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**FIND AID FOR THE AGED, INC.  
AND AFFILIATES**

**CONSOLIDATED FINANCIAL REPORTS  
DECEMBER 31, 2016 AND 2015**

# FIND AID FOR THE AGED, INC. AND AFFILIATES

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
FIND Aid for the Aged, Inc. and Affiliates  
New York, New York

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### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of FIND Aid for the Aged, Inc. (a nonprofit organization) and Affiliates (collectively the "Organization"), which comprise the consolidated statement of financial position as of December 31, 2016, and the related consolidated statements of activities and changes in net assets, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

## Report on Summarized Comparative Information

We have previously audited the Organization's 2015 consolidated financial statements, and our report dated July 29, 2016, expressed an unmodified opinion on those audited consolidated 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 consolidated financial statements from which it has been derived.

## Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements that collectively comprise the Organization's basic consolidated financial statements. The accompanying schedule of expenditures of federal awards on page 33 is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is not a required part of the basic consolidated financial statements. In addition, the accompanying supplementary information listed in the attached table of contents on pages 23 to 28 is also presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. The supplementary information and accompanying schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the consolidated financial statements. The supplementary information and accompanying schedules have been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and accompanying schedules are fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 21, 2017 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

*Wiss & Company*

WISS & COMPANY, LLP

Livingston, New Jersey  
July 21, 2017

# FIND AID FOR THE AGED, INC. AND AFFILIATES

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

| ASSETS  | December 31,         |                      |
|---|----------------------|----------------------|
|   | 2016                 | 2015                 |
| Cash and equivalents  | \$ 3,507,627         | \$ 1,826,353         |
| Restricted deposits and funded reserves   | 3,276,027            | 3,331,127            |
| Investments   | 1,992,781            | 1,910,868            |
| Grants receivable   | 643,909              | 392,732              |
| Tenant accounts receivable (net of allowance of \$44,267<br>and \$47,267 for 2016 and 2015, respectively) | 63,647               | 52,663               |
| Other receivables (net of allowance of \$6,985<br>and \$34,985 for 2016 and 2015, respectively)           | 135,036              | 190,235              |
| Prepaid expenses and other assets   | 245,761              | 215,152              |
| Deferred rents receivable   | 98,927               | 115,881              |
| Property and equipment, net   | 18,393,753           | 19,069,893           |
| Total assets  | <u>\$ 28,357,468</u> | <u>\$ 27,104,904</u> |
| <br>LIABILITIES AND NET ASSETS  |                      |                      |
| LIABILITIES:  |                      |                      |
| Accounts payable  | \$ 277,976           | \$ 481,977           |
| Accrued expenses and other liabilities  | 475,579              | 388,334              |
| Refundable advances   | 603,441              | 500,768              |
| Deferred rent and utilities   | 149,956              | 89,144               |
| Security deposits payable   | 341,431              | 326,703              |
| Mortgages payable, net of unamortized debt issuance costs<br>of \$158,548 at 2016 and \$169,694 at 2015   | 19,320,250           | 20,214,637           |
| Total liabilities   | <u>21,168,633</u>    | <u>22,001,563</u>    |
| <br>COMMITMENTS   |                      |                      |
| NET ASSETS:   |                      |                      |
| Unrestricted  | 7,188,835            | 5,063,341            |
| Temporarily restricted  | -                    | 40,000               |
| Total net assets  | <u>7,188,835</u>     | <u>5,103,341</u>     |
| Total liabilities and net assets  | <u>\$ 28,357,468</u> | <u>\$ 27,104,904</u> |

