Developmental Disabilities Institute, Inc. and Affiliate

Combined Financial Statements and Supplementary Information

Year Ended December 31, 2016

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Independent Auditor's Report

Board of Directors
Developmental Disabilities Institute, Inc.
and Affiliate
Smithtown, New York

Report on the Combined Financial Statements

We have audited the accompanying combined financial statements of Developmental Disabilities Institute, Inc. and Affiliate (collectively, the "Agency and Affiliate"), which comprise the combined statement of financial position as of December 31, 2016, and the related combined statements of activities, functional expenses and cash flows for the year 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 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 combined 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 combined 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 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 auditor's 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 Developmental Disabilities Institute, Inc. and Affiliate as of December 31, 2016, and the results of changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplementary Information

Our audit of the combined financial statements was conducted for the purpose of forming an opinion on those statements as a whole. The supplementary information presented in the following section of this report is presented for purposes of additional analysis and is not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

Report on Summarized Comparative Information

We have audited the Agency and Affiliate's 2015 combined financial statements and our report, dated May 20, 2016, expressed an unmodified opinion on those audited combined financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.

BDO USA, LLP

May 19, 2017

Developmental Disabilities Institute, Inc. and Affiliate

Combined Statement of Financial Position
(with comparative totals for 2015)

December 31,	**2016**	2015
Assets		
Current:		
Cash and cash equivalents (Note 3)	**$16,436,539**	$15,000,115
Assets limited as to use, current portion (Note 3)	**2,953,460**	3,732,331
Investments, at fair value (Notes 3 and 4)	**4,996**	4,996
Accounts receivable, net of allowance for doubtful accounts of $709,415 and $441,134 for 2016 and 2015, respectively (Note 3)	**17,641,986**	14,160,941
Government and other grants receivable (Note 3)	**738,789**	831,894
Current portion of contributions and pledges receivable, net (Notes 3 and 5)	**170,113**	83,529
Prepaid expenses and other assets	**2,821,932**	1,359,096
Total Current Assets	**40,767,815**	35,172,902
Contributions and Pledges Receivable, Net, Less Current Portion (Notes 3 and 5)	**82,953**	108,714
Assets Limited as to Use, Less Current Portion (Note 4)	**4,789,757**	4,696,140
Fixed Assets, Net (Notes 3, 6, 12 and 13)	**27,545,851**	28,059,733
	$73,186,376	$68,037,489
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable and accrued expenses	**$ 3,801,400**	$ 3,311,499
Accrued interest payable (Note 13)	**135,957**	132,657
Accrued payroll and related benefits	**7,553,789**	6,010,195
Accrued pension payable (Note 7)	**1,411,759**	816,729
Deferred revenue, current portion (Note 3)	**3,047,163**	2,023,502
Capital lease obligations, current portion (Note 10)	**639,826**	607,378
Mortgages and loans payable, current portion (Note 12)	**203,280**	249,562
Bonds payable, current portion (Note 13)	**1,868,232**	1,819,239
Due to governmental agencies, current portion (Notes 3 and 9)	**1,619,544**	918,521
Total Current Liabilities	**20,280,950**	15,889,282
Deferred Revenue, Less Current Portion (Note 3)	**2,191,530**	1,706,503
Capital Lease Obligations, Less Current Maturities (Note 10)	**872,621**	764,417
Mortgages and Loans Payable, Less Current Maturities (Note 12)	**1,903,267**	2,103,819
Bonds Payable, Less Current Maturities (Note 13)	**20,987,848**	20,612,905
Due to Governmental Agencies, Less Current Portion (Notes 3 and 9)	**2,325,433**	5,519,732
Total Liabilities	**48,561,649**	46,596,658
Commitments and Contingencies (Notes 3, 6, 8, 9, 10, 11, 12, 13, 14 and 15)		
Net Assets:		
Unrestricted net assets (Note 3)	**24,207,669**	20,704,388
Temporarily restricted net assets (Notes 3, 16 and 17)	**417,058**	736,443
Total Net Assets	**24,624,727**	21,440,831
	$73,186,376	$68,037,489

See accompanying notes to combined financial statements.

Developmental Disabilities Institute, Inc. and Affiliate

Combined Statement of Activities
(with comparative totals for 2015)

Year ended December 31,

	Unrestricted	Temporarily Restricted	Total 2016	Total 2015
Program Revenues:				
Fees for services	$93,667,038	$ -	**$93,667,038**	$90,897,280
Government and other grants	1,643,595	-	**1,643,595**	1,322,400
Clinic revenue	2,802,955	-	**2,802,955**	4,880,236
Other program revenues	1,698,056	-	**1,698,056**	1,748,095
Net assets released from restrictions (Note 16)	63,212	(63,212)	**-**	-
Total Program Revenues	99,874,856	(63,212)	**99,811,644**	98,848,011
Expenses:				
Program services:				
Education services	32,321,183	-	**32,321,183**	32,167,330
Clinic services	3,702,449	-	**3,702,449**	5,413,192
Adult day services	17,327,926	-	**17,327,926**	16,389,994
Children's residential services	10,885,451	-	**10,885,451**	10,550,947
Adult residential services	27,669,160	-	**27,669,160**	27,366,414
Other programs	713,808		**713,808**	64,642
Total Program Services	92,619,977	-	**92,619,977**	91,952,519
Supporting services:				
Management and general	6,144,108	-	**6,144,108**	5,879,833
Fundraising	355,464	-	**355,464**	184,604
Total Supporting Services	6,499,572	-	**6,499,572**	6,064,437
Total Expenses	99,119,549	-	**99,119,549**	98,016,956
Change in Net Assets Before Nonoperating Revenues and Expenses	755,307	(63,212)	**692,095**	831,055
Nonoperating Revenues and Expenses:				
Capital campaign income	-	222,392	**222,392**	100,532
Capital campaign expenses	-	(512,574)	**(512,574)**	(317,288)
Net Expenses From Capital Campaign	-	(290,182)	**(290,182)**	(216,756)
Special events revenues	389,091	-	**389,091**	394,326
Direct cost to donors	(111,029)	-	**(111,029)**	(113,751)
Net Revenues From Special Events	278,062	-	**278,062**	280,575
Contributions	28,238	34,009	**62,247**	107,101
Gain on sale of fixed assets	29,926	-	**29,926**	78,054
Interest income	41,594	-	**41,594**	42,827
Other income	76,400	-	**76,400**	97,226
Prior period income (Note 3(l))	2,293,754	-	**2,293,754**	1,074,335
Total Nonoperating Revenues and Expenses	2,747,974	(256,173)	**2,491,801**	1,463,362
Change in Net Assets	3,503,281	(319,385)	**3,183,896**	2,294,417
Net Assets, Beginning of Year	20,704,388	736,443	**21,440,831**	19,146,414
Net Assets, End of Year	**$24,207,669**	**$ 417,058**	**$24,624,727**	$21,440,831

