

NEW YORK SERVICE FOR THE HANDICAPPED

**FINANCIAL STATEMENTS
AND AUDITOR'S REPORT**

DECEMBER 31, 2016

NEW YORK SERVICE FOR THE HANDICAPPED

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Board of Directors New York Service for the Handicapped

Report on the Financial Statements

We have audited the accompanying financial statements of New York Service for the Handicapped, which comprise the balance sheet as of December 31, 2016, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 financial statements.

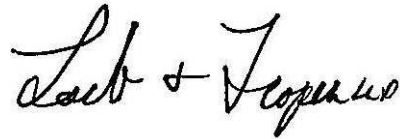
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 7 to the financial statements, the December 31, 2015 opening net assets has been restated to correct the recording for certain receivables and payables. Our opinion is not modified with respect to this matter.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New York Service for the Handicapped as of December 31, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in cursive script that reads "Loeb & Troper".

October 19, 2017

NEW YORK SERVICE FOR THE HANDICAPPED

EXHIBIT A

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2016

	Unrestricted				Permanently Restricted				
	Total	General	Board Designated	Land, Building and Equipment	Total	Temporarily Restricted	Eisenberg Scholarship Fund	De Bare Fund	Total
Operating revenues, gains, losses and other support									
Support									
Special events	\$ 215,299	\$ 215,299			\$ 215,299				
Shore Friends of Camp Oakhurst	43,700	43,700			43,700				
Non-board contributions	127,648	127,648			127,648				
Foundations, trusts and bequests	335,314	234,000			234,000	\$ 101,314			
Board member contributions	193,300	193,300			193,300				
U.J.A. - Federation of Jewish Philanthropies	59,538	49,538			49,538	10,000			
Net assets released from restriction (Note 3)		746,038		\$ 113,321	859,359	(859,359)			
Total support	<u>974,799</u>	<u>1,609,523</u>		<u>113,321</u>	<u>1,722,844</u>	<u>(748,045)</u>			
Government grants and contracts									
New Jersey Division of Developmental Disabilities - camp/respite care	65,334	65,334			65,334				
New Jersey Department of Education - summer food program	3,488	3,488			3,488				
New York State Office of People with Developmental Disabilities - respite care	<u>1,043,249</u>	<u>1,043,249</u>			<u>1,043,249</u>				
Total government grants and contracts	<u>1,112,071</u>	<u>1,112,071</u>			<u>1,112,071</u>				
Other revenues, gains and losses									
Direct client fees	215,899	215,899			215,899				
Supplementary fees and scholarships	120,430	120,430			120,430				
Interest and dividends	15,626	13,026			13,026	2,600			
Capital gain distributions	<u>119,877</u>	<u>119,877</u>			<u>119,877</u>				
Total other revenues, gains and losses	<u>471,832</u>	<u>469,232</u>			<u>469,232</u>	<u>2,600</u>			
Total operating revenues, gains, losses and other support	<u>2,558,702</u>	<u>3,190,826</u>		<u>113,321</u>	<u>3,304,147</u>	<u>(745,445)</u>			

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NEW YORK SERVICE FOR THE HANDICAPPED

EXHIBIT A

STATEMENT OF ACTIVITIES

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YEAR ENDED DECEMBER 31, 2016

