



**CID-NY**

**CENTER FOR INDEPENDENCE  
OF THE DISABLED IN NEW YORK, INC.**

Audited Financial Statements

June 30, 2016

## **Independent Auditors' Report**

To the Board of Directors of  
Center for Independence of the Disabled in New York, Inc.

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of Center for Independence of the Disabled in New York, Inc. ("CIDNY"), which comprise the statement of financial position as of June 30, 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.

### ***Auditors' 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 auditors' 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.

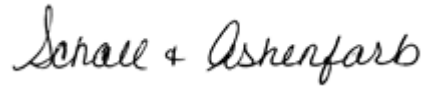
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CIDNY as of June 30, 2016, and the changes in net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Report on Summarized Comparative Information***

We have previously audited CIDNY's 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 16, 2015. In our opinion, the summarized comparative information presented herein as of and for the year-ended June 30, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.



Schall & Ashenfarb  
Certified Public Accountants, LLC

November 9, 2016

**CENTER FOR INDEPENDENCE OF THE DISABLED IN NEW YORK, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AT JUNE 30, 2016**  
(With comparative totals at June 30, 2015)

|  | <u>6/30/16</u>                | <u>6/30/15</u>                |
|--|-------------------------------|-------------------------------|
| <b>Assets</b>  |                               |                               |
| Current assets:  |                               |                               |
| Cash and cash equivalents                              | \$419,986                     | \$286,741                     |
| Investments (Note 3)                                   | 435,489                       | 533,544                       |
| Pledges receivable                                     | 49,422                        | 35,363                        |
| Government grants receivable                           | 513,570                       | 626,228                       |
| Prepaid expenses and other assets                      | 9,349                         | 13,377                        |
| Total current assets                                   | <u>1,427,816</u>              | <u>1,495,253</u>              |
| Non-current assets:                                    |                               |                               |
| Security deposits                                      | 85,754                        | 85,754                        |
| Fixed assets, net of accumulated depreciation (Note 5) | 32,450                        | 47,626                        |
| Total non-current assets                               | <u>118,204</u>                | <u>133,380</u>                |
| <br>Total assets                                       | <br><u><u>\$1,546,020</u></u> | <br><u><u>\$1,628,633</u></u> |
| <b>Liabilities and Net Assets</b>                      |                               |                               |
| Current liabilities:                                   |                               |                               |
| Accounts payable and accrued expenses                  | \$117,906                     | \$200,394                     |
| Government grant advances                              | 38,422                        | 36,408                        |
| Total current liabilities                              | <u>156,328</u>                | <u>236,802</u>                |
| Non-current liabilities:                               |                               |                               |
| Deferred rent  | 102,264                       | 81,049                        |
| Total liabilities                                      | <u>258,592</u>                | <u>317,851</u>                |
| Commitments (Note 6)                                   |                               |                               |
| Net assets:  |                               |                               |
| Unrestricted   | 1,118,539                     | 1,148,449                     |
| Temporarily restricted (Note 4)                        | 168,889                       | 162,333                       |
| Total net assets                                       | <u>1,287,428</u>              | <u>1,310,782</u>              |
| <br>Total liabilities and net assets                   | <br><u><u>\$1,546,020</u></u> | <br><u><u>\$1,628,633</u></u> |

*The attached notes and auditors' report are an integral part of these financial statements.*

**CENTER FOR INDEPENDENCE OF THE DISABLED IN NEW YORK, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2016**  
(With comparative totals for the year ended June 30, 2015)