See accompanying notes to combined financial statements.

Developmental Disabilities Institute, Inc. and Affiliate

Combined Statement of Functional Expenses
(with comparative totals for 2015)

Year ended December 31,

	Program Services							Supporting Services			Total	
	Education Services	Clinic Services	Adult Day Services	Children's Residential Services	Adult Residential Services	Other Programs	Total Program Services	Management and General	Fundraising	Total Supporting Services	**2016**	2015
Salaries and Related Expenses:												
Salaries	$21,517,435	$1,897,028	$ 9,874,637	$ 6,175,856	$16,642,636	$357,163	$56,464,755	$3,460,484	$ 98,207	$3,558,691	**$60,023,446**	$59,078,819
Payroll taxes and employee benefits	7,404,531	522,277	3,664,801	2,062,504	5,919,774	116,304	19,690,191	1,066,235	31,706	1,097,941	**20,788,132**	20,901,835
Total Salaries and Related Expenses	28,921,966	2,419,305	13,539,438	8,238,360	22,562,410	473,467	76,154,946	4,526,719	129,913	4,656,632	**80,811,578**	79,980,654
Other Expenses:												
Fee-for-services professionals	99,879	288,795	20,074	62,667	241,780	3,285	716,480	128,979	-	128,979	**845,459**	646,873
Building occupancy	481,441	158,374	840,205	7	17,187	78,928	1,576,142	19,078	-	19,078	**1,595,220**	1,571,491
Telephone	198,324	35,007	216,671	49,545	130,869	12,421	642,837	46,024	1,461	47,485	**690,322**	588,202
Travel	39,519	2,650	59,192	9,750	49,853	1,651	162,615	19,471	849	20,320	**182,935**	110,937
Supplies	361,768	163,757	226,910	303,714	625,962	1,970	1,684,081	368,519	959	369,478	**2,053,559**	1,798,578
Food	1,258	1	24,799	331,507	803,299	-	1,160,864	623	-	623	**1,161,487**	1,138,426
Office expense	125,345	9,788	65,966	36,215	62,963	7,268	307,545	102,976	66,243	169,219	**476,764**	925,359
Dues and subscriptions	24,997	3,122	6,138	524	1,720	2,100	38,601	61,480	3,976	65,456	**104,057**	75,761
Postage	10,405	3,427	2,724	1,161	653	134	18,504	42,538	436	42,974	**61,478**	72,082
Meetings and conferences	28,975	620	12,162	8,006	10,549	3,123	63,435	8,607	3,872	12,479	**75,914**	78,650
Employee training and recruitment	158,875	1,213	85,589	80,490	134,184	1,136	461,487	93,186	4,330	97,516	**559,003**	465,328
Legal and accounting	150	10,572	-	840	9,451	-	21,013	211,335	-	211,335	**232,348**	294,457
Utilities	330,191	35,741	194,746	118,590	301,913	18,862	1,000,043	32,698	451	33,149	**1,033,192**	1,038,663
Repairs and maintenance	303,952	61,542	302,749	113,323	314,170	8,711	1,104,447	30,602	4,825	35,427	**1,139,874**	1,365,834
Equipment and furniture	60,646	6,493	46,946	47,212	58,824	17,311	237,432	12,327	3,104	15,431	**252,863**	400,121
Interest	228,102	93,146	180,300	209,207	332,433	45,164	1,088,352	42,492	50	42,542	**1,130,894**	1,218,430
Insurance	298,950	50,426	393,394	132,178	434,058	3,709	1,312,715	48,668	124	48,792	**1,361,507**	1,336,859
Medicaid assessment taxes	-	-	-	660,184	199,887	-	860,071	-	-	-	**860,071**	825,483
Debt-related expenses	-	-	-	-	-	-	-	20,742	-	20,742	**20,742**	13,807
Vehicle expense	17,890	231	498,985	34,269	270,038	116	821,529	1,520	12	1,532	**823,061**	905,375
Bad debt expense	157,683	238,889	9,045	-	27,656	-	433,273	-	-	-	**433,273**	128,300
Contributions expense	-	-	-	-	-	-	-	-	134,558	134,558	**134,558**	-
Total Expenses Before Depreciation and Amortization	31,850,316	3,583,099	16,726,033	10,437,749	26,589,859	679,356	89,866,412	5,818,584	355,163	6,173,747	**96,040,159**	94,979,670
Depreciation and Amortization	470,867	119,350	601,893	447,702	1,079,301	34,452	2,753,565	325,524	301	325,825	**3,079,390**	3,037,286
Total Expenses	**$32,321,183**	**$3,702,449**	**$17,327,926**	**$10,885,451**	**$27,669,160**	**$713,808**	**$92,619,977**	**$6,144,108**	**$355,464**	**$6,499,572**	**$99,119,549**	$98,016,956

See accompanying notes to combined financial statements.

