KPMG

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

Combined Financial Statements and Schedules

June 30, 2018 and 2017

(With Independent Auditors' Report Thereon)

KPMG LLP
345 Park Avenue
New York, NY 10154-0102

Independent Auditors' Report

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

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, 2018 and 2017, 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, 2018 and 2017, 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 14, 2018

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

Combined Statements of Financial Position

June 30, 2018 and 2017

Assets		**2018**	**2017**
Assets:			
Cash and cash equivalents	$	2,083,221	1,566,482
Receivables (less allowances of $0 in 2018 and $12,438 in 2017):			
Government agencies		2,745,730	3,967,708
Contributions and pledges (note 4)		2,710,659	989,792
Other		142,815	63,550
Prepaid expenses and other assets		436,964	574,562
Investments (note 3)		27,597,090	26,815,341
Beneficial interest in split-interest agreements		1,825,184	2,026,750
Property, plant, and equipment, net (note 5)		4,238,172	4,193,196
Total assets	$	41,779,835	40,197,381
Liabilities and Net Assets			
Liabilities:			
Accounts payable, accrued expenses, and other liabilities	$	1,443,395	1,190,998
Accrued payroll and employee benefits		746,612	717,566
Line of credit (note 6)		2,200,000	2,400,000
Deferred revenue		299,768	569,703
Asset retirement obligation (note 12)		186,942	176,360
Accrued postretirement benefits (note 8)		14,688,233	15,840,060
Total liabilities		19,564,950	20,894,687
Net assets:			
Unrestricted:			
Accrued postretirement benefits (note 8)		(14,688,233)	(15,840,060)
Net investment in property, plant, and equipment		4,238,172	4,193,196
Other (note 7)		13,921,736	14,835,888
Total unrestricted		3,471,675	3,189,024
Temporarily restricted (note 7)		10,361,608	7,787,344
Permanently restricted (note 7)		8,381,602	8,326,326
Total net assets		22,214,885	19,302,694
Total liabilities and net assets	$	41,779,835	40,197,381

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, 2018

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Operating activities:				
Revenue, gains, and other support:				
New York State grants (note 10)	$ 14,944,385	—	—	14,944,385
Federal grants (note 10)	2,579,282	—	—	2,579,282
New York State fees for programs for the disabled	2,109,339	—	—	2,109,339
Other fees for programs for the disabled	3,359,367	—	—	3,359,367
Contributions and pledges	1,383,498	3,392,253	55,276	4,831,027
Change in value of split-interest agreements	—	(201,566)	—	(201,566)
Investment income utilized in operations (notes 3 and 7)	544,932	344,943	—	889,875
Miscellaneous (note 5)	355,911	—	—	355,911
Net assets released from restriction for programs and related expenses (note 7)	1,194,279	(1,194,279)	—	—
Total revenue, gains, and other support	26,470,993	2,341,351	55,276	28,867,620
Program expenses (note 9):				
Henry Viscardi School – education and related	15,790,594	—	—	15,790,594
Vocational programs	2,245,880	—	—	2,245,880
Transition services	2,594,899	—	—	2,594,899
Community integration programs	1,285,436	—	—	1,285,436
Employer Assistance and Resource Network on Disability Inclusion	2,019,193	—	—	2,019,193
National Business & Disability Council	264,884	—	—	264,884
Innovation and expansion	843,207	—	—	843,207
Total program expenses	25,044,093	—	—	25,044,093
Supporting services expenses:				
Management and general	1,916,724	—	—	1,916,724
Fund-raising and external relations	1,550,075	—	—	1,550,075
Total supporting services expenses	3,466,799	—	—	3,466,799
Total expenses	28,510,892	—	—	28,510,892
Change in net assets, before other changes	(2,039,899)	2,341,351	55,276	356,728
Other changes:				
Postretirement-related changes other than net periodic benefit cost (note 8)	1,703,728	—	—	1,703,728
Investment income, in excess of amounts utilized in operations (note 3)	450,611	401,124	—	851,735
Net assets released from restriction for capital (note 7)	168,211	(168,211)	—	—
Total other changes	2,322,550	232,913	—	2,555,463
Change in net assets	282,651	2,574,264	55,276	2,912,191
Net assets at beginning of year	3,189,024	7,787,344	8,326,326	19,302,694
Net assets at end of year	$ 3,471,675	10,361,608	8,381,602	22,214,885

