000	400,000
Multimedia technology – School		300,000	300,000
Information services – Center		200,000	200,000
Information services – School		100,000	100,000
Fine arts programs – School		120,000	120,000
School art program – School		100,000	100,000
Career and Employment Institute		50,000	50,000
All other purposes		270,890	270,890
	$	8,326,326	8,320,826

(c) Endowment Funds

The Organization’s endowments consist of 24 individual funds established for a variety of purposes, including both donor-restricted endowment funds and funds designated by the Organization to function as endowments (quasi-endowment). As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the board of trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization is subject to the provisions of New York Prudent Management of Institutional Funds Act (NYPMIFA) and has interpreted NYPMIFA as allowing it to appropriate for expenditure or accumulate so much of the donor-restricted endowment fund as is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established, subject to intent of the donor as expressed in the gift instrument absent explicit donor stipulations to the contrary. Accounting guidance associated with the enactment of NYPMIFA as set forth in ASC Topic 958, Section 205-45, *Classification of Donor-Restricted Endowment Funds Subject to UPMIFA*, requires the portion of a donor-restricted endowment fund that is not classified as permanently restricted to be classified as temporarily restricted net assets until appropriated for expenditure in a manner consistent with the standard of prudence prescribed by NYPMIFA.

The following table presents the net asset classes of the Organization's endowment funds at June 30, 2017:

		Unrestricted	Temporarily restricted	Permanently restricted	Total
Donor restricted	$	—	3,610,039	8,326,326	11,936,365
Quasi (board-designated)		14,296,715	—	—	14,296,715
	$	14,296,715	3,610,039	8,326,326	26,233,080

Changes in endowment net assets for the fiscal year ended June 30, 2017 were as follows:

		Unrestricted	Temporarily restricted	Permanently restricted	Total
Net assets at June 30, 2016	$	13,293,563	2,930,057	8,320,826	24,544,446
Investment income, net		1,532,503	1,153,367	—	2,685,870
Additions		285	—	5,500	5,785
Appropriation of endowment assets for expenditure		(529,636)	(390,677)	—	(920,313)
Unspent appropriated amount		—	4,310	—	4,310
Expenditure of prior year unspent appropriated amount		—	(31,048)	—	(31,048)
Other distributions		—	(55,970)	—	(55,970)
Net assets at June 30, 2017	$	14,296,715	3,610,039	8,326,326	26,233,080

The following table presents the net asset classes of the Organization's endowment funds at June 30, 2016:

		Unrestricted	Temporarily restricted	Permanently restricted	Total
Donor restricted	$	(18,674)	2,930,057	8,320,826	11,232,209
Quasi (board designated)		13,312,237	—	—	13,312,237
	$	13,293,563	2,930,057	8,320,826	24,544,446

Changes in endowment net assets for the fiscal year ended June 30, 2016 were as follows:

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Net assets at June 30, 2015	$ 13,613,794	3,614,804	8,317,276	25,545,874
Investment income, net	(634,318)	(362,337)	—	(996,655)
Additions	1,000,738	—	3,550	1,004,288
Appropriation of endowment assets for expenditure	(686,651)	(326,781)	—	(1,013,432)
Unspent appropriated amount	—	55,606	—	55,606
Other distributions	—	(51,235)	—	(51,235)
Net assets at June 30, 2016	$ 13,293,563	2,930,057	8,320,826	24,544,446

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or NYPMIFA requires the Organization to retain as a fund for perpetual duration. There were deficiencies as of June 30, 2016 of $18,674. There were no deficiencies as of June 30, 2017.

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to protect the original value of the gift. Under this policy, as approved by the board of directors, the Organization expects its endowment funds, over time, to provide an average rate of return of approximately 7% annually. Actual returns in any given year may vary from this amount. The Organization has a policy of appropriating 4% of the net investment value, after deducting for 2% inflation and 1% in fees, on the endowment funds for spending unless otherwise explicitly stipulated by the donor. However, as a matter of practice the Organization does not appropriate spending from donor-restricted endowments when the value of the total endowment falls below certain agreed-upon levels.