Developmental Disabilities Institute, Inc. and Affiliate

Combined Statement of Cash Flows
(with comparative totals for 2015)

Year ended December 31,	**2016**	2015
Cash Flows From Operating Activities:		
Change in net assets	**$ 3,183,896**	$ 2,294,417
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	**3,079,390**	3,037,286
Interest on debt issuance costs	**(32,958)**	79,020
Gain on sale of fixed assets	**(29,926)**	(78,054)
Provision for bad debt	**433,273**	128,300
Discount on pledges receivables	**4,285**	3,989
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	**(3,840,042)**	1,842,164
Government and other grants receivable	**114,581**	103,068
Contributions and pledges receivable	**(86,584)**	14,817
Prepaid expenses and other assets	**(1,462,836)**	(100,361)
Increase (decrease) in:		
Accounts payable and accrued expenses	**489,901**	1,001,413
Accrued interest payable	**3,300**	2,980
Accrued payroll and related benefits	**1,543,594**	131,073
Accrued pension payable	**595,030**	(81,048)
Deferred revenue	**1,508,688**	377,149
Due to governmental agencies	**(2,493,276)**	1,401,315
Net Cash Provided By Operating Activities	**3,010,316**	10,157,528
Cash Flows From Investing Activities:		
Purchases of fixed assets	**(1,784,871)**	(2,915,888)
Proceeds from sale of fixed assets	**50,116**	129,165
Assets limited to use	**(685,254)**	(35,858)
Net Cash Used In Investing Activities	**(1,049,501)**	(2,822,581)
Cash Flows From Financing Activities:		
Proceeds from bonds	**2,355,000**	-
Repayments on capital lease obligations	**(734,451)**	(709,871)
Principal payments on mortgages and loans payable	**(254,940)**	(242,573)
Principal payments on bonds payable	**(1,890,000)**	(1,785,000)
Net Cash Provided By (Used In) Financing Activities	**(524,391)**	(2,737,444)
Net Increase in Cash and Cash Equivalents	**1,436,424**	4,597,503
Cash and Cash Equivalents, Beginning of Year	**15,000,115**	10,402,612
Cash and Cash Equivalents, End of Year	**$16,436,539**	$15,000,115
Supplemental Cash Flow Information:		
Cash paid for interest	**$ 1,130,894**	$ 1,218,430
Noncash transaction related to capital leases	**875,103**	754,668
Transfer of fixed assets to LISH	**74,276**	-
Accounts receivable recorded on transfer of fixed assets to LISH	**(74,276)**	-

See accompanying notes to combined financial statements.

1. Principles of Combination

The accompanying combined financial statements include the accounts of Developmental Disabilities Institute, Inc. (the "Agency") and DDI Foundation, Inc. (the "Foundation") (collectively, the "Agency and Affiliate"), which are related by certain common members of the Board of Directors and identical management.

All intercompany balances and transactions have been eliminated in combination.

2. Nature of the Organizations

(a) The Agency is a New York State not-for-profit corporation which operates health, education and residential facilities for the therapeutic education, guidance and training of developmentally disabled children, adults and their families. The Agency also operated Diagnostic and Treatment Centers, which are licensed by the New York State Department of Health under Article 28 of the Public Health Law to provide rehabilitative, therapeutic, medical and dental services primarily for developmentally disabled children and adults. The Agency is exempt from Federal, state and local income taxes under Section 501(c)(3) of the Internal Revenue Code (the "Code"), and therefore has made no provision for income taxes in the accompanying combined financial statements. In addition, the Agency has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Code. There was no unrelated business income for the year ended December 31, 2016.

As of August 22, 2016, the Agency surrendered the license for its Diagnostic and Treatment Center ("OPTI Healthcare"). OPTI Healthcare was transitioned over to another unrelated not-for-profit entity, Long Island Select Healthcare ("LISH") which will continue to provide services as a federally-qualified healthcare center. The Agency leases space to LISH and has a tenant-landlord relationship. In addition, LISH has an outstanding liability to the Agency related to the sale of equipment from OPTI Healthcare, payment of startup expenses by the Agency and a loan for operating expenses during the initial months of operations.

(b) The Foundation is a New York State not-for-profit corporation that was established May 31, 1988 and began operations October 1, 1990. The Foundation is organized and operated exclusively for charitable, scientific and educational purposes. Consistent with the foregoing, its specific purpose is to promote and support the activities of the Agency. The Foundation maintains certain common board members with the Agency. The Foundation is exempt from Federal, state and local income taxes under Section 501(c)(3) of the Code and, therefore has made no provision for income taxes in the accompanying combined financial statements. In addition, the Foundation has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Code. There was no unrelated business income for the year ended December 31, 2016.

3. Summary of Significant Accounting Policies

(a) Basis of Presentation

The combined financial statements of the Agency and Affiliate have been prepared on the accrual basis. In the combined statement of financial position, assets and liabilities are presented in order of liquidity or conversion to cash and their maturity resulting in the use of cash, respectively.

(b) *Financial Statement Presentation*

The classification of the Agency's net assets and its support, revenue and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of three classes of net assets, permanently restricted, temporarily restricted, and unrestricted, be displayed in a statement of financial position and that the amounts of change in each of those classes of net assets be displayed in a combined statement of activities.

These classes are defined as follows:

(i) **Permanently Restricted** – Net assets resulting from contributions and other inflows of assets whose use by the Agency is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Agency.

