KPMG

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

Combined Financial Statements and Schedules

June 30, 2019 and 2018

(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, 2019 and 2018, and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Combined 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 audit 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, 2019 and 2018, and changes in their net assets and their cash flows for the years then ended, in accordance with U.S. generally accepted accounting principles.

Emphasis of Matter

As discussed in note 2(k) to the combined financial statements, the Organization adopted Accounting Standards Update No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, during the year ended June 30, 2019 on a retrospective basis. Our opinion is not modified with respect to this matter.

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 schedule 1 is presented for purposes of additional analysis and is not a required part of the 2019 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 2019 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2019 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 2019 combined financial statements or to the 2019 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 2019 combined financial statements taken as a whole.

KPMG LLP

November 15, 2019

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

Combined Statements of Financial Position

June 30, 2019 and 2018

Assets		**2019**	**2018**
Assets:			
Cash and cash equivalents	$	2,351,709	2,083,221
Receivables:			
Government agencies		2,533,826	2,745,730
Contributions and pledges (note 4)		4,401,414	2,710,659
Other		135,512	142,815
Prepaid expenses and other assets		450,733	436,964
Investments (note 3)		28,139,580	27,597,090
Beneficial interest in split-interest agreements		1,630,898	1,825,184
Property, plant, and equipment, net (note 5)		4,317,428	4,238,172
Total assets	$	43,961,100	41,779,835
Liabilities and Net Assets			
Liabilities:			
Accounts payable, accrued expenses, and other liabilities	$	1,533,041	1,443,395
Accrued payroll and employee benefits		758,894	746,612
Line of credit (note 6)		3,200,000	2,200,000
Deferred revenue		551,434	299,768
Asset retirement obligation (note 12)		198,158	186,942
Accrued postretirement benefits (note 8)		16,240,599	14,688,233
Total liabilities		22,482,126	19,564,950
Net assets:			
Net assets without donor restrictions:			
Accrued postretirement benefits (note 8)		(16,240,599)	(14,688,233)
Net investment in property, plant, and equipment		4,317,428	4,238,172
Other (note 7)		13,182,805	13,921,736
Total net assets without donor restrictions		1,259,634	3,471,675
Net assets with donor restrictions:			
Time or purpose restricted (note 7)		11,832,738	10,361,608
Endowment fund corpus (note 7)		8,386,602	8,381,602
Total net assets with donor restrictions		20,219,340	18,743,210
Total net assets		21,478,974	22,214,885
Total liabilities and net assets	$	43,961,100	41,779,835

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, 2019

	Without donor restrictions	With donor restrictions	Total
Operating activities:			
Revenue, gains, and other support:			
New York State grants (note 10)	$ 15,191,642	—	15,191,642
Federal grants (note 10)	2,486,318	—	2,486,318
New York State fees for programs for the disabled	2,200,577	—	2,200,577
Other fees for programs for the disabled	2,453,849	—	2,453,849
Contributions and pledges	1,089,821	3,581,518	4,671,339
Change in value of split-interest agreements	—	72,953	72,953
Investment income utilized in operations (notes 3 and 7)	590,352	400,249	990,601
Miscellaneous (note 5)	441,698	—	441,698
Net assets released from restriction for programs and related expenses (note 7)	2,384,827	(2,384,827)	—
Total revenue, gains, and other support	26,839,084	1,669,893	28,508,977
Program expenses (note 9):			
Henry Viscardi School – education and related	15,761,071	—	15,761,071
Vocational programs	2,286,341	—	2,286,341
Transition services	1,812,107	—	1,812,107
Community integration programs	1,327,926	—	1,327,926
Employer Assistance and Resource Network on Disability Inclusion	1,888,606	—	1,888,606
National Business & Disability Council	353,760	—	353,760
Innovation and expansion	1,187,997	—	1,187,997
Total program expenses	24,617,808	—	24,617,808
Supporting services expenses:			
Management and general	2,518,720	—	2,518,720
Fundraising and external relations	1,520,347	—	1,520,347
Total supporting services expenses	4,039,067	—	4,039,067
Total expenses	28,656,875	—	28,656,875
Change in net assets, before other changes	(1,817,791)	1,669,893	(147,898)
Other changes:			
Postretirement-related changes other than net periodic benefit cost (note 8)	(1,163,838)	—	(1,163,838)
Investment income, in excess of amounts utilized in operations (note 3)	247,447	328,378	575,825
Net assets released from restriction for capital (note 7)	522,141	(522,141)	—
Total other changes	(394,250)	(193,763)	(588,013)
Change in net assets	(2,212,041)	1,476,130	(735,911)
Net assets at beginning of year	3,471,675	18,743,210	22,214,885
Net assets at end of year	$ 1,259,634	20,219,340	21,478,974