	Unrestricted				Temporarily Restricted	Permanently Restricted			
	Total	General	Board Designated	Land, Building and Equipment		Total	Eisenberg Scholarship Fund	De Bare Fund	Total
Operating expenses (Exhibit B)									
Program services									
Summer camp	\$ 706,615	\$ 662,886		\$ 43,729	\$ 706,615				
Traditional respite care	1,075,219	949,174		126,045	1,075,219				
Autism respite care	279,371	243,357		36,014	279,371				
Total program services	<u>2,061,205</u>	<u>1,855,417</u>		<u>205,788</u>	<u>2,061,205</u>				
Supporting services									
Management and general	179,058	179,058			179,058				
Fund raising	124,224	124,224			124,224				
Direct cost of special events	50,249	50,249			50,249				
Total supporting services	<u>353,531</u>	<u>353,531</u>			<u>353,531</u>				
Total operating expenses	<u>2,414,736</u>	<u>2,208,948</u>		<u>205,788</u>	<u>2,414,736</u>				
Change in net assets from operations	<u>143,966</u>	<u>981,878</u>		<u>(92,467)</u>	<u>889,411</u>	<u>\$ (745,445)</u>			
Nonoperating revenues, gains, losses and other support									
Board member contributions	22,012						\$ 22,012	\$ 22,012	
Unrealized gain on investments	46,482	38,747			38,747	7,735			
Realized gain on investments	41,238	13,441			13,441	27,797			
Gain on investment in real estate partnership	6,148	6,148			6,148				
Total nonoperating revenues, gains, losses and other support	<u>115,880</u>	<u>58,336</u>			<u>58,336</u>	<u>35,532</u>	<u>22,012</u>	<u>22,012</u>	
Change in net assets (Exhibit D)	<u>259,846</u>	<u>1,040,214</u>		<u>(92,467)</u>	<u>947,747</u>	<u>(709,913)</u>	<u>22,012</u>	<u>22,012</u>	
Net assets (deficit) - beginning of year, as originally reported	3,605,961	(612,556)	\$ 45,364	1,714,504	1,147,312	1,866,402	\$ 98,577	493,670	592,247
Restatement (Note 7)	<u>(239,725)</u>	<u>(239,725)</u>			<u>(239,725)</u>				
Net assets (deficit) - beginning of year, as restated	<u>3,366,236</u>	<u>(852,281)</u>	<u>45,364</u>	<u>1,714,504</u>	<u>907,587</u>	<u>1,866,402</u>	<u>98,577</u>	<u>493,670</u>	<u>592,247</u>
Net assets (deficit) - end of year (Exhibit C)	<u>\$ 3,626,082</u>	<u>\$ 187,933</u>	<u>\$ 45,364</u>	<u>\$ 1,622,037</u>	<u>\$ 1,855,334</u>	<u>\$ 1,156,489</u>	<u>\$ 98,577</u>	<u>\$ 515,682</u>	<u>\$ 614,259</u>

See independent auditor's report.

The accompanying notes are an integral part of these statements.

NEW YORK SERVICE FOR THE HANDICAPPED

EXHIBIT B

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2016

	Program Services				Supporting Services				
	Total	Summer Camp	Traditional Respite Care	Autism Respite Care	Total	Management and General	Fund Raising	Direct Cost of Special Events	Total
Personnel costs									
Administrative salaries	\$ 398,803	\$ 56,278	\$ 158,067	\$ 45,162	\$ 259,507	\$ 61,744	\$ 77,552		\$ 139,296
Household maintenance salaries	91,481	21,802	54,194	15,485	91,481				
Professional salaries	108,090	36,021	56,054	16,015	108,090				
Direct care and recreational salaries	220,161	23,838	152,699	43,624	220,161				
Payroll taxes and employee benefits	331,353	67,563	171,078	57,589	296,230	26,475	8,648		35,123
Contracted services	105,903	82,382	15,494	4,427	102,303	3,600			3,600
	<u>1,255,791</u>	<u>287,884</u>	<u>607,586</u>	<u>182,302</u>	<u>1,077,772</u>	<u>91,819</u>	<u>86,200</u>		<u>178,019</u>
Occupancy and maintenance									
Repairs and maintenance of buildings and grounds	76,823	30,103	37,524	7,972	75,599	765	459		1,224
Electricity, fuel, gas and water	95,257	43,900	45,007	6,350	95,257				
Occupancy (Note 5)	65,161	8,308	23,947	6,842	39,097	16,291	9,773		26,064
Real estate taxes	1,007	214	616	177	1,007				
	<u>238,248</u>	<u>82,525</u>	<u>107,094</u>	<u>21,341</u>	<u>210,960</u>	<u>17,056</u>	<u>10,232</u>		<u>27,288</u>
Administrative expenses									
Stationery, printing and office supplies	54,049	16,043	18,661	3,131	37,835	10,810	5,404		16,214
Technology and communications	38,132	7,554	21,004	5,940	34,498	2,425	1,209		3,634
Professional fees	37,439					37,439			37,439
Insurance	81,169	33,667	34,515	4,871	73,053	8,116			8,116
Recruitment	87,001	86,786			86,786	215			215
Catering and entertainment	52,654						2,405	\$ 50,249	52,654
Other	119,851	43,723	40,466	5,710	89,899	11,178	18,774		29,952
	<u>470,295</u>	<u>187,773</u>	<u>114,646</u>	<u>19,652</u>	<u>322,071</u>	<u>70,183</u>	<u>27,792</u>	<u>50,249</u>	<u>148,224</u>