(ii) **Temporarily Restricted** – Net assets resulting from contributions and other inflows of assets whose use by the Agency is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Agency pursuant to those stipulations. When such stipulations end or are fulfilled, such temporarily restricted net assets are reclassified to unrestricted net assets and reported in the combined statement of activities.

(iii) **Unrestricted** – The part of net assets that is neither permanently nor temporarily restricted by donor-imposed stipulations.

(c) *Cash and Cash Equivalents*

The Agency and Affiliate consider all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents.

(d) *Assets Limited as to Use, Current Portion*

Assets limited as to use consists of cash held in banks for future contributions to the pension plan and future workers compensation claims.

(e) *Provision for Doubtful Accounts*

The Agency and Affiliate provide an allowance for doubtful accounts for accounts receivable which are specifically identified by management as to their uncertainty in regards to collectability. As of December 31, 2016, the total allowance for doubtful accounts is $709,415.

(f) *Investments at Fair Value*

Accounting Standards Codification ("ASC") 820, "Fair Value Measurement," defines fair value, establishes a framework for measuring fair value and expands the disclosures about fair value measurements. ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in a principal or most advantageous market. Fair value is a market-based measurement that is determined based on inputs, which refer broadly to assumptions that market participants use in pricing assets or liabilities. These inputs can be readily observable, market corroborated, or unobservable. ASC 820 established a fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value in three broad levels. The standard requires that assets and liabilities be classified in their entirety based on the level of input that is significant to the fair value measurement. Assessing the significance of a particular input may require judgment considering factors specific to the asset or liability, and may affect the valuation of the asset or liability and their placement within the fair value hierarchy. The Agency and Affiliate classify fair value balances based on the fair value hierarchy defined by ASC 820 as follows:

Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis. Valuation adjustments and block discounts are not applied to Level 1 instruments.

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.

Investment income is recognized when earned and consists of interest and dividends. Dividends are recorded on the ex-dividend date. Purchases and sales are recorded on a trade-date basis.

(g) Income Taxes

The Agency and Affiliate were incorporated in the State of New York and is exempt from Federal and state income taxes under Section 501(c)(3) of the Code and, therefore, have made no provision for income taxes in the accompanying combined financial statements. In addition, the Agency and Affiliate have been determined by the Internal Revenue Service not to be “private foundations” within the meaning of Section 509(a) of the Internal Revenue Code. There was no unrelated business income for the year ended December 31, 2016. Management believes that the Agency and Affiliate are no longer subject to income tax examinations for years prior to 2013.

Under ASC 740, an organization must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more likely than not that the position will be sustained. The Agency and Affiliate do not believe there are any material uncertain tax positions and, accordingly, they will not recognize any liability for unrecognized tax benefits. The Agency and Affiliate have filed for and received income tax exemptions in the jurisdictions where they are required to do so. Additionally, the Agency and Affiliate have filed Internal Revenue Service Form 990 tax returns, as required, and all other applicable returns in jurisdictions when it is required. For the year ended December 31, 2016, there was no interest or penalties recorded or included in the combined statement of activities.

(h) Fixed Assets

Fixed assets are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Leasehold improvements and equipment under capital leases are amortized over the shorter of the lease term or the estimated useful lives of the related assets.

	Years
Buildings	18-40
Building improvements	5-40
Furniture and fixtures	4-20
Equipment and vehicles	3-15

(i) Impairment of Fixed Assets

The Agency and Affiliate review fixed assets for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the future cash flows from the use of the asset are less than the carrying amount of that asset. As of December 31, 2016, there have been no such losses.

(j) Contributions and Pledges Receivable

Contributions and pledges receivable, including unconditional promises to give, are recognized as revenues in the appropriate category of net assets in the period received. Promises to give are recorded at the present value of estimated future cash flows, based on an appropriate discount rate at the time of the gift. Amortization of the discount in subsequent years is included in contribution revenue. Contributions of assets other than cash are recorded at their estimated fair value at the date of the gift. Contributions for capital projects are reported as nonoperating revenues. Conditional contributions, including conditional promises to give, are not recognized until the conditions are substantially met.

Unconditional promises to give are recorded in the combined financial statements at present value using a discount rate which represents risk-free interest rates applicable to the years in which promises are received. For the year ended December 31, 2016, the Agency and Affiliate used a discount rate of 1.78%.

Contributions receivable consist of $236,381 for the capital campaign and $16,685 for pledges receivable at December 31, 2016.

The capital campaign represents funds donated to the Agency and Affiliate for the purpose of renovations of the Little Plains School located in Huntington, New York and the Hollywood Drive campus located in Smithtown, New York, and expenses related to the capital campaign.

(k) Third-party Reimbursements and Revenue Recognition

The Agency receives substantially all of its revenue for services provided to approved clients from third-party reimbursement agencies; primarily the Office for People With Developmental Disabilities ("OPWDD"), Department of Health and the State Education Department of New York. These revenues are based on predetermined rates based on cost reimbursement principles and are subject to audit and retroactive adjustment by the respective third-party fiscal intermediary. The financial statement impact of such adjustments is recognized in the period in which the retroactive adjustment occurred.

Revenue is recognized as earned from third parties and when received or pledged for contributions, special events and fundraising activities.

(l) Allocation Methodology

Common costs incurred for the administration of the various programs are allocated directly to respective programs as incurred and/or utilizing predetermined allocation rates established by management.

(m) Concentration of Credit Risk

Financial instruments which potentially subject the Agency and Affiliate to concentration of credit risk consist primarily of cash and cash equivalents. At various times, the Agency and Affiliate have cash deposits at financial institutions, which exceed the Federal Depository Insurance Corporation insurance limits.