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

	Without donor restrictions	With donor restrictions	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	3,447,529	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	2,396,627	28,867,620
Program expenses (note 9):			
Henry Viscardi School – education and related	15,475,222	—	15,475,222
Vocational programs	2,206,362	—	2,206,362
Transition services	2,536,635	—	2,536,635
Community integration programs	1,257,025	—	1,257,025
Employer Assistance and Resource Network on Disability Inclusion	2,004,102	—	2,004,102
National Business & Disability Council	259,727	—	259,727
Innovation and expansion	827,344	—	827,344
Total program expenses	24,566,417	—	24,566,417
Supporting services expenses:			
Management and general	2,428,389	—	2,428,389
Fundraising and external relations	1,516,086	—	1,516,086
Total supporting services expenses	3,944,475	—	3,944,475
Total expenses	28,510,892	—	28,510,892
Change in net assets, before other changes	(2,039,899)	2,396,627	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	2,629,540	2,912,191
Net assets at beginning of year	3,189,024	16,113,670	19,302,694
Net assets at end of year	$ 3,471,675	18,743,210	22,214,885

See accompanying notes to combined financial statements.

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

Combining Statement of Functional Expenses

Year ended June 30, 2019
(With summarized comparative totals for the year ended June 30, 2018)

	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	Fundraising and external relations	Total supporting services	2019 Total expenses	2018 Total expenses
Salaries	$ 9,425,810	1,359,264	1,242,038	800,434	272,215	124,579	473,255	13,697,595	1,153,334	718,088	1,871,422	15,569,017	15,607,998
Health and retirement benefits, payroll taxes, etc.	4,277,525	338,653	339,792	216,695	61,149	32,704	114,041	5,380,559	253,537	174,288	427,825	5,808,384	5,833,840
Total salaries and related expenses	13,703,335	1,697,917	1,581,830	1,017,129	333,364	157,283	587,296	19,078,154	1,406,871	892,376	2,299,247	21,377,401	21,441,838
Contracted medical, educational, and vocational services	152,769	4,350	65	29,453	1,368,072	71,193	16,950	1,642,852	—	—	—	1,642,852	1,626,356
Professional services and fees	549,792	92,563	10,687	10,184	30,899	1,432	223,174	918,731	250,294	159,759	410,053	1,328,784	1,252,524
Program and fundraising supplies	314,540	28,869	76,846	17,351	6,583	21,596	44,352	510,137	11,038	176,116	187,154	697,291	739,113
Other supplies and printing	50,970	11,792	8,094	7,691	5,832	4,067	52,392	140,838	6,008	48,319	54,327	195,165	176,967
Property and equipment rentals	50,083	51,347	4,264	39,982	21,070	44,235	56,778	267,759	50,685	62,999	113,684	381,443	400,980
Donated services and in-kind gifts	34,947	18,400	—	—	—	—	—	53,347	—	7,251	7,251	60,598	65,572
Conferences and travel	49,607	47,448	18,266	14,130	28,124	5,272	65,296	228,143	30,862	18,382	49,244	277,387	265,542
Transportation of program participants	23,541	37,586	1,521	47,251	—	—	—	109,899	—	1,036	1,036	110,935	80,062
Postage	8,038	1,644	231	1,987	2,724	73	4,729	19,426	2,961	6,223	9,184	28,610	34,997
Telephone	40,067	30,711	8,152	12,561	2,008	6,145	5,954	105,598	8,291	6,506	14,797	120,395	113,307
Insurance	101,264	23,921	4,070	35,426	1,567	541	7,271	174,060	103,913	5,873	109,786	283,846	290,205
Repairs and maintenance – equipment and building	193,263	47,415	7,494	25,187	2,791	2,178	51,245	329,573	218,675	10,660	229,335	558,908	529,030
Heat, light, and power	165,531	38,085	6,480	5,879	2,496	1,740	11,576	231,787	165,468	9,345	174,813	406,600	443,470
Bad debt expense	—	600	2,000	31	—	21,250	—	23,881	—	5,000	5,000	28,881	23,422
Miscellaneous	19,321	53,579	2,759	5,537	378	1,265	8,964	91,803	153,364	43,929	197,293	289,096	183,714
Total functional expenses before depreciation	15,457,068	2,186,227	1,732,759	1,269,779	1,805,908	338,270	1,135,977	23,925,988	2,408,430	1,453,774	3,862,204	27,788,192	27,667,099
Depreciation	304,003	100,114	79,348	58,147	82,698	15,490	52,020	691,820	110,290	66,573	176,863	868,683	843,793
Total functional expenses	$ 15,761,071	2,286,341	1,812,107	1,327,926	1,888,606	353,760	1,187,997	24,617,808	2,518,720	1,520,347	4,039,067	28,656,875	28,510,892