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 Statements of Cash Flows

Years ended June 30, 2018 and 2017

		2018	2017
Cash flows from operating activities:			
Change in net assets	$	2,912,191	3,287,844
Adjustments to reconcile change in net assets to net cash provided by operating activities:			
Postretirement-related changes other than net periodic benefit cost		(1,703,728)	(844,823)
Change in value of split-interest agreements		201,566	102,684
Depreciation expense		843,793	800,368
Bad debt expense		23,422	50,017
Net realized and unrealized gains on investments		(1,221,125)	(2,214,527)
Contributions restricted for capital and endowment		(937,861)	(179,401)
Changes in assets and liabilities:			
Receivables		97,229	206,481
Prepaid expenses and other assets		137,598	(22,598)
Accounts payable, accrued expenses, and other liabilities		252,397	(19,225)
Accrued payroll and employee benefits		580,947	657,585
Deferred revenue		(269,935)	76,326
Asset retirement obligation		10,582	(33,998)
Net cash provided by operating activities		927,076	1,866,733
Cash flows from investing activities:			
Purchases of investment securities		(38,507,946)	(78,278,682)
Proceeds from redemption and sales of investment securities		38,947,322	78,724,548
Acquisition of property and equipment		(888,769)	(1,027,571)
Net cash used in investing activities		(449,393)	(581,705)
Cash flows from financing activities:			
Collections of contributions restricted for capital and endowment		239,056	179,401
Proceeds from line of credit		2,850,000	3,150,000
Principal payments on line of credit		(3,050,000)	(4,825,000)
Net cash provided by (used in) financing activities		39,056	(1,495,599)
Change in cash and cash equivalents		516,739	(210,571)
Cash and cash equivalents at beginning of year		1,566,482	1,777,053
Cash and cash equivalents at end of year	$	2,083,221	1,566,482
Supplemental disclosure:			
Interest paid	$	93,077	110,840

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% of the Organization's operating revenue for both of the years ended June 30, 2018 and 2017.

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(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 remaining 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, as a practical expedient, uses net asset value per share or its equivalent for the estimation of the fair value of investments in investment companies for which the investment does not have a readily determinable fair value.

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 15 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, 2018 and 2017, there were no adjustments related to grant appropriations for prior years.

At June 30, 2018, deferred revenue primarily represents New York State Medicaid payments received prior to June 30 for related services that will be used in fiscal years subsequent to 2018 for the educational program. 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. 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 2018 or 2017 as there were no activities that were not related to its exempt purpose.

(k) Recently Issued Accounting Pronouncements

The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, which among other things, changes how not-for-profit entities report net asset classes, expenses, and liquidity in their financial statements. The significant requirements of the new ASU include the reduction of the number of net asset classes from three to two: with donor restrictions and without donor restrictions; the presentation of expenses by their function and their natural classification in one location; quantitative and qualitative

(Continued)

information about the management of liquid resources and availability of financial assets to meet cash needs within one year of the date of the combined statement of financial position; and retaining the option to present operating cash flows in the combined statement of cash flows using either the direct or indirect method. The Organization plans to adopt ASU 2016-14 for the year ending June 30, 2019.

The FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, to clarify and improve the scope and the accounting guidance for contributions received and contributions made. The amendments in this ASU should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Entities*, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. The Organization plans to adopt ASU 2018-08 for the year ending June 30, 2020. The Organization is continuing to evaluate the impact of adopting this guidance on its financial statements.