(n) *Use of Estimates*

The preparation of the combined financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(o) *Comparative Financial Information*

The combined financial statements include certain prior year summarized comparative information. With respect to the combined statement of activities, the prior year information is presented in total, not by net asset class. With respect to the combined statement of functional expenses, the prior year expenses are presented by expense classification in total rather than functional category. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Agency and Affiliate's combined financial statements for the year ended December 31, 2015, from which the summarized information was derived in total but not by net asset class.

(p) *Recently Adopted Accounting Pronouncements*

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-02, "Accounting for Leases," which applies a right-of-use ("ROU") model that requires a lessee to record, for all leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset and a liability to make lease payments. For leases with a term of 12 months or less, a practical expedient is available whereby a lessee may elect, by class of underlying asset, not to recognize an ROU asset or lease liability. At inception, lessees must classify all leases as either finance or operating based on five criteria. Balance sheet recognition of finance and operating leases is similar, but the pattern of expense recognition in the income statement, as well as the effect on the statement of cash flows, differs depending on the lease classification. In addition, lessees and lessors are required to provide certain qualitative and quantitative disclosures to enable users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. The amendments are effective for fiscal years beginning after December 15, 2019. Management is currently evaluating the impact of the pending adoption of ASU 2016-02.

In August 2016, the FASB issued ASU 2016-14, "Not-for-Profit Entities (Topic 958) and Health Care Entities (Topic 954) - Presentation of Financial Statements of Not-for-Profit Entities." The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled "net assets without donor restrictions" and "net assets with donor restrictions," (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. The ASU is effective for fiscal years beginning after December 15, 2017. Early adoption is permitted. The provisions of the ASU must be applied on a retrospective basis for all years presented although certain optional practical expedients are available for periods prior to adoption. Management is currently evaluating the impact of this ASU on its combined financial statements.

In May 2014, the FASB issued ASU 2014-09, "Revenue from Contracts with Customers (Topic 606)," which is a comprehensive new revenue recognition standard that will supersede existing revenue recognition guidance. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The FASB also issued ASU 2015-14 which deferred the effective date until annual periods beginning after December 15, 2018. Earlier adoption is permitted subject to certain limitations. The amendments in this update are required to be applied retrospectively to each prior reporting period presented or with the cumulative effect being recognized at the date of initial application. Management is currently evaluating the impact of this ASU on its combined financial statements.

In April 2015, the FASB issued ASU 2015-03, "Interest - Imputation of Interest: Simplifying the Presentation of Debt Issuance Costs," which resulted in the reclassification of debt issuance costs from other assets to inclusion as a reportable long-term debt balance on the combined balance sheet. The standard also calls for the amortization of debt issuance costs to now be reported as interest expense in the financial statements. The standard is effective for all non-public business entities for fiscal years beginning after December 15, 2015 and must be applied retrospectively. The Agency and Affiliate have adopted and applied the standard for the year ended December 31, 2016.

(q) Reclassifications

Certain prior year balances have been reclassified to be consistent with the current year financial statement presentation.

4. Investments and Assets Limited as to Use, Long-Term Portion

The cost and respective fair values of investments at December 31, 2016 are as follows:

December 31, 2016

	Cost	Fair Value
Agency and Affiliate:		
Common stock	$ 4,996	$ 4,996
Federated Treasury Obligations Fund	3,759,553	3,759,553
Debt service reserve fund - money market fund	1,030,204	1,030,204
Total	$4,794,753	$4,794,753

The Agency and Affiliate's assets recorded at fair value have been categorized based upon a fair value hierarchy in accordance with ASC 820. See Note 2 for a discussion of the Agency and Affiliate's policies regarding this hierarchy. A description of the valuation techniques applied to the Agency and Affiliate's major categories of assets measured at fair value is below.

The Agency and Affiliate have investments in common stock, treasury obligation and money market funds. The Agency and Affiliate's custodian prices these investments using nationally recognized pricing services. The Agency and Affiliate's common stock, Federated Treasury Obligations Fund and debt service reserve fund are classified as Level 1 of the fair value hierarchy.

The following table shows, by level within the fair value hierarchy, the Agency and Affiliate's financial assets that are accounted for at fair value on a recurring basis as of December 31, 2016. The financial assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Agency and Affiliate's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the placement within the fair value hierarchy levels. There have been no changes in the levels from the prior year.

	Fair Value Measurement at Reporting Date Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2016
Common stock	$ 4,996	$-	$-	$ 4,996
2005 A-B Civic Facility Revenue Bonds: Federal Treasury Obligations Fund	125,746	-	-	125,746
2006 A-B Civic Facility Revenue Bonds: Federal Treasury Obligations Fund	69,320	-	-	69,320
2012 AA-AF Local Development Corp. Revenue Bond	3,046,269	-	-	3,046,269
2012 BA-BE County Economic Development Corp. Revenue Bond	517,397	-	-	517,397
Facilities Development Corporation ("FDC") mortgages payable – debt service reserve fund	1,030,204	-	-	1,030,204
2004 A-C Civic Facility Revenue Bonds: Federal Treasury Obligations Fund	821	-	-	821
	$4,794,753	$-	$-	$4,794,753

5. Contributions and Pledges Receivable, Net

At December 31, 2016, the net present value of contributions and pledges receivable is $253,066. The net present value of pledges receivable was calculated using a discount rate of 1.78%.