See accompanying independent auditors' report.

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

Combined Statements of Cash Flows

Years ended June 30, 2019 and 2018

		2019	2018
Cash flows from operating activities:			
Change in net assets	$	(735,911)	2,912,191
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:			
Postretirement-related changes other than net periodic benefit cost		1,163,838	(1,703,728)
Change in value of split-interest agreements		(72,953)	201,566
Depreciation expense		868,683	843,793
Bad debt expense		28,881	23,422
Net realized and unrealized gains on investments		(962,015)	(1,221,125)
Contributions restricted for capital and endowment		(1,693,475)	(937,861)
Changes in assets and liabilities:			
Receivables		(340,429)	97,229
Prepaid expenses and other assets		(13,769)	137,598
Accounts payable, accrued expenses, and other liabilities		89,646	252,397
Accrued payroll and employee benefits		400,810	580,947
Deferred revenue		251,666	(269,935)
Asset retirement obligation		11,216	10,582
Net cash (used in) provided by operating activities		(1,003,812)	927,076
Cash flows from investing activities:			
Purchases of investment securities		(14,239,624)	(38,507,946)
Proceeds from redemption and sales of investment securities		14,659,149	38,947,322
Acquisition of property and equipment		(947,939)	(888,769)
Proceeds from split-interest agreements		267,239	—
Net cash used in investing activities		(261,175)	(449,393)
Cash flows from financing activities:			
Collections of contributions restricted for capital and endowment		533,475	239,056
Proceeds from line of credit		2,850,000	2,850,000
Principal payments on line of credit		(1,850,000)	(3,050,000)
Net cash provided by financing activities		1,533,475	39,056
Change in cash and cash equivalents		268,488	516,739
Cash and cash equivalents at beginning of year		2,083,221	1,566,482
Cash and cash equivalents at end of year	$	2,351,709	2,083,221
Supplemental disclosure:			
Interest paid	$	140,258	93,077

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, 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 61% and 59% of the Organization's operating revenue for the years ended June 30, 2019 and 2018, respectively.

(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. 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 net assets without donor restrictions 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.

(Continued)

(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 – 40 Years
Furniture, fixtures, and equipment	3 – 15 Years
Vehicles and computer software	3 – 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) Net Assets

Net assets without donor restrictions are available for use at the discretion of the board of trustees and/or management for general operating purposes.

The Organization reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified to net assets without donor restrictions and reported in the combined statements of activities as released from restriction.

Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Organization to expend the income generated by the assets in accordance with the provisions of additional donor imposed stipulations or a board-approved spending policy.

(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.

Gifts of long-lived assets, such as land, buildings, or equipment, are reported without donor restrictions 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 with donor restrictions until the purpose restriction is satisfied. 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 government payors and are recognized as services are performed. Certain appropriations and rates are subject to audit and adjustment by government 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, 2019 and 2018, there were no adjustments related to grant appropriations for prior years.

At June 30, 2019, deferred revenue primarily represents a New York State Education Department payment for the 2019–2020 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 2019 for the educational program. 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. 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 2019 or 2018 as there were no activities that were not related to its exempt purpose.

(k) Recently Adopted Accounting Standards

During 2019, the Organization adopted Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. ASU No. 2016-14 reduces the number of net assets from three to two: net assets without donor restrictions, previously reported as unrestricted nets assets, and net assets with donor restrictions, previously reported as temporarily restricted net assets of $10,361,608 and permanently restricted net assets of $8,381,602 for 2018. Additionally, it increases the quantitative and qualitative disclosures regarding liquidity and availability of resources and requires expenses to be reported by both their natural and functional classification in one location. The Organization adopted ASU No. 2016-14 in 2019 and applied changes retrospectively.