(8) Retirement Benefits

(a) Employees of the Organization who meet certain age and service requirements are covered under a defined-contribution retirement plan with the Teachers Insurance and Annuity Association and College Retirement Equities Fund, which provides for the purchase of annuities for plan participants. Under the provisions of the Collective Bargaining Agreement (the Agreement) with the Henry Viscardi School Faculty Association, the School’s employees hired after February 7, 2001 participate in the New York State’s Employee Retirement Systems Pension Plan. Retirement expense under these plans amounted to approximately $963,035 and $988,913 in fiscal years 2017 and 2016, respectively.

In fiscal year 2012, the Center implemented a deferred compensation plan under Section 457(b) of the Internal Revenue Code in which the Center contributes 4% of the base salary of certain eligible employees and up to 3% of the base salary that other designated eligible employees contribute to the plan on a pretax basis. For the years ended June 30, 2017 and 2016, the Center contributed $21,448 and $23,483, respectively, to the plan.

(b) Under the provisions of the Agreement, all union employees of the School are entitled to receive payment of certain of their unused sick/personal days upon retirement. In addition, under the Agreement, the School is required to provide certain healthcare benefits to retired employees. Expenditures under these plans are reimbursable expenses under the School's New York State grant when actual payments to retirees are made subject to the specific limitations on grant expenditures. These future reimbursements are not considered in the actuarial calculation of the postretirement benefit. Employees hired after September 1, 2013 are not eligible for the postretirement healthcare benefits.

The following table summarizes the School's accrued benefit costs associated with its unfunded postretirement plans at June 30, 2017:

	Medical plan	Unused sick/ personal days	Total
Reconciliation of the benefit obligations:			
Benefit obligation at beginning of year	$ 15,617,278	435,926	16,053,204
Service cost	298,899	7,492	306,391
Interest cost	544,887	16,085	560,972
Actuarial (gain) loss	(834,017)	49,453	(784,564)
Benefits paid	(221,559)	(74,384)	(295,943)
Benefit obligation at end of year	$ 15,405,488	434,572	15,840,060

The following table summarizes the School's accrued benefit costs associated with its unfunded postretirement plans at June 30, 2016:

	Medical plan	Unused sick/ personal days	Total
Reconciliation of the benefit obligations:			
Benefit obligation at beginning of year	$ 12,984,934	487,408	13,472,342
Service cost	308,357	7,938	316,295
Interest cost	607,181	19,203	626,384
Actuarial loss (gain)	1,894,654	(36,299)	1,858,355
Benefits paid	(177,848)	(42,324)	(220,172)
Benefit obligation at end of year	$ 15,617,278	435,926	16,053,204

As of June 30, 2017, the items not yet recognized as a component of net periodic postretirement benefit cost are as follows:

		Medical plan	Unused sick/ personal days	Total
Prior service cost (credit)	$	194,129	(7,135)	186,994
Net actuarial loss		935,424	153,595	1,089,019
	$	1,129,553	146,460	1,276,013

As of June 30, 2016, the items not yet recognized as a component of net periodic postretirement benefit cost are as follows:

		Medical plan	Unused sick/ personal days	Total
Prior service cost (credit)	$	226,163	(9,683)	216,480
Net actuarial loss		1,778,579	125,777	1,904,356
	$	2,004,742	116,094	2,120,836

In addition to service and interest costs, the components of projected net periodic postretirement benefit costs for fiscal year 2018 will include the following:

		Medical plan	Unused sick/ personal days	Total
Amortization of net actuarial loss	$	—	18,175	18,175
Amortization of net prior service cost (credit)		32,034	(2,548)	29,486

The following table provides the components of the net periodic benefit costs for the year ended June 30, 2017:

		Medical plan	Unused sick/ personal days	Total
Service cost	$	298,899	7,492	306,391
Interest cost		544,887	16,085	560,972
Amortization of prior service cost (credit)		32,034	(2,548)	29,486
Amortization of net loss		9,138	21,635	30,773
Net postretirement benefit expense	$	884,958	42,664	927,622