(3) Investments and Fair Value Measurements

Investment income, net for 2018 and 2017 comprised the following:

		2018	2017
Interest and dividend income	$	639,774	634,041
Net realized and unrealized gains on investments		1,221,125	2,214,527
Investment advisory fees		(119,289)	(162,698)
	$	1,741,610	2,685,870

Investment income, net for 2018 and 2017 is reported in the combined statements of activities as follows:

		2018	2017
Unrestricted:			
Investment income utilized in operations	$	544,932	529,636
Investment income, in excess of amount utilized in operations		450,611	1,002,867
Total		995,543	1,532,503
Temporarily restricted:			
Investment income utilized in operations		344,943	417,415
Investment income, in excess of amount utilized in operations		401,124	735,952
Total		746,067	1,153,367
Total investment income, net	$	1,741,610	2,685,870

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 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 directly held investments at June 30, 2018 and 2017 are summarized in the following table and are all considered Level 1 in the fair value hierarchy:

	2018	2017
Investments:		
Cash and cash equivalents	$ 1,387,950	3,968,100
Domestic fixed income	5,198,111	1,728,930
Domestic equities	11,862,803	13,074,782
International fixed income	1,024,540	—
International equities	6,873,412	5,785,558
Global asset allocation fund	1,250,274	1,212,450
Redemption receivable	—	1,045,521
	$ 27,597,090	26,815,341

(4) Contributions and Pledges Receivable

(a) Contributions receivable consisted of the following at June 30, 2018 and 2017:

		2018	2017
Total contributions receivable	$	3,037,432	1,213,020
Less:			
Allowance for uncollectible receivables		—	(12,000)
Discounted at rates ranging from 2.4% to 3.4%		(326,773)	(211,228)
	$	2,710,659	989,792

Contributions receivable as of June 30, 2018 and 2017 are expected to be collected as follows:

		2018	2017
Less than one year	$	491,432	213,020
One to five years		1,546,000	—
More than five years		1,000,000	1,000,000
	$	3,037,432	1,213,020

(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 $65,572 and $70,874 in fiscal years 2018 and 2017, respectively. In addition, the Center received a donation of computer software of $102,168 in fiscal 2018 that is recorded as contribution revenue and property, plant, and equipment in the accompanying combined financial statements.

(Continued)

(5) Property, Plant, and Equipment

The components of property, plant, and equipment and accumulated depreciation as of June 30, 2018 and 2017 consisted of the following:

	2018	2017
Land and improvements	$ 2,541,218	2,519,918
Buildings and improvements	25,944,097	25,422,590
Furniture, fixtures, computer, and other equipment	8,115,246	7,879,763
Vehicles	437,400	437,400
Computer software	1,039,079	928,600
	38,077,040	37,188,271
Less accumulated depreciation	33,838,868	32,995,075
Property, plant, and equipment, net	$ 4,238,172	4,193,196

Depreciation expense amounted to $843,793 and $800,368 in fiscal years 2018 and 2017, respectively.

In April 1997, the Center executed an agreement, which expires in December 2018, to lease 9,040 square feet of its facility to St. Charles Hospital. The rental payments under this lease agreement were $295,819 and $286,022 for the years ended June 30, 2018 and 2017, respectively. Such payments are recorded as miscellaneous revenue in the accompanying combined statements of activities. Future annual rental payments expected under the current lease are $145,815 for fiscal year 2019.

(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, 2018 and 2017, there was $2,200,000 and $2,400,000, 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 2018 and 2017:

	2018		
	Programs and related expenses	Capital	Total
After-school programs	$ 204,692	18,810	223,502
Appropriated spending from general purpose endowment	330,800	—	330,800
Fine arts program	90,835	3,216	94,051
Inclusive technology program	5,343	4,457	9,800
Kornreich Technology Center	19,008	5,084	24,092
National Business & Disability Council	100,000	—	100,000
Skills development area	125,393	—	125,393
Transition services	25,365	—	25,365
Project Accessible Oral Health	40,296	—	40,296
Playground renovation	119	58,781	58,900
Door widening in Henry Viscardi School	—	72,518	72,518
General Comprehensive Campaign purposes	24,124	—	24,124
All other purposes	228,304	5,345	233,649
	$ 1,194,279	168,211	1,362,490

		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

(b) Composition

Temporarily restricted net assets at June 30, 2018 and 2017 are available for the following purposes:

	2018	2017
After-school programs	$ 299,581	354,541
Beneficial interest in remainder trusts	1,825,184	2,026,750
Capital projects	54,538	—
Day Habilitation program	107,028	30,000
Fine arts program	742,316	344,026
General Comprehensive Campaign purposes	754,798	—
General purpose endowment income	3,244,385	2,987,229
HorseAbility therapeutic riding program	25,000	25,000
Inclusive technology program	425,064	136,308
Independent Living House	75,000	—
Kornreich Technology Center	327,091	414,871
National Business & Disability Council	51,035	151,035
National Center for Disability Entrepreneurship	468,182	—
New Jersey laboratory project	34,341	34,341
Pool renovation	468,182	—
Program expansion	93,637	—
Project Accessible Oral Health	64,369	—
Skills development area	36,848	1,350
Transition services	16,396	21,760
Time restricted pledges	807,794	788,861
Veterans training program	100,000	100,000
All other purposes	340,839	371,272
	$ 10,361,608	7,787,344

Permanently restricted net assets at June 30, 2018 and 2017 are restricted to investment in perpetuity, with the accumulated investment income available to support the following purposes:

		2018	2017
General – Center	$	4,091,103	4,091,103
General education – School		1,577,197	1,577,197
Kornreich Technology Center		1,122,136	1,117,136
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
Vocational and educational programs – Abilities, Inc.		50,000	50,000
Scholarships – School		50,276	—
All other purposes		270,890	270,890
	$	8,381,602	8,326,326

(c) Endowment Funds

The Organization’s endowments consist of 25 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, 2018:

		Unrestricted	Temporarily restricted	Permanently restricted	Total
Donor restricted	$	—	3,909,456	8,381,602	12,291,058
Quasi (board-designated)		14,747,226	—	—	14,747,226
	$	14,747,226	3,909,456	8,381,602	27,038,284

Changes in endowment net assets for the fiscal year ended June 30, 2018 were as follows:

		Unrestricted	Temporarily restricted	Permanently restricted	Total
Net assets at June 30, 2017	$	14,296,715	3,610,039	8,326,326	26,233,080
Investment income, net		995,543	746,067	—	1,741,610
Additions		100,518	600	55,276	156,394
Appropriation of endowment assets for expenditure		(544,932)	(341,356)	—	(886,288)
Unspent appropriated amount		—	—	—	—
Expenditure of prior year unspent appropriated amount		—	(3,587)	—	(3,587)
Other distributions		(100,618)	(102,307)	—	(202,925)
Net assets at June 30, 2018	$	14,747,226	3,909,456	8,381,602	27,038,284

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

(Continued)

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

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 no deficiencies as of June 30, 2018 or 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 $1,018,347 and $963,035 in fiscal years 2018 and 2017, 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, 2018 and 2017, the Center contributed $20,494 and $21,448, 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, 2018:

	Medical plan	Unused sick/ personal days	Total
Reconciliation of the benefit obligations:			
Benefit obligation at beginning of year	$ 15,405,488	434,572	15,840,060
Service cost	187,600	6,298	193,898
Interest cost	545,608	15,360	560,968
Actuarial gain	(1,634,396)	(26,447)	(1,660,843)
Benefits paid	(228,919)	(16,931)	(245,850)
Benefit obligation at end of year	$ 14,275,381	412,852	14,688,233

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

As of June 30, 2018, 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)	$	162,095	(4,587)	157,508
Net actuarial (gain) loss		(698,972)	113,749	(585,223)
	$	(536,877)	109,162	(427,715)

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

In addition to service and interest costs, the components of projected net periodic postretirement benefit costs for fiscal year 2019 will include the following:

		Medical plan	Unused sick/ personal days	Total
Amortization of net actuarial loss	$	—	10,625	10,625
Amortization of net prior service cost (credit)		32,035	(2,548)	29,487

The following table provides the components of the net periodic benefit costs for the year ended June 30, 2018:

		Medical plan	Unused sick/ personal days	Total
Service cost	$	187,600	6,298	193,898
Interest cost		545,608	15,360	560,968
Amortization of prior service cost (credit)		32,034	(2,548)	29,486
Amortization of net loss		—	13,399	13,399
Net postretirement benefit expense	$	765,242	32,509	797,751

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

For the year ended June 30, 2018, 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	$	(1,634,396)	(26,447)	(1,660,843)
Amortization of net gain		—	(13,399)	(13,399)
Amortization of prior service (credit) cost		(32,034)	2,548	(29,486)
	$	(1,666,430)	(37,298)	(1,703,728)

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)

	2018	2017
Weighted average assumptions as of June 30:		
Discount rate – benefit obligation	4.10%	3.79%
Discount rate – net periodic benefit cost	3.79	3.55
Rate of compensation increase	4.00	4.00

The actuarial gain in the benefit obligation in 2018 is primarily attributable to an increase in the discount rate from 3.79% in 2017 to 4.10% in 2018. 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.