(l) Recently Issued Accounting Pronouncements

The Financial Accounting Standards Board (FASB) issued ASU No. 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 No. 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.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. ASU 2014-09 requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration that the entity expects to be entitled to in exchange for those goods or services. Additional disclosure is required to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. The Organization plans to adopt ASU 2014-09 for the year ending June 30, 2020. The Organization is continuing to evaluate the impact of adopting this guidance on its financial statements.

In March 2017, the FASB issued ASU No. 2017-07, *Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost*. This guidance amends ASC Topic 715, *Compensation – Retirement Benefits*, to require employers that present a measure of operating income in their statement of operations to include only the service cost component of net periodic pension cost and net periodic postretirement benefit cost in operating expenses (together with other employee compensation costs). The other components of net benefit cost, including amortization of prior service cost or credit, are to be included in nonoperating revenue (expenses). This ASU is effective for fiscal years beginning after December 15, 2018, and early adoption is permitted. The adoption of this ASU will not have an impact on the Viscardi Center statements of financial position and activities.

(m) Reclassifications

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

(3) Investments and Fair Value Measurements

Investment income, net for 2019 and 2018 comprised the following:

		2019	2018
Interest and dividend income	$	701,683	639,774
Net realized and unrealized gains on investments		962,015	1,221,125
Investment advisory fees		(97,272)	(119,289)
	$	1,566,426	1,741,610

Investment income, net for 2019 and 2018 is reported in the combined statements of activities as follows:

		2019	2018
Without donor restrictions:			
Investment income utilized in operations	$	590,352	544,932
Investment income, in excess of amount utilized in operations		247,447	450,611
Total		837,799	995,543
With donor restrictions:			
Investment income utilized in operations		400,249	344,943
Investment income, in excess of amount utilized in operations		328,378	401,124
Total		728,627	746,067
Total investment income, net	$	1,566,426	1,741,610

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, 2019 and 2018 are summarized in the following table and are all considered Level 1 in the fair value hierarchy:

		2019	2018
Investments:			
Cash and cash equivalents	$	1,094,037	1,387,950
Domestic fixed income		5,707,770	5,198,111
Domestic equities		13,134,586	11,862,803
International fixed income		808,988	1,024,540
International equities		6,146,055	6,873,412
Global asset allocation fund		1,248,144	1,250,274
	$	28,139,580	27,597,090

(4) Contributions and Pledges Receivable

(a) Contributions receivable consisted of the following at June 30, 2019 and 2018:

		2019	2018
Total contributions receivable	$	4,751,335	3,037,432
Less:			
Discounted at rates ranging from 2.4% to 3.4%		(349,921)	(326,773)
	$	4,401,414	2,710,659

Contributions receivable as of June 30, 2019 and 2018 are expected to be collected as follows:

		2019	2018
Less than one year	$	1,341,585	491,432
One to five years		2,409,750	1,546,000
More than five years		1,000,000	1,000,000
	$	4,751,335	3,037,432

Contributions receivable totaling $2 million are from two donors as of June 30, 2019.

(Continued)

(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 $60,598 and $65,572 in fiscal years 2019 and 2018, 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.

(5) Property, Plant, and Equipment

The components of property, plant, and equipment and accumulated depreciation as of June 30, 2019 and 2018 consisted of the following:

	2019	2018
Construction in progress	$ 195,572	—
Land and improvements	2,541,218	2,541,218
Buildings and improvements	26,123,651	25,944,097
Furniture, fixtures, computer, and other equipment	8,626,235	8,115,246
Vehicles	494,313	437,400
Computer software	1,041,199	1,039,079
	39,022,188	38,077,040
Less accumulated depreciation	34,704,760	33,838,868
Property, plant, and equipment, net	$ 4,317,428	4,238,172

Depreciation expense amounted to $868,683 and $843,793 in fiscal years 2019 and 2018, respectively.

In April 1997, the Center executed an agreement, which expires in December 2019, to lease 9,040 square feet of its facility to St. Charles Hospital. The rental payments under this lease agreement were $295,585 and $295,819 for the years ended June 30, 2019 and 2018, 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 $149,476 for fiscal year 2020.