|  | <u>Unrestricted</u> | <u>Temporarily<br/>Restricted</u><br>(Note 4) | <u>Total<br/>6/30/16</u> | <u>Total<br/>6/30/15</u> |
|--|---------------------|---|--------------------------|--------------------------|
| Support and revenue:                   |                     |   |                          |                          |
| Grants and contributions:              |                     |   |                          |                          |
| Government contracts (Note 6)          | \$2,551,017         |   | \$2,551,017              | \$2,174,137              |
| Foundation and institutional grants    | 40,750              | \$30,598                                      | 71,348                   | 27,519                   |
| Individual contributions               | 313,182             |   | 313,182                  | 340,339                  |
| Fee income                             | 76,115              |   | 76,115                   | 57,140                   |
| In-kind contributions                  | 79,000              |   | 79,000                   | 35,000                   |
| Interest income                        | 2,003               |   | 2,003                    | 4,678                    |
| Unrealized gain on investments         | 399                 |   | 399                      | 44                       |
| Other income                           | 12,500              |   | 12,500                   | 0                        |
| Net assets released from restrictions: |                     |   |                          |                          |
| Satisfaction of program restrictions   | 24,042              | (24,042)                                      | 0                        | 0                        |
| Total support and revenue              | <u>3,099,008</u>    | <u>6,556</u>                                  | <u>3,105,564</u>         | <u>2,638,857</u>         |
| Expenses:                              |                     |   |                          |                          |
| Program services                       | <u>2,815,156</u>    |   | <u>2,815,156</u>         | <u>2,441,136</u>         |
| Supporting services:                   |                     |   |                          |                          |
| Management and general                 | 293,875             |   | 293,875                  | 338,213                  |
| Fundraising                            | <u>19,887</u>       |   | <u>19,887</u>            | <u>22,597</u>            |
| Total supporting services              | <u>313,762</u>      | <u>0</u>                                      | <u>313,762</u>           | <u>360,810</u>           |
| Total expenses                         | <u>3,128,918</u>    | <u>0</u>                                      | <u>3,128,918</u>         | <u>2,801,946</u>         |
| Change in net assets                   | (29,910)            | 6,556   | (23,354)                 | (163,089)                |
| Net assets - beginning of year         | <u>1,148,449</u>    | <u>162,333</u>                                | <u>1,310,782</u>         | <u>1,473,871</u>         |
| Net assets - end of year               | <u>\$1,118,539</u>  | <u>\$168,889</u>                              | <u>\$1,287,428</u>       | <u>\$1,310,782</u>       |

*The attached notes and auditors' report are an integral part of these financial statements.*

**CENTER FOR INDEPENDENCE OF THE DISABLED IN NEW YORK, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2016**

(With comparative totals for the year ended June 30, 2015)

|  | Supporting Services |                              |                 | Total<br>Supporting<br>Services | Total<br>Expenses<br>6/30/16 | Total<br>Expenses<br>6/30/15 |
|--|---------------------|------------------------------|-----------------|---------------------------------|------------------------------|------------------------------|
|  | Program<br>Services | Management<br>and<br>General | Fundraising     |                                 |                              |                              |
| Salaries   | \$1,555,314         | \$133,412                    | \$11,681        | \$145,093                       | \$1,700,407                  | \$1,447,913                  |
| Payroll taxes and fringes  | 424,354             | 36,400                       | 3,188           | 39,588                          | 463,942                      | 436,538                      |
| Occupancy  | 357,846             | 30,802                       | 2,656           | 33,458                          | 391,304                      | 385,730                      |
| Consultants and<br>contractual expenses                            | 23,095              | 2,415                        | 44              | 2,459                           | 25,554                       | 31,041                       |
| Insurance  | 14,325              | 1,544                        | 14              | 1,558                           | 15,883                       | 16,164                       |
| Telephone and internet   | 49,060              | 4,509                        | 279             | 4,788                           | 53,848                       | 57,983                       |
| Dues and subscriptions   | 16,592              | 1,844                        |                 | 1,844                           | 18,436                       | 29,053                       |
| Maintenance and repairs  | 26,501              | 2,945                        |                 | 2,945                           | 29,446                       | 32,570                       |
| Postage and delivery   | 9,358               | 1,101                        | 550             | 1,651                           | 11,009                       | 18,642                       |
| Office supplies and<br>expenses                                    | 40,019              | 4,163                        | 1,475           | 5,638                           | 45,657                       | 44,366                       |
| Professional fees (including<br>in-kind of \$79,000)               | 159,106             | 70,000                       |                 | 70,000                          | 229,106                      | 165,441                      |
| Outreach   | 14,762              |                              |                 | 0                               | 14,762                       | 15,330                       |
| Equipment and rentals  | 72,751              | 1,786                        |                 | 1,786                           | 74,537                       | 24,924                       |
| Bank charges   |                     | 804                          |                 | 804                             | 804                          | 2,346                        |
| Travel/conferences   | 38,345              | 632                          |                 | 632                             | 38,977                       | 32,378                       |
| Bad debt expense   |                     |                              |                 | 0                               | 0                            | 12,500                       |
| Miscellaneous expenses   | 70                  |                              |                 | 0                               | 70                           | 32,974                       |
| <b>Total expenses before<br/>depreciation and<br/>amortization</b> | <b>2,801,498</b>    | <b>292,357</b>               | <b>19,887</b>   | <b>312,244</b>                  | <b>3,113,742</b>             | <b>2,785,893</b>             |
| <b>Depreciation and<br/>amortization</b>                           | <b>13,658</b>       | <b>1,518</b>                 |                 | <b>1,518</b>                    | <b>15,176</b>                | <b>16,053</b>                |
| <b>Total expenses</b>  | <b>\$2,815,156</b>  | <b>\$293,875</b>             | <b>\$19,887</b> | <b>\$313,762</b>                | <b>\$3,128,918</b>           | <b>\$2,801,946</b>           |