For measurement purposes, a 7% annual rate of increase in the per capita cost of covered healthcare benefits was assumed for 2018. The rate was assumed to decrease gradually to 5% for 2021 and remain at that level thereafter. For Medicare Part B benefits, a 6% annual rate of increase was assumed for 2018 and then decreasing gradually to 4% by 2021 and remaining at that level 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	2018 1% Increase	2018 1% Decrease
Effect on total of service cost and interest	$ 149,068	(117,538)
Effect on accumulated postretirement benefit obligation	2,479,395	(1,991,780)

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
2019	$ 359,000	89,000	448,000
2020	406,000	62,000	468,000
2021	441,000	29,000	470,000
2022	479,000	33,000	512,000
2023	521,000	36,000	557,000
2024–2028	3,253,000	142,000	3,395,000

(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 indirect operating costs amounting to $3,190,867 and $3,196,061 in fiscal years 2018 and 2017, 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, 2018 and 2017:

		2018	2017
Henry Viscardi School	$	2,160,772	2,168,175
Vocational programs		485,918	491,944
Transition services		153,293	157,877
Community integration programs		96,343	103,103
Employer Assistance and Resource Network on Disability Inclusion		42,151	48,783
National Business & Disability Council		13,568	13,887
Innovation and expansion		101,115	85,512
Fund-raising and external relations		137,707	126,780
Total program and supporting service overhead	$	3,190,867	3,196,061

(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, 2018 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.

(Continued)

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, 2017. 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, 2018.

(11) Commitments

At June 30, 2018, the Organization was obligated for minimum annual rental payments under noncancelable operating leases for equipment and facilities as follows:

Year ending June 30:		
2019	$	81,434
2020		37,840
2021		20,239
2022		7,751
	$	147,264

Rental expenses under leases were $141,220 and $131,416 for the years ended June 30, 2018 and 2017, 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 $186,942 and $176,360 as of June 30, 2018 and 2017, respectively. Accretion expense is recognized annually using the effective-interest method. There was no remediation of asbestos in fiscal year 2018 and 2017.

Based on a recent facility reinspection in September 2016, management revised the estimate, decreasing the liability by $43,981 in 2017.

(13) Subsequent Events

The Organization evaluated events subsequent to June 30, 2018 and 2017 and through November 14, 2018, 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, 2018
(With summarized comparative totals for the year ended June 30, 2017)