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STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2016

	Program Services					Supporting Services			
	Total	Summer Camp	Traditional Respite Care	Autism Respite Care	Total	Management and General	Fund Raising	Direct Cost of Special Events	Total
Institutional operations									
Food supplies	\$ 123,297	\$ 56,823	\$ 58,253	\$ 8,221	\$ 123,297				
Household supplies and equipment	35,987	16,586	17,002	2,399	35,987				
Linen and bedding	2,821	1,301	1,332	188	2,821				
Medical supplies and fees	7,236	3,389	3,371	476	7,236				
Recreation and program supplies	15,951	7,935	7,024	992	15,951				
Transportation	14,099	2,996	8,635	2,468	14,099				
Motor vehicle expense	21,393	4,546	13,103	3,744	21,393				
Clothing	4,494	4,455	31	8	4,494				
Laundry service	19,336	6,673	11,097	1,566	19,336				
	<u>244,614</u>	<u>104,704</u>	<u>119,848</u>	<u>20,062</u>	<u>244,614</u>				
Total expenses before depreciation	2,208,948	662,886	949,174	243,357	1,855,417	\$ 179,058	\$ 124,224	\$ 50,249	\$ 353,531
Depreciation	<u>205,788</u>	<u>43,729</u>	<u>126,045</u>	<u>36,014</u>	<u>205,788</u>				
Total expenses (Exhibit A)	<u>\$ 2,414,736</u>	<u>\$ 706,615</u>	<u>\$ 1,075,219</u>	<u>\$ 279,371</u>	<u>\$ 2,061,205</u>	<u>\$ 179,058</u>	<u>\$ 124,224</u>	<u>\$ 50,249</u>	<u>\$ 353,531</u>

See independent auditor's report.

The accompanying notes are an integral part of these statements.

NEW YORK SERVICE FOR THE HANDICAPPED

BALANCE SHEET

DECEMBER 31, 2016

ASSETS

Cash and cash equivalents	\$ 75,324
Investments (Note 2)	1,594,898
Accounts receivable	319,396
Security deposit and prepaid expenses	15,779
Investment in real estate partnership (Note 2)	63,800
Land	17,120
Building and improvements (net of \$3,172,820 accumulated depreciation)	1,546,457
Equipment (net of \$1,327,545 accumulated depreciation)	<u>58,460</u>
Total assets	<u><u>\$ 3,691,234</u></u>

LIABILITIES AND NET ASSETS

Liabilities	
Accounts payable and accrued expenses	<u>\$ 65,152</u>
Net assets (deficit) (Exhibit A)	
Unrestricted	
General	187,933
Board designated (Happy Days Fund) (Note 2)	45,364
Land, building and equipment	<u>1,622,037</u>
Total unrestricted	<u>1,855,334</u>
Temporarily restricted (Note 3)	<u>1,156,489</u>
Permanently restricted	
Eisenberg Scholarship Fund (Note 4)	98,577
Charles A. and Mary De Bare Fund (Note 4)	<u>515,682</u>
Total permanently restricted	<u>614,259</u>
Total net assets	<u>3,626,082</u>
Total liabilities and net assets	<u><u>\$ 3,691,234</u></u>

See independent auditor's report.

The accompanying notes are an integral part of these statements.

NEW YORK SERVICE FOR THE HANDICAPPED

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2016

Cash flows from operating activities	
Change in net assets (Exhibit A)	259,846
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Contribution of investments in real estate partnership	(50,400)
Permanently restricted contributions	(22,012)
Depreciation	205,788
Realized gain on investments	(41,238)
Unrealized gain on investments	(46,482)
Gain on investment in real estate partnership	(6,148)
Decrease (increase) in assets	
Accounts receivable	(100,734)
Security deposit and prepaid expenses	(4,755)
Increase (decrease) in liabilities	
Accounts payable and accrued expenses	42,730
Deferred revenue	(70,000)
	<u>166,595</u>
Net cash provided by operating activities	
Cash flows from investing activities	
Purchase of investments	(205,993)
Proceeds from sale of investments	161,115
Distribution from real estate partnerships	6,260
Fixed asset acquisitions	(113,321)
	<u>(151,939)</u>
Net cash used by investing activities	
Cash flows from financing activities	
Proceeds from permanently restricted contributions	22,012
	<u>22,012</u>
Change in cash and cash equivalents	36,668
Cash and cash equivalents - beginning of year	<u>38,656</u>
Cash and cash equivalents - end of year	<u><u>\$ 75,324</u></u>

See independent auditor's report.