*See accompanying notes to consolidated financial statements.*

FIND AID FOR THE AGED, INC. AND AFFILIATES

CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED DECEMBER 31, 2016

(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2015)

|   | Unrestricted        | Temporarily<br>Restricted | Total<br>2016       | Total<br>2015       |
|---|---------------------|---------------------------|---------------------|---------------------|
| SUPPORT AND REVENUES:                               |                     |                           |                     |                     |
| Grants and contracts                                | \$ 3,369,534        | \$ -                      | \$ 3,369,534        | \$ 3,255,067        |
| Contributions                                       | 1,652,551           | -                         | 1,652,551           | 151,609             |
| Program income                                      | 129,227             | -                         | 129,227             | 146,141             |
| Special events                                      | 110,846             | -                         | 110,846             | 106,204             |
| Rental income                                       | 7,341,492           | -                         | 7,341,492           | 7,323,542           |
| Vacancies and concessions                           | (495,010)           | -                         | (495,010)           | (574,799)           |
| Administrative fees                                 | 12,809              | -                         | 12,809              | 13,602              |
| Investment income, net                              | 26,151              | -                         | 26,151              | 21,865              |
| Gain on sale of assets                              | 5,670               | -                         | 5,670               | 17,091              |
| Net change in unrealized gain/(loss) on investments | 57,860              | -                         | 57,860              | (58,354)            |
| Other income  | 400,379             | -                         | 400,379             | 380,510             |
|   | <u>12,611,509</u>   | <u>-</u>                  | <u>12,611,509</u>   | <u>10,782,478</u>   |
| NET ASSETS RELEASED FROM RESTRICTIONS -             |                     |                           |                     |                     |
| Satisfaction of program restrictions                | 40,000              | (40,000)                  | -                   | -                   |
| Total Support and Revenues                          | <u>12,651,509</u>   | <u>(40,000)</u>           | <u>12,611,509</u>   | <u>10,782,478</u>   |
| EXPENSES:   |                     |                           |                     |                     |
| Program services                                    | 3,739,735           | -                         | 3,739,735           | 3,577,186           |
| Supporting services:                                |                     |                           |                     |                     |
| Management and general                              | 647,218             | -                         | 647,218             | 615,821             |
| Fundraising   | 154,326             | -                         | 154,326             | 179,872             |
| Woodstock HDLC                                      | 3,349,360           | -                         | 3,349,360           | 3,337,325           |
| Hamilton HDLC                                       | 1,629,257           | -                         | 1,629,257           | 1,727,900           |
| Hargrave HDLC                                       | 1,006,119           | -                         | 1,006,119           | 1,103,289           |
| Total Expenses                                      | <u>10,526,015</u>   | <u>-</u>                  | <u>10,526,015</u>   | <u>10,541,393</u>   |
| CHANGE IN NET ASSETS                                | 2,125,494           | (40,000)                  | 2,085,494           | 241,085             |
| NET ASSETS - BEGINNING OF YEAR                      | <u>5,063,341</u>    | <u>40,000</u>             | <u>5,103,341</u>    | <u>4,862,256</u>    |
| NET ASSETS - END OF YEAR                            | <u>\$ 7,188,835</u> | <u>\$ -</u>               | <u>\$ 7,188,835</u> | <u>\$ 5,103,341</u> |

See accompanying notes to consolidated financial statements.