Net present value of pledges receivable at December 31, 2016 is summarized below:

December 31, 2016	
Total contributions and pledges receivable	$257,351
Discount	(4,285)
Net present value of contributions receivable	$253,066
Amount due in:	
One year	$170,113
Two to five years	87,238
	$257,351

6. Fixed Assets, Net

Fixed assets, net, including equipment under capital leases, consists of the following:

December 31, 2016	
Land	$ 5,950,101
Buildings and building improvements	43,429,755
Furniture, fixtures and office equipment	6,808,402
Vehicles under capital lease obligations	5,431,857
Machinery and equipment	183,194
IT equipment	1,139,262
Leasehold improvements	1,997,651
	64,940,222
Less: Accumulated depreciation and amortization	(37,764,141)
Construction-in-progress	369,770
	$27,545,851

The estimated cost to complete the construction-in-progress is approximately $997,175.

7. Pension Plans

(a) 403(b) Tax Deferred Annuity Plan

The Agency is the sponsor of a 403(b) tax deferred annuity plan that covers all Agency and Affiliate employees meeting eligibility requirements. Employee contributions are immediately vested. The Agency also makes a discretionary contribution based upon a percentage of an employee's salary, which will become 100% vested after three or five years depending on date of hire. Accrued pension payable for the year ended December 31, 2016 was $1,411,759. In 2016, employer contributions of $816,930 were made.

(b) Frozen Plan

The Agency and Affiliate had a defined contribution 401(a) pension plan for all salaried employees who completed one year of service. Contributions were based on a percentage of employees' salaries and vesting occurred after five years. The plan was frozen as of April 6, 2001.

8. Workers' Compensation Reserve

The Agency was previously a member of the now terminated and insolvent Community Residence Insurance Saving Plan Self-Insurance Trust for Workers' Compensation ("CRISP"). Due to financial deficits, the Workers' Compensation Board ("WCB") of New York State assumed the administration of CRISP. WCB has been charged with facilitating the extinguishment of the liabilities of the trust and performed a review to reconstruct and allocate the deficit among CRISP's former members. The Agency received an assessment based on this review for fiscal years 2006-2011. In 2016, the WCB and the Agency counsel agreed to a settlement in the amount of $1,569,026. The full liability, net of a discount based on lump-sum payment, has been recorded in the accompanying combined financial statements. In March 2017, the Agency paid the discounted lump-sum amount of $1,490,575 and the WCB has issued the Agency a full release of liability related to the CRISP Trust.

9. Due to Governmental Agencies

Due to governmental agencies consists of the following:

December 31, 2016	
Advances by funding sources to be recouped in future years	$3,944,977

10. Capital Lease Obligations

Capital lease obligations consisted of the following:

December 31, 2016	
The Agency financed the cost of vehicles with notes payable in various monthly installments through 2020. The interest rates on these leases range from 5.25% to 7.27%.	$1,512,447
Less: Current maturities	(639,826)
	$ 872,621

Future minimum principal payments and the present value of net minimum principal payments are as follows:

December 31,	
2017	$ 709,252
2018	552,990
2019	259,689
2020	112,860
Total minimum lease payments	1,634,791
Less: Interest	(122,344)
Present value of net minimum lease payments	$1,512,447

11. Line of Credit

The Agency has a revolving line of credit with a bank of up to $9,000,000 and expires on August 31, 2017. Interest is charged at 3.75% per annum. There were no amounts outstanding at December 31, 2016. The line of credit is secured by outstanding accounts receivable excluding any receivables, subject to subordination agreements.

12. Mortgages and Loans Payable

Mortgages and loans payable consist of the following:

December 31, 2016	
Mortgage payable to Facilities Development Corporation ("FDC"), due August 2017, payable in semi-annual debt service payments ranging from $24,430 to $24,837, including interest at 7.95% per annum; secured by real estate located in Plainview, New York.	$ 24,527
Mortgage payable to FDC, due August 2018, payable in semi-annual debt service payments ranging from $22,544 to $22,880, including interest at 6.76% per annum; secured by real estate located in Greenlawn, New York.	636
Mortgage payable to FDC, due February 2021, payable in semi-annual debt service payments ranging from $8,066 to $11,242, including interest at 5.61% per annum; secured by real estate located in Mt. Sinai, New York.	63,944
Various loans payable, due from May 2025 to February 2026, payable in current monthly installments ranging from $3,383 to $7,125, including interest from 3.65% to 5.49%; secured by related vehicles, land and buildings.	2,017,440
	2,106,547
Less: Current maturities	(203,280)
	$1,903,267

Mortgages and loans payable mature as follows:

December 31,	
2017	$ 203,280
2018	184,259
2019	193,206
2020	192,499
2021	115,290
Thereafter	1,227,195
	2,115,729
Less: Unamortized balance of deferred financing costs	(9,182)
	$2,106,547

13. Bonds Payable

(a) On December 17, 2004, the Agency obtained financing of $265,000 of Civic Facility Revenue bonds through the Suffolk County Industrial Development Agency ("SCIDA") for the renovation and equipping of a facility located in Medford, NY. The bonds, which require quarterly interest payments, bear interest at 6%. At December 31, 2016, $40,000 remains outstanding:

(b) On January 21, 2005 the Agency obtained financing of $163,000 of Civic Facility Revenue bonds through the Nassau County Industrial Development Agency ("NCIDA") for the renovation and equipping of a facility located in Bellmore, NY. The bonds, which require quarterly interest payments, bear interest at 6%. At December 31, 2016, $40,000 remains outstanding.

(c) On October 13, 2005, the Agency obtained financing of $1,091,000 of Civic Facility Revenue Bonds through SCIDA for the renovation and equipping of a facility located in East Patchogue, NY. The bonds, which require quarterly interest payments, bear interest at 6%. At December 31, 2016, $375,000 remains outstanding.

(d) On September 27, 2006, the Agency obtained financing of $3,857,000 of Civic Facility Revenue Bonds through SCIDA to renovate properties located in Nesconset, NY, Commack, NY, Babylon, NY, Smithtown, NY and Bohemia, NY, and for acquisitions and renovations of properties located in Ridge, NY and Yaphank, NY. The bonds, which require quarterly interest payments, bear interest at 5.95%. At December 31, 2016, $1,470,000 remains outstanding.