(Continued)

The following table provides the components of the net periodic benefit costs for the year ended June 30, 2016:

		Medical plan	Unused sick/ personal days	Total
Service cost	$	308,357	7,938	316,295
Interest cost		607,181	19,203	626,384
Amortization of prior service cost (credit)		32,034	(2,548)	29,486
Amortization of net loss		—	17,164	17,164
Net postretirement benefit expense	$	947,572	41,757	989,329

For the year ended June 30, 2017, the other changes in benefit obligations recognized in postretirement-related changes other than net periodic benefit cost are as follows:

		Medical plan	Unused sick/ personal days	Total
Net (gain) loss	$	(834,017)	49,453	(784,564)
Amortization of net gain		(9,138)	(21,635)	(30,773)
Amortization of prior service (credit) cost		(32,034)	2,548	(29,486)
	$	(875,189)	30,366	(844,823)

For the year ended June 30, 2016, the other changes in benefit obligations recognized in postretirement-related changes other than net periodic benefit cost are as follows:

		Medical plan	Unused sick/ personal days	Total
Net loss (gain)	$	1,894,654	(36,299)	1,858,355
Amortization of net gain		—	(17,164)	(17,164)
Amortization of prior service (cost) credit		(32,034)	2,548	(29,486)
	$	1,862,620	(50,915)	1,811,705

(Continued)

	2017	2016
Weighted average assumptions as of June 30:		
Discount rate – benefit obligation	3.79 %	3.55 %
Discount rate – net periodic benefit cost	3.55	4.40
Rate of compensation increase	4.00	4.00

The actuarial gain in the benefit obligation in 2017 is primarily attributable to an increase in the discount rate from 3.55% in 2016 to 3.79% in 2017. The actuarial loss in the benefit obligation in 2016 is primarily attributable to a decrease in the discount rate from 4.40% in 2015 to 3.55% in 2016.

For measurement purposes, a 5% annual rate of increase in the per capita cost of covered healthcare benefits was assumed for 2017 and thereafter.

Assumed healthcare cost trend rates have a significant effect on the amounts reported for the healthcare plan. A one-percentage-point change in assumed healthcare cost trend rates would have the following effects:

Effect of change in medical cost trend rate	2017 1% Increase	2017 1% Decrease
Effect on total of service cost and interest	$ 189,022	(146,827)
Effect on accumulated postretirement benefit obligation	2,836,794	(2,258,421)

Benefit payments, which reflect expected future service, as appropriate, are expected to be paid over the next 75 years. The following table presents a summary of the expected future payments for the next 10 years:

	Medical plan	Unused sick/ personal days	Total
2018	$ 336,000	90,000	426,000
2019	383,000	48,000	431,000
2020	424,000	44,000	468,000
2021	464,000	39,000	503,000
2022	501,000	35,000	536,000
2023–2027	3,211,000	139,000	3,350,000

(Continued)

(9) Functional and Organizational Allocation of Expenses

The cost of providing the various programs and other activities has been summarized on a functional basis in the combined statements of activities. Accordingly, certain operating costs amounting to $3,196,061 and $2,867,521 in fiscal years 2017 and 2016, respectively, have been allocated among the Organization's programs.

The Center entered into an administrative services agreement with Abilities and the School, where the Center incurs all common central administrative overhead costs for those entities. These costs relate principally to maintenance, utilities, management, accounting, data processing, and purchasing services. Such costs are allocated among the entities based upon a formula that reflects management's estimate of usage of such services. The fees charged by the Center to Abilities and the School are eliminated in consolidation and combination.