(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, 2019 and 2018, there was $3,200,000 and $2,200,000, respectively, outstanding under this line. The line expires on January 31, 2021 and bears interest at the LIBOR Daily Floating Rate plus 1.75%. The line is secured by the Organization’s investments with the financial institution.

(7) Net Assets with Donor Restrictions

(a) Released from Restrictions

The following purpose and time restrictions on donor-restricted net assets were satisfied during 2019 and 2018:

	2019		
	Programs and related expenses	Capital	Total
After-school programs	$ 210,269	—	210,269
Appropriated spending from general purpose endowment	356,888	—	356,888
Fine arts program	78,297	—	78,297
Inclusive technology program	18,780	285,446	304,226
Kornreich Technology Center	18,441	4,135	22,576
National Business & Disability Council	155,765	1,058	156,823
Skills development area	149,009	9,302	158,311
Transition services	119,311	—	119,311
Project Accessible Oral Health	272,231	—	272,231
Proceeds from split-interest agreements	267,239	—	267,239
Marketing and expansion of programs	297,108	—	297,108
Digital accessibility services	163,612	4,533	168,145
Day habilitation services	9,494	81,833	91,327
Door frame and canopy replacement projects	—	121,350	121,350
All other purposes	268,383	14,484	282,867
	$ 2,384,827	522,141	2,906,968

		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

(b) Composition

Net assets with donor restrictions consist of contributions received from donors whose use is limited by either in-perpetuity donor restrictions or donor-imposed stipulations based on time or purpose. The restricted amounts as of June 30, 2019 and 2018 and the corresponding purposes for which the income is expendable are as follows:

		2019	2018
Subject to expenditure based on time or for specific purpose:			
After-school programs	$	151,910	299,581
Beneficial interest in remainder trusts		1,630,898	1,825,184
Capital projects		17,154	54,538
Day Habilitation program		43,010	107,028
Fine arts program		704,197	742,316
General Comprehensive Campaign purposes		851,985	754,798
General purpose endowment income		3,396,043	3,244,385
HorseAbility therapeutic riding program		25,000	25,000
Inclusive technology program		379,529	425,064

		2019	2018
Independent Living House	$	597,225	75,000
Kornreich Technology Center		385,688	327,091
National Business & Disability Council		148,970	51,035
National Center for Disability Entrepreneurship		469,856	468,182
New Jersey laboratory project		34,341	34,341
Pool renovation		1,428,176	468,182
Program expansion		34,968	93,637
Project Accessible Oral Health		40,000	64,369
Skills development area		11,274	36,848
Transition services		170,000	16,396
Time restricted pledges		827,181	807,794
Veterans training program		96,116	100,000
All other purposes		389,217	340,839
Net assets with donor restrictions – time or purpose restricted		11,832,738	10,361,608
Net assets held as endowed assets to generate income for specific purposes:			
General – Center		4,091,103	4,091,103
General education – School		1,577,197	1,577,197
Kornreich Technology Center		1,127,136	1,122,136
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	50,276
All other purposes		270,890	270,890
Net assets with donor restrictions – endowed fund corpus		8,386,602	8,381,602
Total net assets with donor restrictions	$	20,219,340	18,743,210

(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 designated to be held in perpetuity to be classified as donor 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, 2019:

		With donor restrictions		
	Without donor restrictions	**Accumulated gains**	**Endowment fund corpus**	**Total**
Donor restricted	$ —	4,207,520	8,386,602	12,594,122
Quasi (board designated)	14,980,108	—	—	14,980,108
	$ 14,980,108	4,207,520	8,386,602	27,574,230

Changes in endowment net assets for the fiscal year ended June 30, 2019 were as follows:

		With donor restrictions		
	Without donor restrictions	**Accumulated gains**	**Endowment fund corpus**	**Total**
Net assets at June 30, 2018	$ 14,747,226	3,909,456	8,381,602	27,038,284
Investment income, net	837,799	728,627	—	1,566,426
Additions	321,997	381	5,000	327,378
Appropriation of endowment assets for expenditure	(590,352)	(395,316)	—	(985,668)
Unspent appropriated amount	—	2,354	—	2,354
Expenditure of prior year unspent appropriated amount	—	(7,287)	—	(7,287)
Other distributions	(336,562)	(30,695)	—	(367,257)
Net assets at June 30, 2019	$ 14,980,108	4,207,520	8,386,602	27,574,230

The following table presents the net asset classes of the Organization's endowment funds at June 30, 2018:

		Without donor restrictions	**Without donor restrictions**		
		Without donor restrictions	**Accumulated gains**	**Endowment fund corpus**	**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:

			With donor restrictions		
		Without donor restrictions	**Accumulated gains**	**Endowment fund corpus**	**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

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, 2019 or 2018.