*The attached notes and auditors' report are an integral part of these financial statements.*

**CENTER FOR INDEPENDENCE OF THE DISABLED IN NEW YORK, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2016**  
(With comparative totals for the year ended June 30, 2015)

|  | <u>6/30/16</u>          | <u>6/30/15</u>          |
|--|-------------------------|-------------------------|
| Cash flows from operating activities:  |                         |                         |
| Change in net assets   | (\$23,354)              | (\$163,089)             |
| Adjustments to reconcile change in net assets to net cash provided by/(used for) operating activities: |                         |                         |
| Depreciation and amortization  | 15,176                  | 16,053                  |
| Unrealized gain on investments   | (399)                   | (44)                    |
| Donated stock  | 0                       | (6,991)                 |
| Changes in assets and liabilities:   |                         |                         |
| Pledges receivable   | (14,059)                | (2,651)                 |
| Government grants receivable   | 112,658                 | (72,957)                |
| Prepaid expenses and other assets  | 4,028                   | 3,813                   |
| Accounts payable and accrued expenses  | (82,488)                | (37,823)                |
| Government grant advances  | 2,014                   | (5,906)                 |
| Deferred rent  | 21,215                  | 31,355                  |
| Total adjustments  | <u>58,145</u>           | <u>(75,151)</u>         |
| Net cash provided by/(used for) operating activities   | <u>34,791</u>           | <u>(238,240)</u>        |
| <br>Cash flows from investing activities:  |                         |                         |
| Transfers to cash  | 100,000                 | 200,000                 |
| Purchase of investments (including reinvestment of investment income)                                  | (1,546)                 | (2,702)                 |
| Net cash provided by investing activities  | <u>98,454</u>           | <u>197,298</u>          |
| <br>Cash flows from financing activities:  |                         |                         |
| Proceeds from line of credit   | 250,000                 | 0                       |
| Repayments of line of credit   | (250,000)               | 0                       |
| Net cash flow from financing activities  | <u>0</u>                | <u>0</u>                |
| <br>Net increase/(decrease) in cash and cash equivalents   | 133,245                 | (40,942)                |
| <br>Cash and cash equivalents - beginning of year  | <u>286,741</u>          | <u>327,683</u>          |
| <br>Cash and cash equivalents - end of year  | <u><u>\$419,986</u></u> | <u><u>\$286,741</u></u> |
| <br>Supplemental data:   |                         |                         |
| Interest and income taxes paid   | <u><u>\$0</u></u>       | <u><u>\$0</u></u>       |