(e) On August 29, 2012, the Agency obtained financing of $20,016,071 through the Town of Huntington Local Development Corporation to renovate properties in Smithtown and Huntington, NY and to refinance outstanding amounts associated with financing obtained in 1993 and 1998 through SCIDA. The bond, which requires monthly interest payments, bears interest ranging from 2.5% to 3.8%. At December 31, 2016, $15,434,476 remains outstanding.

On August 29, 2012, the Agency obtained financing of $5,880,138 through the Suffolk County Economic Development Corporation to renovate properties in Hauppauge, NY and to refinance outstanding amounts associated with financing obtained in 1993, 1998 and 1999. The bond, which requires monthly interest payments, bears interest ranging from 2.5% to 4.4%. At December 31, 2016, $3,952,482 remains outstanding.

(f) On October 5, 2016, the Agency obtained financing of $2,355,000 through the Dormitory Authority of New York State for properties in Deer Park, NY and Centereach, NY and to renovate properties in Smithtown, NY. The bond, which requires monthly interest payments, bears interest ranging from 1.5% to 4%. At December 31, 2016, $2,355,000 remains outstanding.

The aggregate principal maturities for the years ending December 31 are as follows:

December 31,	
2017	$ 1,868,232
2018	2,080,000
2019	2,130,000
2020	2,205,000
2021	2,205,000
Thereafter	13,061,958
	23,550,190
Less: Unamortized balance of deferred financing costs	(694,110)
	$22,856,080

All bonds are secured by the related properties.

Interest expense related to the bonds for the year ended December 31, 2016 was $857,571.

14. Operating Leases

Pursuant to several lease agreements, the Agency and Affiliate are obligated for minimum annual rentals payable to nonrelated entities, as indicated below. The Agency is obligated for certain operating costs at these sites. The future minimum commitments to all nonrelated parties are as follows:

December 31,	
2017	$1,426,318
2018	1,028,622
2019	524,260
2020	422,251
2021	434,856
Thereafter	853,937
Total minimum lease payments	$4,690,244

Total rental expense under noncancellable operating leases amounted to $1,420,709 for the year ended December 31, 2016.

15. Commitments and Contingencies

(a) In conjunction with the operation of its Diagnostic and Treatment Centers, the Agency maintains occurrence-basis malpractice insurance policies for certain qualified providers. Non-qualified providers are required to maintain their own malpractice coverage. Management is not aware of any outstanding individual or aggregate malpractice claims that could potentially exceed the existing coverage limitations.

(b) For the year ended December 31, 2016, revenues from Medicare and Medicaid programs accounted for a significant portion of the Agency’s revenues. Laws and regulations governing Medicare and Medicaid programs are complex and subject to interpretation. The Agency believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation. In the event noncompliance is determined, the Agency would be subject to regulatory action including fines, penalties and exclusion from the Medicare and Medicaid programs.

(c) Additionally, the Agency is involved in certain disputes arising from the normal course of its businesses. In the opinion of management and on the advice of legal counsel, the expected outcome of such disputes, in the aggregate, will not have a material adverse effect on the Agency’s financial position.

(d) On July 15, 2015, the Agency entered into an irrevocable letter of credit amounting to $2,816,837 from a bank which matures on August 1, 2017. The letter of credit was issued in conjunction with the Agency’s workers’ compensation policy. There were no outstanding borrowings at December 31, 2016.

16. Net Assets Released From Restrictions

During 2016, temporarily restricted net assets that were released from donor restrictions by incurring expenses satisfying the restricted purpose are as follows:

Program designated	$ 63,212
Capital Campaign	512,574
	$575,786

17. Temporarily Restricted Net Assets

Donor restricted contributions held for specific purposes are as follows:

December 31, 2016	
Program designated	$ 81,100
Memorial	44,145
Capital campaign	291,813
	$417,058

18. Subsequent Events

The Agency and Affiliate's management has performed subsequent events procedures through May 19, 2017, which is the date the combined financial statements were available to be issued and there were no subsequent events requiring adjustment to the combined financial statements or disclosures as stated herein.

Developmental Disabilities Institute, Inc. and Affiliate

Combining Statement of Financial Position
(with comparative totals for 2015)

December 31,

	Developmental Disabilities Institute, Inc.	DDI Foundation, Inc.	Eliminations	Combined Total 2016	Combined Total 2015
Assets					
Current:					
Cash and cash equivalents	$15,981,145	$455,394	$ -	**$16,436,539**	$15,000,115
Assets limited as to use, current portion	2,813,322	140,138	-	**2,953,460**	3,732,331
Investments, at fair value	-	4,996	-	**4,996**	4,996
Accounts receivable, net	17,641,986	-	-	**17,641,986**	14,160,941
Government and other grants receivable	738,789	-	-	**738,789**	831,894
Current portion of contributions and pledges receivable		170,113	-	**170,113**	83,529
Prepaid expenses and other assets	2,810,639	11,293	-	**2,821,932**	1,359,096
Total Current Assets	39,985,881	781,934	-	**40,767,815**	35,172,902
Due From Affiliates	27,863	-	(27,863)	**-**	-
Assets Limited as to Use, Less Current Portion	4,789,757	-	-	**4,789,757**	4,696,140
Contributions and Pledges Receivable, Net, Less Current Portion	-	82,953	-	**82,953**	108,714
Fixed Assets, Net	27,545,851	-	-	**27,545,851**	28,059,733
	$72,349,352	**$864,887**	**$(27,863)**	**$73,186,376**	$68,037,489