The following schedule summarizes the indirect costs, which are included in program expenses and fund-raising and external relations in the combined statements of activities for the years ended June 30, 2017 and 2016:

		2017	2016
Henry Viscardi School	$	2,168,175	1,965,644
Vocational programs		491,944	478,168
Transition services		157,877	103,057
Community integration programs		103,103	78,839
Employer Assistance and Resource Network on Disability Inclusion		48,783	39,353
National Business & Disability Council		13,887	11,536
Innovation and expansion		85,512	77,853
Fund-raising and external relations		126,780	113,071
Total program and supporting service overhead	$	3,196,061	2,867,521

(10) Contingencies

The Center and School are recipients of funding from both federal and state governmental agencies. Consequently, certain revenue included in the accompanying combined statements of activities is subject to audit by the grant agencies. Although such audits could result in reimbursement to the grantor agencies, management believes that any disallowances resulting from such audits would be immaterial to the combined financial position and results of operations of the Organization. Future funding from these agencies may be adversely affected by changes in reimbursement regulations, education law, or budgetary constraints experienced by such agencies.

Claims have been asserted against the Organization by various claimants. The claims are in various stages and some may ultimately be brought to trial. Incidents occurring through June 30, 2017 may result in the assertion of additional claims. In the opinion of management, losses from these asserted and unasserted actions, if any, will be settled within the limits of insurance coverage after paying a deductible.

Indirect cost allowance recoveries under certain government grants are accrued on an estimated basis in the period the work is performed. Such estimates are subject to revision based upon actual indirect costs for the years. Final rates have been negotiated and accepted by the cognizant government granting agency for years through June 30, 2016. Management does not anticipate a material adverse impact on the combined financial position of the Organization as a result of changes to the interim rates utilized through June 30, 2017.

(11) Commitments

At June 30, 2017, the Organization was obligated for minimum annual rental payments under noncancelable operating leases for equipment and facilities as follows:

Year ending June 30:		
2018	$	118,558
2019		65,560
2020		21,965
2021		12,659
2022		7,751
	$	226,493

Rental expenses under leases were $131,416 and $119,429 for the years ended June 30, 2017 and 2016, respectively.

(12) Asset Retirement Obligation

The Organization accrues for costs related to legal obligations to perform asbestos abatement as a conditional asset retirement obligation and estimated that the present value of the cost of remediation is $176,360 and $210,358 as of June 30, 2017 and 2016, respectively. Accretion expense is recognized annually using the effective-interest method. There was no remediation of asbestos in fiscal year 2017 and 2016.

Based on a recent facility reinspection in September 2016, management revised the estimate, decreasing the liability by $43,981.

(13) Subsequent Events

The Organization evaluated events subsequent to June 30, 2017 and 2016 and through November 13, 2017, the date on which the combined financial statements were available to be issued and concluded that no additional disclosures are required.

Schedule 1

THE VISCARDI CENTER, INC.;
ITS SUBSIDIARY, ABILITIES, INC.;
AND HENRY VISCARDI SCHOOL

Combining Schedule of Functional Expenses

Year ended June 30, 2017
(With summarized comparative totals for the year ended June 30, 2016)