FIND AID FOR THE AGED, INC. AND AFFILIATES

CONSOLIDATED STATEMENTS OF CASH FLOWS

|  | Year Ended December 31, |                     |
|--|-------------------------|---------------------|
|  | 2016                    | 2015                |
| CASH FLOWS FROM OPERATING ACTIVITIES:  |                         |                     |
| Change in net assets   | \$ 2,085,494            | \$ 241,085          |
| Adjustments to reconcile change in net assets to net cash flows from operating activities: |                         |                     |
| Depreciation and amortization  | 937,190                 | 934,919             |
| Bad debts  | 22,638                  | 106,073             |
| Net change in unrealized (gain)/loss on investments  | (57,860)                | 58,354              |
| Gain on sale of assets   | (5,670)                 | (17,091)            |
| Interest expense relating to deferred financing costs                                      | 11,146                  | 11,146              |
| Change in operating assets and liabilities:  |                         |                     |
| Restricted deposits and funded reserves, net   | 55,100                  | 8,070               |
| Grants receivable  | (251,177)               | 246,160             |
| Tenant accounts receivable   | (33,622)                | (37,541)            |
| Other receivables  | 55,199                  | 34,737              |
| Prepaid expenses and other assets  | (30,609)                | (31,281)            |
| Deferred rents receivable  | 16,954                  | (3,212)             |
| Accounts payable   | (204,001)               | 205,565             |
| Accrued expenses and other liabilities   | 87,245                  | (100,945)           |
| Refundable advances  | 102,673                 | (50,637)            |
| Deferred rent and utilities  | 60,812                  | 58,177              |
| Security deposits payable  | 14,728                  | 1,799               |
| Net cash flows from operating activities   | <u>2,866,240</u>        | <u>1,665,378</u>    |
| CASH FLOWS FROM INVESTING ACTIVITIES:  |                         |                     |
| Purchase of investments  | (85,120)                | (410,976)           |
| Sale of investments  | 66,138                  | 156,748             |
| Purchases of property and equipment  | (260,451)               | (501,828)           |
| Net cash flows from investing activities   | <u>(279,433)</u>        | <u>(756,056)</u>    |
| CASH FLOWS FROM FINANCING ACTIVITIES:  |                         |                     |
| Proceeds from debt agreements  | 16,227                  | 107,413             |
| Mortgage principal payments  | (921,760)               | (869,251)           |
| Net cash flows from financing activities   | <u>(905,533)</u>        | <u>(761,838)</u>    |
| NET CHANGE IN CASH AND EQUIVALENTS   | 1,681,274               | 147,484             |
| CASH AND EQUIVALENTS, BEGINNING OF YEAR  | <u>1,826,353</u>        | <u>1,678,869</u>    |
| CASH AND EQUIVALENTS, END OF YEAR  | <u>\$ 3,507,627</u>     | <u>\$ 1,826,353</u> |
| SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION -   |                         |                     |
| Interest paid  | <u>\$ 377,539</u>       | <u>\$ 430,644</u>   |

*See accompanying notes to consolidated financial statements.*

## FIND AID FOR THE AGED, INC. AND AFFILIATES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

#### Note 1 - Nature of the Organizations and Summary of Significant Accounting Policies:

*Nature of the Organizations* - FIND Aid for the Aged, Inc. ("FIND Aid") is a not-for-profit organization that was incorporated in 1969. FIND Aid's primary purpose is to develop, conduct and administer programs to aid the aged on New York City's West Side. These programs provide meals, recreational and social activities, social services and housing for senior citizens. FIND Aid is supported primarily by government contracts and philanthropic contributions. FIND Aid operates four senior centers and maintains its administrative office on the Upper West Side of Manhattan.

Woodstock Housing Development Fund Corporation for Senior Citizens ("Woodstock") was organized in 1975. It manages and owns Woodstock Hotel, a residential facility for low-income senior citizens. The building has 286 units located in New York, New York and a senior citizen's center. The primary sources of revenue are a grant from the New York City Department of Homeless Services ("DHS") and rental revenue.

The Hamilton Housing Development Company, Inc. ("Hamilton") was organized in 1972 as a New York, nonprofit corporation for the purpose of operating a rental housing project under Section 236 of the National Housing Act with mortgage insurance provided by the Federal Housing Administration ("FHA") of the Department of Housing and Urban Development. The project consists of 176 units located in New York, New York and is currently operating under the name of The Hamilton.

Hargrave Housing Development Fund Corporation ("Hargrave") is a not-for-profit organization formed in 2001 pursuant to Article XI of the Private Housing Finance Law and Section 402 of the Not-for-Profit Corporation Law of the State of New York. Hargrave's primary purpose is operating a 112-unit apartment project and a community center. The community center does not generate revenue. The project is currently operating under the name The Hargrave.