*The attached notes and auditors' report are an integral part of these financial statements.*

**CENTER FOR INDEPENDENCE OF THE DISABLED IN NEW YORK, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**Note 1 - Organization**

The Center for Independence of the Disabled in New York, Inc. ("CIDNY") is a leader in improving and maintaining the independence of people with disabilities by removing barriers to full participation in social, economic, cultural, and political life of the community. For over 30 years, CIDNY has led public policy, education and advocacy efforts on issues related to people with disabilities and public benefits, housing, education, employment, transportation, and health care. CIDNY also addresses these issues through a wide array of educational workshops including independent living skill training, benefits and public policy updates, personal financial management, job hunting, and interview coaching, and mastering the housing search, among others. For service providers and the general public, CIDNY provides disability awareness training, workshops on the ADA, and the latest updates on benefits available to people with disabilities. Services are available to all people with disabilities residing in New York City, including those with physical, sensory, cognitive, and psychiatric disabilities.

CIDNY is exempt from Federal income taxes under Internal Revenue Code Section 501(c)(3) and has not been designated as a private foundation.

**Note 2 - Significant Accounting Policies**

a. Basis of Presentation

The financial statements have been prepared on the accrual basis of accounting which is the process of recording revenue and expenses when earned or incurred, rather than when received or paid.

CIDNY's net assets are classified based upon the existence or absence of donor-imposed restrictions as follows:

- *Unrestricted* – represents those resources for which there are no restrictions by donors as to their use.
- *Temporarily restricted* – represents those resources, the uses of which have been restricted by donors to specific purposes or the passage of time. The release from restrictions results from the satisfaction of the restricted purposes specified by the donor.

b. Revenue Recognition

Contributions are recorded as revenue at the earlier of the receipt of cash or at the time a pledge is considered unconditional. Contributions received with specific donor restrictions are recorded in the temporarily restricted class of net assets. All other contributions are recorded as unrestricted. When the restrictions from temporarily restricted contributions have been met in the year of donation, they are reported as unrestricted.



Contributions expected to be received within one year are recorded at net realizable value. Conditional contributions are recorded as liabilities and are recognized as income when the conditions have been substantially met.

Each government grant is reviewed to determine if they contain traits more similar to contributions or exchange transactions. All government grants have been determined to be exchange transactions and have been recognized as income when earned, either based on performance of certain milestones or by incurring expenses that can be reimbursed under the terms of the grant agreement.

The difference between cash received and government grant income recognized is reflected as government grants receivable or government grant advances.

c. Cash and Cash Equivalents

CIDNY considers all liquid investments with an initial maturity of three months or less to be cash and cash equivalents except for cash held with an investment custodian for long-term purposes.

d. Concentration of Credit Risk

Financial instruments which potentially subject CIDNY to concentration of credit risk consist of cash accounts and investments. These have all been placed with financial institutions that management deems to be creditworthy. At times, balances may exceed federally insured limits. Investments are subject to market fluctuations and principal is not guaranteed. CIDNY has not sustained any losses due to failure of any financial institution.

e. Allowance for Doubtful Accounts

At June 30, 2016, all contributions and grants receivable are due within one year. Management reviews receivables for collectability based on various factors such as historical experience and subsequent collections. Receivables that are deemed uncollectible will be written off to income when all reasonable collection efforts have been exhausted.

f. Investments

Investments are recorded at fair value, which refers to the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Realized and unrealized gains and losses are recognized in the statement of activities.

g. Fixed Assets

Capital items purchased with unrestricted funds or as part of government contracts whereby the organization has title to or is reasonably expected to retain its interest in the asset are capitalized at cost. Leasehold improvements that have a useful life of more than one year are also capitalized. Normal maintenance and repair costs are charged to expenses.