	Program expenses								Supporting and other expenses				
	Henry Viscardi School	Vocational programs	Transition services	Community integration programs	EARN	National Business & Disability Council	Innovation and expansion	Total program services	Management and general	Fund-raising and external relations	Total supporting services	2017 Total expenses	2016 Total expenses
Salaries	$ 9,161,342	1,390,338	1,718,072	744,030	281,887	115,285	285,134	13,696,088	938,915	566,626	1,505,541	15,201,629	14,676,462
Health and retirement benefits, payroll taxes, etc.	4,199,502	336,125	437,164	183,144	64,191	28,161	71,054	5,319,341	202,061	136,289	338,350	5,657,691	5,684,631
Total salaries and related expenses	13,360,844	1,726,463	2,155,236	927,174	346,078	143,446	356,188	19,015,429	1,140,976	702,915	1,843,891	20,859,320	20,361,093
Contracted medical, educational, and vocational services	61,106	5,971	5,624	19,004	1,343,612	61,528	4,191	1,501,036	18,616	75,788	94,404	1,595,440	1,546,728
Professional services and fees	580,701	92,502	22,790	31,899	30,592	1,676	110,979	871,139	163,926	28,024	191,950	1,063,089	975,230
Program and fund-raising supplies	394,734	32,613	114,696	11,643	16,981	21,915	10,719	603,301	16,085	204,651	220,736	824,037	768,441
Other supplies and printing	102,205	14,749	6,646	5,951	7,772	4,471	23,386	165,180	5,603	46,522	52,125	217,305	201,944
Property and equipment rentals	49,171	26,896	4,691	34,746	21,666	27,215	11,790	176,175	34,340	68,204	102,544	278,719	293,680
Donated services and in-kind gifts	57,345	11,554	—	50	—	1,200	—	70,149	—	725	725	70,874	47,994
Conferences and travel	55,394	56,851	24,090	13,382	33,805	2,789	29,334	215,645	15,182	20,680	35,862	251,507	230,042
Transportation of program participants	37,438	52,988	11,350	—	—	—	—	101,776	—	723	723	102,499	97,234
Postage	9,602	3,997	1,559	674	3,634	41	6,649	26,156	3,072	8,062	11,134	37,290	42,668
Telephone	49,079	28,333	8,529	12,493	1,306	4,290	6,004	110,034	8,495	9,781	18,276	128,310	126,848
Insurance	123,722	26,853	8,289	17,838	2,561	729	4,489	184,481	89,464	6,656	96,120	280,601	309,069
Repairs and maintenance – equipment and building	193,610	40,093	15,595	22,719	3,976	1,132	43,536	320,661	153,263	10,663	163,926	484,587	421,778
Heat, light, and power	181,350	40,638	12,788	8,351	3,951	1,125	6,926	255,129	137,177	10,269	147,446	402,575	429,537
Bad debt expense	—	467	—	1,458	—	2,617	—	4,542	—	45,475	45,475	50,017	96,153
Miscellaneous	117,460	44,492	4,554	2,108	239	1,448	3,275	173,576	21,144	50,649	71,793	245,369	198,447
Total functional expenses before depreciation	15,373,761	2,205,460	2,396,437	1,109,490	1,816,173	275,622	617,466	23,794,409	1,807,343	1,289,787	3,097,130	26,891,539	26,146,886
Depreciation	249,722	105,440	114,570	53,041	86,828	13,177	29,520	652,298	86,407	61,663	148,070	800,368	752,098
Total functional expenses	$ 15,623,483	2,310,900	2,511,007	1,162,531	1,903,001	288,799	646,986	24,446,707	1,893,750	1,351,450	3,245,200	27,691,907	26,898,984

See accompanying independent auditors' report.