	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	2018 Total expenses	2017 Total expenses
Salaries	$ 9,462,059	1,321,767	1,732,304	790,517	280,016	122,881	262,906	13,972,450	919,065	716,483	1,635,548	15,607,998	15,201,629
Health and retirement benefits, payroll taxes, etc.	4,231,431	351,075	493,780	219,517	63,687	33,503	69,668	5,462,661	201,040	170,139	371,179	5,833,840	5,657,691
Total salaries and related expenses	13,693,490	1,672,842	2,226,084	1,010,034	343,703	156,384	332,574	19,435,111	1,120,105	886,622	2,006,727	21,441,838	20,859,320
Contracted medical, educational, and vocational services	49,280	37,940	1,036	13,322	1,480,508	17,303	11,048	1,610,437	—	15,919	15,919	1,626,356	1,595,440
Professional services and fees	581,380	88,194	22,254	12,349	30,944	2,890	156,565	894,576	194,992	162,956	357,948	1,252,524	1,063,089
Program and fund-raising supplies	325,842	22,071	120,096	18,319	12,409	21,574	28,957	549,268	16,127	173,718	189,845	739,113	824,037
Other supplies and printing	59,044	13,158	7,105	7,102	5,600	2,153	36,701	130,863	7,331	38,773	46,104	176,967	217,305
Property and equipment rentals	55,033	28,642	16,487	82,460	21,319	33,488	48,922	286,351	40,135	74,494	114,629	400,980	278,719
Donated services and in-kind gifts	52,645	12,927	—	—	—	—	—	65,572	—	—	—	65,572	70,874
Conferences and travel	62,048	51,708	24,741	11,329	23,235	8,544	48,022	229,627	17,593	18,322	35,915	265,542	251,507
Transportation of program participants	31,034	35,703	31	6,800	—	—	3,075	76,643	—	3,419	3,419	80,062	102,499
Postage	9,906	2,342	732	2,544	1,950	27	7,456	24,957	3,482	6,558	10,040	34,997	37,290
Telephone	41,705	24,048	9,303	10,673	1,262	3,248	8,616	98,855	7,880	6,572	14,452	113,307	128,310
Insurance	124,173	27,580	8,692	15,197	2,390	769	5,733	184,534	97,863	7,808	105,671	290,205	280,601
Repairs and maintenance – equipment and building	182,304	39,509	12,807	24,647	3,368	1,084	100,712	364,431	153,208	11,391	164,599	529,030	484,587
Heat, light, and power	198,886	43,198	13,628	8,565	3,747	1,373	8,989	278,386	152,842	12,242	165,084	443,470	402,575
Bad debt expense	—	2,518	13,185	2,969	—	3,750	—	22,422	—	1,000	1,000	23,422	50,017
Miscellaneous	38,092	44,969	4,875	2,732	173	676	8,844	100,361	21,076	62,277	83,353	183,714	245,369
Total functional expenses before depreciation	15,504,862	2,147,349	2,481,056	1,229,042	1,930,608	253,263	806,214	24,352,394	1,832,634	1,482,071	3,314,705	27,667,099	26,891,539
Depreciation	285,732	98,531	113,843	56,394	88,585	11,621	36,993	691,699	84,090	68,004	152,094	843,793	800,368
Total functional expenses	$ 15,790,594	2,245,880	2,594,899	1,285,436	2,019,193	264,884	843,207	25,044,093	1,916,724	1,550,075	3,466,799	28,510,892	27,691,907

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, 2017

	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
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
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
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
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
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
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
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
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
Donated services and in-kind gifts	57,345	11,554	—	50	—	1,200	—	70,149	—	725	725	70,874
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
Transportation of program participants	37,438	52,988	11,350	—	—	—	—	101,776	—	723	723	102,499
Postage	9,602	3,997	1,559	674	3,634	41	6,649	26,156	3,072	8,062	11,134	37,290
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
Insurance	123,722	26,853	8,289	17,838	2,561	729	4,489	184,481	89,464	6,656	96,120	280,601
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
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
Bad debt expense	—	467	—	1,458	—	2,617	—	4,542	—	45,475	45,475	50,017
Miscellaneous	117,460	44,492	4,554	2,108	239	1,448	3,275	173,576	21,144	50,649	71,793	245,369
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
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
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

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, 2018

Program name	Funding source			2018
Assistive Technology Evaluation	NYS ACCES		$	11,122
Project Search	NYS ACCES			49,604
Supported Employment	NYS OPWDD			328,106
Job Placement	NYS ACCES			152,231
Diagnostic Vocational Evaluation	NYS ACCES			45,627
Extended Supported Employment Job Coaching	NYS ACCES			77,816
Job Coaching	NYS ACCES			17,490
Driver Education	NYS ACCES			56,718
Intensive Supported Employment Job Coaching	NYS ACCES			132,170
Business Skills with Office Technology	NYS ACCES	B		—
Work Readiness – Skill Development	NYS ACCES			—
Client Transportation	NYS ACCES			38,970
Worker Adjustment Training	NYS ACCES			43,261
Summer Program – Transition Services	NYS ACCES			59,522
Culinary Skills	NYS ACCES	C		58,625
Printing, Packaging, Shipping, and Mailing (PPSM) Training Program	NYS ACCES	A		—
Day Habilitation Without Walls	NYS OPWDD			605,859
Medicaid Service Coordination	NYS OPWDD			417,277
Plan of Care	NYS OPWDD			14,941
Total New York State fees for programs for the disabled			$	2,109,339

Gross tuition for tuition assessment calculations		
A – PPSM Training Program	$	—
B – Business Skills with Office Technology		—
C – Culinary Skills		58,625
Total gross tuition for tuition assessment calculations	$	58,625

See accompanying independent auditors' report.