The accompanying notes are an integral part of these statements.

NEW YORK SERVICE FOR THE HANDICAPPED

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

NOTE 1 - NATURE AND PURPOSE OF THE ORGANIZATION

New York Service for the Handicapped is a not-for-profit organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The purpose of New York Service for the Handicapped is to operate Camp Oakhurst, a camp for disabled children and adults. Programs include a sleep-away summer camp and year-round respite.

The primary sources of funding for New York Service for the Handicapped are contributions, government grants and contracts.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting - The financial statements are prepared on the accrual basis of accounting.

Use of estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents - Cash and cash equivalents consist of highly liquid instruments purchased with maturities, when acquired, of three months or less.

Investments - Investments are recorded at fair value. New York Service for the Handicapped invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, based upon the markets' fluctuations, and that such changes could materially affect New York Service for the Handicapped's financial statements.

Investment in real estate partnership - New York Service for the Handicapped is invested in two real estate partnerships. New York Service for the Handicapped is a 2.97% owner in Audubon Partners, LLC which, based on the equity method, was valued at \$21,643 at December 31, 2016. New York Service for the Handicapped is also a 3.42% owner in Village Park Summit, LLC which, based on the equity method, was valued at \$42,157 at December 31, 2016.

Accounts receivable - New York Service for the Handicapped records receivables based on established rates when services are rendered. Accounts receivable are presented net of allowances for doubtful accounts. Interest income is not accrued or recorded on accounts receivable.

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NEW YORK SERVICE FOR THE HANDICAPPED

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Allowance for doubtful accounts - New York Service for the Handicapped determines whether an allowance for uncollectibles should be provided for accounts receivable. Such estimates are based on management's assessment of the aged basis of its accounts, current economic conditions, subsequent receipts and historical information. Accounts receivable are written off against the allowance for doubtful accounts when all reasonable collection efforts have been exhausted. Management has determined that there was no need to record an allowance for doubtful accounts as of December 31, 2016.

Fixed assets - Fixed assets costing more than \$500 and having a useful life in excess of one year are capitalized at cost and depreciated on the straight-line method over their useful lives as follows:

Building and improvements	5-35 years
Equipment	5-10 years

Net assets - Unrestricted net assets include funds having no restriction as to use or purpose imposed by donors. Temporarily restricted net assets are those whose use by the organization has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the organization in perpetuity.

Measure of operations - New York Service for the Handicapped excludes gains and losses on investments and contributions restricted to investment in endowment from its measure of operations.

Board designated fund - The Board established a Designated Fund consisting of a \$25,000 bequest from George Joelson and \$20,364 of contributions made in memory of former board members and their immediate families during the years 1998-1999. The fund is known as the Happy Days Fund.

Contributions - Unconditional contributions, including promises to give cash and other assets, are reported at fair value at the date the contribution is received. The gifts are reported as either temporarily or permanently restricted support 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, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Functional allocation of expenses - The costs of providing the organization's programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

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NEW YORK SERVICE FOR THE HANDICAPPED**NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2016****NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Rent expense - Operating leases are recorded on the straight-line basis with deferred rent recorded when there are material differences between the fixed payment and the rent expense.

Uncertainty in income taxes - New York Service for the Handicapped has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. Periods ending December 31, 2013 and subsequent remain subject to examination by applicable taxing authorities.

Subsequent events - Subsequent events have been evaluated through October 19, 2017, which is the date the financial statements were available to be issued.

Fair Value Measurements

Fair Value Measurements establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below. Level 1 inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that New York Service for the Handicapped has the ability to access. Level 2 inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability. Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement. The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

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NEW YORK SERVICE FOR THE HANDICAPPED

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value Measurements (continued)

The following is a description of the valuation methodology used for assets measured at fair value. There has been no change in the methodology used at December 31, 2016 as compared to that used at December 31, 2015.