Schedule 1

THE VISCARDI CENTER, INC.;
ITS SUBSIDIARY, ABILITIES, INC.;
AND HENRY VISCARDI SCHOOL

Combining Schedule of Functional Expenses

Year ended June 30, 2016

	Program expenses								Supporting and other expenses			
	Henry Viscardi School	Vocational programs	Transition services	Community integration programs	EARN	National Business & Disability Council	Innovation and expansion	Total program services	Management and general	Fund-raising and external relations	Total supporting services	2016 Total expenses
Salaries	$ 9,084,081	1,525,247	1,340,149	591,825	269,798	97,075	341,067	13,249,242	878,226	548,994	1,427,220	14,676,462
Health and retirement benefits, payroll taxes, etc.	4,216,632	422,725	395,075	169,102	58,491	27,910	81,691	5,371,626	187,383	125,622	313,005	5,684,631
Total salaries and related expenses	13,300,713	1,947,972	1,735,224	760,927	328,289	124,985	422,758	18,620,868	1,065,609	674,616	1,740,225	20,361,093
Contracted medical, educational, and vocational services	23,428	12,177	533	30,432	1,179,097	105,340	32,329	1,383,336	871	162,521	163,392	1,546,728
Professional services and fees	577,404	83,157	13,340	18,448	28,401	1,132	46,141	768,023	170,839	36,368	207,207	975,230
Program and fund-raising supplies	357,556	32,995	109,283	10,643	10,406	38,723	24,149	583,755	14,977	169,709	184,686	768,441
Other supplies and printing	67,608	16,816	7,146	5,959	12,183	4,183	20,351	134,246	4,702	62,996	67,698	201,944
Property and equipment rentals	69,081	33,678	2,792	22,726	18,415	30,648	12,438	189,778	35,874	68,028	103,902	293,680
Donated services and in-kind gifts	32,172	14,785	—	1,037	—	—	—	47,994	—	—	—	47,994
Conferences and travel	52,163	63,700	16,149	15,578	39,315	8,477	5,370	200,752	14,280	15,010	29,290	230,042
Transportation of program participants	14,607	75,213	7,289	—	—	—	—	97,109	—	125	125	97,234
Postage	12,756	5,972	2,220	720	3,132	25	3,909	28,734	3,831	10,103	13,934	42,668
Telephone	47,421	26,735	9,058	10,285	2,287	5,289	5,933	107,008	10,275	9,565	19,840	126,848
Insurance	133,742	30,555	6,585	11,455	2,515	737	4,975	190,564	111,280	7,225	118,505	309,069
Repairs and maintenance – equipment and building	172,515	38,530	8,475	18,929	3,152	924	30,374	272,899	139,492	9,387	148,879	421,778
Heat, light, and power	185,081	44,315	9,492	7,298	3,624	1,753	7,170	258,733	160,390	10,414	170,804	429,537
Bad debt expense	—	65,364	1,774	4,365	—	7,500	—	79,003	—	17,150	17,150	96,153
Miscellaneous	93,638	29,678	5,672	2,630	204	2,651	8,317	142,790	9,056	46,601	55,657	198,447
Total functional expenses before depreciation	15,139,885	2,521,642	1,935,032	921,432	1,631,020	332,367	624,214	23,105,592	1,741,476	1,299,818	3,041,294	26,146,886
Depreciation	226,070	120,510	92,476	44,036	77,947	15,884	29,831	606,754	83,225	62,119	145,344	752,098
Total functional expenses	$ 15,365,955	2,642,152	2,027,508	965,468	1,708,967	348,251	654,045	23,712,346	1,824,701	1,361,937	3,186,638	26,898,984

See accompanying independent auditors' report.

Schedule 2

THE VISCARDI CENTER, INC.;
ITS SUBSIDIARY, ABILITIES, INC.;
AND HENRY VISCARDI SCHOOL

Schedule of NYS Fees for Programs for the Disabled

Year ended June 30, 2017

Program name	**Funding source**			**2017**
Assistive Technology Evaluation	NYS ACCES		$	6,204
Project Search	NYS ACCES			61,921
Follow-Along	NYS OPWDD			264,630
Job Placement	NYS ACCES			182,530
Diagnostic Vocational Evaluation	NYS ACCES			55,637
Extended Supported Employment Job Coaching	NYS ACCES			89,632
Job Coaching	NYS ACCES			36,698
Driver Education	NYS ACCES			35,018
Intensive Supported Employment Job Coaching	NYS ACCES			137,117
Business Skills with Office Technology	NYS ACCES	B		—
Work Readiness – Skill Development	NYS ACCES			19,835
Client Transportation	NYS ACCES			62,730
Worker Adjustment Training	NYS ACCES			64,978
Summer Program - Transition Services	NYS ACCES			77,028
Culinary Skills	NYS ACCES	C		89,250
Printing, Packaging, Shipping, and Mailing (PPSM) Training Program	NYS ACCES	A		—
Day Habilitation Without Walls	NYS OPWDD			662,103
Medicaid Service Coordination	NYS OPWDD			299,052
Plan of Care	NYS OPWDD			11,928
Total New York State fees for programs for the disabled			$	2,156,291

Gross tuition for tuition assessment calculations		
A – PPSM Training Program	$	—
B – Business Skills with Office Technology		—
C – Culinary Skills		89,250
Total gross tuition for tuition assessment calculations	$	89,250

See accompanying independent auditors’ report.