*Principles of Consolidation* - The consolidated financial statements include the accounts of FIND Aid, Woodstock, Hamilton and Hargrave (collectively referred to as the "Organization"). The entities are consolidated based on control and economic interest.

The financial position and results of operations presented in the accompanying consolidated financial statements do not represent those of a single legal entity. All intercompany transactions and accounts have been eliminated in consolidation.

*Estimates and Uncertainties* - The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates 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, as determined at a later date, could differ from those estimates.

*Basis of Accounting* - The consolidated financial statements of the Organization are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("US GAAP").



## FIND AID FOR THE AGED, INC. AND AFFILIATES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

#### Note 1 - Nature of the Organizations and Summary of Significant Accounting Policies (continued):

*Basis of Presentation* - The Organization conforms with Statement of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 958-205, "Financial Statements for Not-for-Profit Organizations". Under FASB ASC Topic 958-205, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

The Organization is also in conformity with FASB ASC Topic 958-605, "Accounting for Contributions Received and Contributions Made." In conformity with FASB ASC 958-605, contributions received, if any, are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions.

*Adoption of New Accounting Standard* - In 2016, as required, the Organization adopted FASB Accounting Standards Update ("ASU") 2015-03, Interest-Imputation of Interest: Simplifying the Presentation of Debt Issuance Costs. This ASU requires that debt issuance costs related to a recognized debt liability be presented in the consolidated statements of financial position as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The effect of this change was to classify \$158,548 in 2016 and retrospectively adjust \$169,694 in 2015 of debt issuance costs from an asset to a direct deduction from the face amount of the related note in the consolidated statements of financial position.

#### *Support and Revenues:*

*Unrestricted* - All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished) in the reporting period in which the support is recognized. The Organization follows a similar policy for restricted investment income earned on investments in that investment income whose restrictions are met in the same reporting period are reported as unrestricted revenue.

Program income, special events, administrative fees, investment income and other income are recognized when earned.

*Temporarily Restricted* - Contributions/Support received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted support that increases that net asset class. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities and changes in net assets as net assets released from restrictions. Temporarily restricted net assets amounted to \$0 and \$40,000 as of December 31, 2016 and 2015, respectively (see note 10).

*Permanently Restricted* - Contributions/support received that are to be held in perpetuity are reported as permanently restricted support that increase that net assets class. There were no permanently restricted net assets as of December 31, 2016 and 2015.

*Rental Income* - Rental income is recognized as rentals become due. Rental payments received in advance are deferred until earned. If the rentals vary from a straight line basis, future rentals including scheduled and specific rent increases are recognized on a straight line basis over the lease terms. Amounts recorded on the straight line method in excess of the rents billed are recognized as deferred rents receivable. All leases between the Organization and the tenants of the property are operating leases.

## FIND AID FOR THE AGED, INC. AND AFFILIATES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

#### Note 1 - Nature of the Organizations and Summary of Significant Accounting Policies (continued):

*Cash and Equivalents* - Cash and equivalents include money market funds and all other highly liquid short-term investments purchased with maturities of three months or less.

*Concentration of Credit Risk* - The Organization maintains cash with financial institutions. Cash balances are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000 in each financial institution. The Organization also maintains funded escrows and reserves. All escrows and reserves are held in trust accounts in the Organization's name. At times, these balances may exceed the FDIC limits; however, the Organization has not experienced any losses with respect to its bank balances in excess of government provided insurance. Management believes that no significant concentration of credit risks exists with respect to these cash balances at December 31, 2016 and 2015.

*Investments* - Investments are recorded at fair market value, with unrealized gains and losses reported in the consolidated statements of activities and changes in net assets. These investments are not FDIC insured. The Organization reviews its investments annually for impairment.