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 $1,007,409 and $1,018,347 in fiscal years 2019 and 2018, 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, 2019 and 2018, the Center contributed $23,178 and $20,494, 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, 2019:

	Medical plan	Unused sick/ personal days	Total
Reconciliation of the benefit obligations:			
Benefit obligation at beginning of year	$ 14,275,381	412,852	14,688,233
Service cost	135,259	7,296	142,555
Interest cost	551,045	24,572	575,617
Actuarial loss	957,623	274,726	1,232,349
Benefits paid	(255,827)	(142,328)	(398,155)
Benefit obligation at end of year	$ 15,663,481	577,118	16,240,599

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

As of June 30, 2019, 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)	$	130,060	(2,039)	128,021
Net actuarial loss		266,233	341,869	608,102
	$	396,293	339,830	736,123

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)

In addition to service and interest costs, the components of projected net periodic postretirement benefit costs for fiscal year 2020 will include the following:

		Medical plan	Unused sick/ personal days	Total
Amortization of net actuarial loss	$	—	43,516	43,516
Amortization of net prior service cost (credit)		32,034	(2,039)	29,995

The following table provides the components of the net periodic benefit costs for the year ended June 30, 2019:

		Medical plan	Unused sick/ personal days	Total
Service cost	$	135,259	7,296	142,555
Interest cost		551,045	24,572	575,617
Amortization of prior service cost (credit)		32,035	(2,548)	29,487
Amortization of net (gain) loss		(7,582)	46,606	39,024
Net postretirement benefit expense	$	710,757	75,926	786,683

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

For the year ended June 30, 2019, 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	$	957,623	274,726	1,232,349
Amortization of net loss (gain)		7,582	(46,606)	(39,024)
Amortization of prior service (credit) cost		(32,035)	2,548	(29,487)
	$	933,170	230,668	1,163,838

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)

	2019	2018
Weighted average assumptions as of June 30:		
Discount rate – benefit obligation	3.40 %	4.10 %
Discount rate – net periodic benefit cost	4.10	3.79
Rate of compensation increase	4.00	4.00

The actuarial loss in the benefit obligation in 2019 is primarily attributable to a decrease in the discount rate from 4.10% in 2018 to 3.40% in 2019. 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.

For measurement purposes, a 7% annual rate of increase in the per capita cost of covered healthcare benefits was assumed for 2019. The rate was assumed to decrease gradually to 5% for 2022 and remain at that level thereafter. For Medicare Part B benefits, a 6% annual rate of increase was assumed for 2019 and then decreasing gradually to 4% by 2022 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		2019	
		1% Increase	1% Decrease
Effect on total of service cost and interest	$	139,477	(109,844)
Effect on accumulated postretirement benefit obligation		2,799,044	(2,241,495)

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
2020	$	383,000	68,000	451,000
2021		424,000	50,000	474,000
2022		464,000	52,000	516,000
2023		510,000	58,000	568,000
2024		561,000	47,000	608,000
2025–2029		3,409,000	208,000	3,617,000

(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 $2,851,257 and $2,679,202 in fiscal years 2019 and 2018, 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 (utilizing a combination of square footage, time studies and ratio value) 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 fundraising and external relations in the combined statements of activities for the years ended June 30, 2019 and 2018:

		2019	2018
Henry Viscardi School	$	1,940,019	1,845,400
Vocational programs		464,453	446,400
Transition services		79,020	95,029
Community integration programs		71,698	67,932
Employer Assistance and Resource Network on Disability Inclusion		30,433	27,060
National Business & Disability Council		10,501	8,411
Innovation and expansion		141,175	85,252
Fund-raising and external relations		113,958	103,718
Total program and supporting service overhead	$	2,851,257	2,679,202

(10) Contingencies

The Center and School are recipients of funding from both federal and state government 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, 2019 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, 2018. 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, 2019.