Developmental Disabilities Institute, Inc. and Affiliate

Combining Statement of Financial Position
(with comparative totals for 2015)

December 31,	Developmental Disabilities Institute, Inc.	DDI Foundation, Inc.	Eliminations	Combined Total 2016	Combined Total 2015
Liabilities and Net Assets					
Current Liabilities:					
Accounts payable and accrued expenses	$ 3,801,193	$ 207	$ -	**$ 3,801,400**	$ 3,311,499
Accrued interest payable	135,957	-	-	**135,957**	132,657
Accrued payroll and related benefits	7,553,789	-	-	**7,553,789**	6,010,195
Accrued pension payable	1,411,759	-	-	**1,411,759**	816,729
Due to affiliates	-	27,863	(27,863)	**-**	-
Deferred revenue, current portion	3,047,163	-	-	**3,047,163**	2,023,502
Capital lease obligations, current portion	639,826	-	-	**639,826**	607,378
Mortgages and loans payable, current portion	203,280	-	-	**203,280**	249,562
Bonds payable, current portion	1,868,232	-	-	**1,868,232**	1,819,239
Due to governmental agencies, current portion	1,619,544	-	-	**1,619,544**	918,521
Total Current Liabilities	20,280,743	28,070	(27,863)	**20,280,950**	15,889,282
Deferred Revenue, Less Current Portion	2,191,530	-	-	**2,191,530**	1,706,503
Capital Lease Obligations, Less Current Maturities	872,621	-	-	**872,621**	764,417
Mortgages and Loans Payable, Less Current Maturities	1,903,267	-	-	**1,903,267**	2,103,819
Bonds Payable, Less Current Maturities	20,987,848	-	-	**20,987,848**	20,612,905
Due to Governmental Agencies, Less Current Portion	2,325,433	-	-	**2,325,433**	5,519,732
Total Liabilities	48,561,442	28,070	(27,863)	**48,561,649**	46,596,658
Net Assets:			-		
Unrestricted net assets	23,787,910	419,759	-	**24,207,669**	20,704,388
Temporarily restricted net assets	-	417,058	-	**417,058**	736,443
Total Net Assets	23,787,910	836,817	-	**24,624,727**	21,440,831
	$72,349,352	**$864,887**	**$(27,863)**	**$73,186,376**	$68,037,489

Developmental Disabilities Institute, Inc. and Affiliate

Combining Statement of Activities
(with comparative totals for 2015)

Year ended December 31,

	Developmental Disabilities Institute, Inc.	DDI Foundation, Inc.			Combined Total	
	Unrestricted	Unrestricted	Temporarily Restricted	Total	**2016**	2015
Program Revenues:						
Fees for services	$93,667,038	$ -	$ -	$ -	**$93,667,038**	$90,897,280
Government and other grants	1,643,595	-	-	-	**1,643,595**	1,322,400
Net patient service revenues	2,802,955	-	-	-	**2,802,955**	4,880,236
Other program revenues	1,698,056	-	-	-	**1,698,056**	1,748,095
Net assets released from restrictions	-	63,212	(63,212)	-	**-**	-
Total Program Revenues	99,811,644	63,212	(63,212)	-	**99,811,644**	98,848,011
Expenses:						
Program services:						
Education services	32,321,183	-	-	-	**32,321,183**	32,167,330
Clinic services	3,702,449	-	-	-	**3,702,449**	5,413,192
Adult day services	17,327,926	-	-	-	**17,327,926**	16,389,994
Children's residential services	10,885,451	-	-	-	**10,885,451**	10,550,947
Adult residential services	27,669,160	-	-	-	**27,669,160**	27,366,414
Other programs	713,808	-	-	-	**713,808**	64,642
Total Program Services	92,619,977	-	-	-	**92,619,977**	91,952,519
Supporting services:						
Management and general	6,144,108	-	-	-	**6,144,108**	5,879,833
Fundraising	-	355,464		355,464	**355,464**	184,604
Total Supporting Services	6,144,108	355,464	-	355,464	**6,499,572**	6,064,437
Total Expenses	98,764,085	355,464	-	355,464	**99,119,549**	98,016,956
Change in Net Assets Before Nonoperating Revenues and Expenses	1,047,559	(292,252)	(63,212)	(355,464)	**692,095**	831,055
Nonoperating Revenues and Expenses:						
Capital campaign income	-	-	222,392	222,392	**222,392**	100,532
Capital campaign expenses	-		(512,574)	(512,574)	**(512,574)**	(317,288)
Net Expenses From Capital Campaign	-	-	(290,182)	(290,182)	**(290,182)**	(216,756)
Special events revenues	-	389,091	-	389,091	**389,091**	394,326
Direct cost to donors	-	(111,029)	-	(111,029)	**(111,029)**	(113,751)
Net Revenues From Special Events	-	278,062	-	278,062	**278,062**	280,575
Contributions	10,000	18,238	34,009	52,247	**62,247**	107,101
Gain on sale of fixed assets	29,926	-	-		**29,926**	78,054
Interest income	41,512	82	-	82	**41,594**	42,827
Other income	76,400		-	-	**76,400**	97,226
Prior period income	2,291,603	2,151	-	2,151	**2,293,754**	1,074,335
Total Nonoperating Revenues and Expenses	2,449,441	298,533	(256,173)	42,360	**2,491,801**	1,463,362
Change in Net Assets	3,497,000	6,281	(319,385)	(313,104)	**3,183,896**	2,294,417
Net Assets, Beginning of Year	20,290,910	413,478	736,443	1,149,921	**21,440,831**	19,146,414
Net Assets, End of Year	**$23,787,910**	**$ 419,759**	**$ 417,058**	**$ 836,817**	**$24,624,727**	$21,440,831