Mutual funds - Valued at the net asset value (NAV) of shares held at year end.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while New York Service for the Handicapped believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the assets at fair value as of December 31, 2016:

	<u>Level 1</u>
Mutual funds	
Stock	\$ 520,811
International stock	109,091
Small-Cap Growth	546,883
Large Growth	351,436
Large Value	<u>66,677</u>
	\$ <u>1,594,898</u>

NOTE 3 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

Capital projects	\$ 920,524
Program development	<u>235,965</u>
	\$ <u>1,156,489</u>

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NEW YORK SERVICE FOR THE HANDICAPPED

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

NOTE 3 - TEMPORARILY RESTRICTED NET ASSETS (continued)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes specified by donors:

Capital projects	\$ 113,321
Campaign for the Second Century	<u>746,038</u>
	\$ <u>859,359</u>

NOTE 4 - PERMANENTLY RESTRICTED NET ASSETS

General

New York Service for the Handicapped's permanently restricted net assets consist of two endowment funds whose assets are to be held in perpetuity. The income from the assets can be used for the specific purpose for which the endowment was established as detailed below.

As required by generally accepted accounting principles (GAAP), net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Directors of New York Service for the Handicapped adopted the New York Prudent Management of Institutional Funds Act (NYPMIFA). NYPMIFA permits charities to apply a spending policy to endowments based on certain specified standards of prudence. New York Service for the Handicapped is governed by the NYPMIFA spending policy, which establishes a standard maximum prudent spending limit of 7% of the average of its previous five years' balance. As a result of this interpretation, New York Service for the Handicapped classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the permanent endowment. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standards of prudence prescribed by NYPMIFA.

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NEW YORK SERVICE FOR THE HANDICAPPED

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

NOTE 4 - PERMANENTLY RESTRICTED NET ASSETS (continued)

Return Objectives, Strategies Employed and Spending Policy

The objective of New York Service for the Handicapped is to maintain the principal endowment funds at the original amount designated by the donor while generating income. The investment policy to achieve this objective is to invest in low-risk securities. Interest earned in relation to the endowment funds is recorded as temporarily restricted income and released from restriction upon expenditure for the program for which the endowment fund was established.

Funds with Deficiencies

New York Service for the Handicapped does not have any funds with deficiencies.

Endowment Net Asset Composition by Type of Fund as of December 31, 2016

The endowment net asset composition is as follows:

Camp Oakhurst tuition assistance - Eisenberg Scholarship Fund	\$ 98,577
Capital improvements and special projects - Charles A. and Mary De Bare Fund	<u>515,682</u>
	<u>\$ 614,259</u>

Changes in Endowment Net Assets for the Year Ended December 31, 2016

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>
Endowment net assets, beginning of year		\$ 592,247
Contributions		22,012
Interest and dividends	2,600	
Net realized and unrealized gain on investments	35,532	
Appropriation of funds for expenditures	<u>(38,132)</u>	
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 614,259</u>

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NEW YORK SERVICE FOR THE HANDICAPPED

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

NOTE 5 - LEASE COMMITMENTS

In November 2013, New York Service for the Handicapped renewed their noncancelable lease for office space which expires in October 2018. Rent expense, including utilities, for the year ended December 31, 2016 was \$65,161. Minimum future payments are as follows:

<u>Year Ending December 31</u>	
2017	\$ 60,159
2018	<u>51,379</u>
	\$ <u>111,538</u>

NOTE 6 - CONCENTRATIONS AND CONTINGENCIES

Financial instruments which potentially subject New York Service for the Handicapped to a concentration of credit risk are cash accounts with financial institutions in excess of FDIC insurance limits.

There is a notice of claim being filed in regard to an incident at the camp and the matter has ben referred to the attorneys. At this point management cannot make an estimate for any potential liability.

NOTE 7 - RESTATEMENT

The December 31, 2015 net assets are being restated to correct the recording for certain receivables and other assets as follows:

	<u>As Originally Reported</u>	<u>Restatement</u>	<u>As Restated</u>
Unrestricted net assets	\$ 1,147,312	\$ (239,725)	\$ 907,587
Accounts receivable	250,661	(31,999)	218,662
Security deposit and prepaid expenses	218,750	(207,726)	11,024