(11) Commitments

At June 30, 2019, the Organization was obligated for minimum annual rental payments under noncancelable operating leases for equipment and facilities as follows:

Year ending June 30:		
2020	$	164,494
2021		148,890
2022		138,460
2023		132,828
2024		16,090
	$	600,762

Rental expenses under leases were $211,294 and $141,220 for the years ended June 30, 2019 and 2018, 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 $198,158 and $186,942 as of June 30, 2019 and 2018, respectively. Accretion expense is recognized annually using the effective-interest method. There was no remediation of asbestos in fiscal year 2019 or 2018.

(13) Availability of Financial Assets for General Expenditures

Resources available to the Organization to fund general expenditures, such as operating expenses, interest on the line of credit, and internally funded capital improvements have seasonal variations related to the timing of program service billings, receipt of gifts and pledge payments, and transfers from the endowment for board-appropriated amounts. The Organization actively manages its resources, utilizing a combination of short, medium, and long-term operating investment strategies to align its cash inflows with anticipated outflows, in accordance with policies approved by the board of trustees.

(Continued)

As further described in note 6, the Organization may draw upon a revolving credit facility to manage its cash flows. At June 30, 2019 and 2018, existing financial assets and liquidity resources available within one year were as follows:

Financial assets available		Resources available at June 30, 2019	Resources appropriated by the board and available in fiscal year ending June 30, 2020	Total
Cash and cash equivalents – without restriction	$	867,493	—	867,493
Government agencies receivables		2,533,826	—	2,533,826
Contributions (without restriction) due in one year or less		106,452	—	106,452
Other receivables		76,004	—	76,004
Payout on board-designated endowments		—	577,948	577,948
Payout on donor-restricted endowments		—	349,040	349,040
		3,583,775	926,988	4,510,763
Liquidity resources				
Bank line of credit ($3,200,000 outstanding as of June 30, 2019)		4,800,000	—	4,800,000
Total financial assets and other liquidity resources	$	8,383,775	926,988	9,310,763

Financial assets available	**Resources available at June 30, 2018**	**Resources appropriated by the board and available in fiscal year ending June 30, 2019**	**Total**
Cash and cash equivalents – without restriction	$ 1,017,402	—	1,017,402
Government agencies receivables	2,745,730	—	2,745,730
Contributions (without restrction) due in one year or less	46,110	—	46,110
Other receivables	75,822	—	75,822
Payout on board-designated endowments	—	590,352	590,352
Payout on donor-restricted endowments	—	356,888	356,888
	3,885,064	947,240	4,832,304
Liquidity resources			
Bank line of credit ($2,200,000 outstanding as of June 30, 2018)	5,800,000	—	5,800,000
Total financial assets and other liquidity resources	$ 9,685,064	947,240	10,632,304

Additionally, the Organization has $14,980,108 and $14,747,226 in board-designated endowments, see note 7(c), as of June 30, 2019 and 2018, respectively, which can be liquidated in one year. Furthermore, the Organization has accumulated general purpose endowment income of $3,047,003 and $2,887,497, see note 7(b), as of June 30, 2019 and 2018, respectively, which can be liquidated in one year.

(14) Subsequent Events

The Organization evaluated events subsequent to June 30, 2019 and 2018 and through November 15, 2019, 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

Schedule of NYS Fees for Programs for the Disabled

Year ended June 30, 2019

Program name	Funding source			2019
Assistive Technology Evaluation	NYS ACCES		$	9,119
Project Search	NYS ACCES			57,061
Supported Employment	NYS OPWDD			229,373
Job Placement	NYS ACCES			208,286
Diagnostic Vocational Evaluation	NYS ACCES			60,071
Extended Supported Employment Job Coaching	NYS ACCES			86,953
Job Coaching	NYS ACCES			24,965
Driver Education	NYS ACCES			34,682
Intensive Supported Employment Job Coaching	NYS ACCES			128,019
Explore – Pre ETS	NYS ACCES			1,842
Client Transportation	NYS ACCES			50,441
Worker Adjustment Training	NYS ACCES			37,240
Enterprise Office Services Training Program	NYS ACCES	B		10,000
Culinary Skills	NYS ACCES	A		61,075
Day Habilitation Without Walls	NYS OPWDD			684,183
Medicaid Service Coordination	NYS OPWDD			511,580
Plan of Care	NYS OPWDD			5,687
Total New York State fees for programs for the disabled			$	2,200,577
Gross tuition for tuition assessment calculations				
A – Culinary Skills			$	61,075
B – Enterprise Office Services Training Program				10,000
Total gross tuition for tuition assessment calculations			$	71,075

See accompanying independent auditors' report.