Depreciation and amortization are charged using the straight-line method over the estimated useful lives of the assets and terms of the lease, as follows:

Leasehold improvements – *life of lease*  
Furniture and equipment – *5 to 7 years*

h. Deferred Rent

Rent expense is recognized evenly over the life of the lease using the straight-line method. In the earlier years of the lease, as rent expense exceeds amounts paid, a deferred rent liability is created. In later years of the lease, as payments exceed the amount of expense recognized, deferred rent will be reduced until it is zero at the end of the lease.

i. Donated Services and Materials

Contributed services that create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by contributions or which are reported at fair market value. During the year-ended June 30, 2016, in-kind professional fees of \$79,000 have been recognized as revenue and charged to program services on the statement of functional expenses.

Board members and other individuals volunteer their time and perform a variety of tasks that assist CIDNY. These services have not been recorded in the financial statements.

j. Management Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

k. Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of CIDNY.

l. Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with CIDNY's financial statements for the year-ended June 30, 2015, from which the summarized information was derived.

m. Accounting for Uncertainty of Income Taxes

CIDNY does not believe its financial statements include any material uncertain tax positions. Tax filings for periods ending June 30, 2013 and later are subject to examination by applicable taxing authorities.

n. New Accounting Pronouncement

On August 18, 2016, the Financial Accounting Standards Board (FASB) issued an Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial*

*Statements of Not-for-Profit Entities.* The ASU, which becomes effective for the June 30, 2019 year, with early implementation permitted, focuses on improving the current net asset classification requirements and information presented in the financial statements and notes that is useful in assessing a not-for-profit's liquidity, financial performance and cash flows. CIDNY has not yet evaluated the impact this will have on future statements.

In addition, FASB issued ASU No. 2016-02, Leases. The ASU which becomes effective for the June 30, 2021 year, requires the full obligation of long term leases to be recorded as a liability with a corresponding "right to use asset" on the statement of financial position.

o. Subsequent Events

Management has evaluated for potential recognition and disclosure events subsequent to the date of the statement of financial position through November 9, 2016, the date the financial statements were available to be issued. No events have occurred subsequent to the statement of financial position date through our evaluation date that would require adjustment to or disclosure in the financial statements.

**Note 3 - Investments**

Accounting standards establish a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. That would include data obtained from sources independent of CIDNY.

The fair value hierarchy is categorized into three levels based on these inputs as follows:

Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that CIDNY has the ability to access.

Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

Investments consist of the following:

|  | <u>June 30, 2016</u> |                  |                  |
|--|----------------------|------------------|------------------|
|  | <u>Total</u>         | <u>Level 1</u>   | <u>Level 2</u>   |
| Money market funds and other cash      | \$235,489            | \$235,489        | \$0              |
| Fixed income – Certificates of deposit | <u>200,000</u>       | <u>0</u>         | <u>200,000</u>   |
|  | <u>\$435,489</u>     | <u>\$235,489</u> | <u>\$200,000</u> |
|  | <u>June 30, 2015</u> |                  |                  |
|  | <u>Total</u>         | <u>Level 1</u>   | <u>Level 2</u>   |
| Money market funds and other cash      | \$133,695            | \$133,695        | \$0              |
| Fixed income – Certificates of deposit | <u>399,849</u>       | <u>0</u>         | <u>399,849</u>   |
|  | <u>\$533,544</u>     | <u>\$133,695</u> | <u>\$399,849</u> |

**Note 4 - Temporarily Restricted Net Assets**

Temporarily restricted net assets consist of the following:

|                        | <u>June 30, 2016</u> |                      |                                    |                  |
|------------------------|----------------------|----------------------|------------------------------------|------------------|
|                        | <u>Balance</u>       |                      | <u>Released</u>                    | <u>Balance</u>   |
|                        | <u>7/1/15</u>        | <u>Contributions</u> | <u>From</u><br><u>Restrictions</u> | <u>6/30/16</u>   |
| Programs:              |                      |                      |                                    |                  |
| Improving Health       |                      |                      |                                    |                  |
| Plan Service           | \$19,262             | \$0                  | (\$1,500)                          | \$17,762         |
| Healthcare Assistance  | 0                    | 15,598               | (7,542)                            | 8,056            |
| Other                  | <u>143,071</u>       | <u>15,000</u>        | <u>(15,000)</u>                    | <u>143,071</u>   |
| Total                  | <u>\$162,333</u>     | <u>\$30,598</u>      | <u>(\$24,042)</u>                  | <u>\$168,889</u> |
|                        |                      |                      |                                    |                  |
|                        | <u>June 30, 2015</u> |                      |                                    |                  |
|                        | <u>Balance</u>       |                      | <u>Released</u>                    | <u>Balance</u>   |
|                        | <u>7/1/14</u>        | <u>Contributions</u> | <u>From</u><br><u>Restrictions</u> | <u>6/30/15</u>   |
| Programs:              |                      |                      |                                    |                  |
| Hurricane Sandy Relief | \$15,100             | \$0                  | (\$15,100)                         | \$0              |
| Improving Health       |                      |                      |                                    |                  |
| Plan Service           | 80,514               | 0                    | (61,252)                           | 19,262           |
| Disability Rights      | 13,358               | 0                    | (13,358)                           | 0                |
| Community Housing      | 39,931               | 0                    | (39,931)                           | 0                |
| Other                  | <u>140,477</u>       | <u>15,000</u>        | <u>(12,406)</u>                    | <u>143,071</u>   |
| Total                  | <u>\$289,380</u>     | <u>\$15,000</u>      | <u>(\$142,047)</u>                 | <u>\$162,333</u> |

**Note 5 - Fixed Assets**

Fixed assets consist of the following:

|                                | <u>6/30/16</u>   | <u>6/30/15</u>   |
|--------------------------------|------------------|------------------|
| Leasehold improvements         | \$62,894         | \$62,894         |
| Furniture and equipment        | <u>182,622</u>   | <u>182,622</u>   |
|                                | 245,516          | 245,516          |
| Less: accumulated depreciation | <u>(213,066)</u> | <u>(197,890)</u> |
| Total                          | <u>\$32,450</u>  | <u>\$47,626</u>  |

**Note 6 - Commitments and Contingencies**

CIDNY has a non-cancelable lease for premises located at 841 Broadway, New York, New York, which expires in April 2021 and at 80-05 Kew Garden Road, Kew Gardens, New York which expires December 2020. The terms of these leases call for minimum base rent plus additional rent based on a formula for real estate taxes, labor and utilities.

The following schedule details their future minimum rental payments:

|              |               |                    |
|--------------|---------------|--------------------|
| Year-ending: | June 30, 2017 | \$335,975          |
|              | June 30, 2018 | 346,733            |
|              | June 30, 2019 | 380,427            |
|              | June 30, 2020 | 367,633            |
|              | June 30, 2021 | <u>274,076</u>     |
| Total        |               | <u>\$1,704,844</u> |

CIDNY conducts programs which are publicly supported by governmental agencies. Some programs are subject to governmental agency audits and retroactive adjustments for “disallowed” expenses. Management is of the opinion that expense adjustments, if any, resulting from governmental agency audits, will not be material. Disallowances and adjustments, if any, resulting from such audits will be reflected in the financial statements in the year of settlement. As a result, no reserves have been recorded.

CIDNY has an unused line of credit of \$500,000.

**Note 7 - Retirement Plan**

CIDNY maintains a tax deferred 403(b) retirement plan on behalf of participating employees. All employees may participate by designating a percentage of their salaries, subject to regulatory limits, to be contributed to the plan on a pre-tax basis. No contributions by CIDNY are made to the plan.

**Note 8 - Change in Net Assets**

Under U.S. GAAP, organizations are required to record expenses in periods that may not coincide with when cash is paid. During the year-ended June 30, 2016, the statement of activities reflects approximately \$36,000 of non-cash expenses for depreciation expense and rent expense.