The investments are protected by the Securities Insurance Protection Corporation ("SIPC") which provides limited insurance in certain circumstances for securities and cash held in brokerage accounts. The insurance is limited to \$500,000 for securities and \$250,000 for cash balances. The insurance does not protect against investment losses. As of December 31, 2016 and 2015, these balances are in excess of SIPC insured limits.

*Grants Receivable* - Grants receivable, all due within one year, represent amounts due from grantors, based on terms of the related grant agreements. The Organization determines the need for an allowance based on history of write-offs, levels of past due accounts and its relationships with, and economic status, of its grantors. As of December 31, 2016 and 2015, no provision was made for uncollectible amounts, since management expects to collect the entire grants receivable balance.

*Tenant Accounts Receivable and Bad Debts* - The Organization carries its tenant accounts receivable at net realizable value. The Organization establishes a reserve for receivables that may prove to be uncollectible based on periodic review by management of collections and current credit conditions of each tenant. Accounts are written off as uncollectible when management has determined that a sufficient period of time has elapsed without receiving payment and the tenants do not exhibit the ability to meet their obligations.

*Other Receivables* - Other receivable balances are composed primarily of balances due to the Organization from various local government housing agencies associated with subsidized tenants rents. The Organization states other receivable balances at net realizable value and establishes a reserve for balances that may be uncollectible based on periodic review by management of the status of the balance.

*Property and Equipment* - Property and equipment are stated at cost and are depreciated using the straight-line method over their estimated useful lives as follows: buildings - 27.5 to 40 years; building improvements - 20 years; furniture and equipment - 3 to 7 years. Leasehold improvements are amortized over life of the improvement using the straight line method. Major improvements in excess of \$5,000 are capitalized. Maintenance and repairs, which do not extend the life of the applicable assets, are charged to expense as incurred.

# FIND AID FOR THE AGED, INC. AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### Note 1 - Nature of the Organizations and Summary of Significant Accounting Policies (continued):

**Long-Lived Assets** - The Organization evaluates all long-lived assets for impairment. Long-lived assets are evaluated for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the carrying amount is not fully recoverable, an impairment loss is recognized to reduce the carrying amount to fair value, and is charged to expense in the period of impairment. As of December 31, 2016 and 2015, management has determined that these assets are not impaired.

**Refundable Advances** - The Organization records restricted grants/contracts support as a refundable advance until it is expended for the purpose of the grant or contract, at which time it becomes unconditional and is recognized as unrestricted support.

**Functional Expenses** - The costs of providing various programs and other activities are summarized on a functional basis as follows:

|                                  | December 31,         |                      |
|----------------------------------|----------------------|----------------------|
|                                  | 2016                 | 2015                 |
| Program services:                |                      |                      |
| Woodstock operations             | \$ 3,111,592         | \$ 3,061,622         |
| Hamilton operations              | 1,545,409            | 1,635,603            |
| Hargrave operations              | 942,779              | 933,905              |
| FIND Aid operations              | 4,231,636            | 4,099,613            |
| Supporting services:             |                      |                      |
| Woodstock management and general | 467,021              | 498,279              |
| Hamilton management and general  | 339,577              | 339,368              |
| Hargrave management and general  | 161,041              | 266,117              |
| FIND Aid management and general  | 687,218              | 615,821              |
| FIND Aid fundraising             | 154,326              | 179,872              |
| Less: Eliminations               | (1,114,584)          | (1,088,807)          |
| Total expenses                   | <u>\$ 10,526,015</u> | <u>\$ 10,541,393</u> |

**Debt Issuance Costs** - Costs relating to refinancing the mortgage loan are netted against debt and amortized over the term of the related debt. Accumulated amortization at December 31, 2016 and 2015, were \$152,485 and \$141,339, respectively. Amortization of deferred issuance costs charged to interest expense was \$11,146 for 2016 and 2015.

## FIND AID FOR THE AGED, INC. AND AFFILIATES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

#### Note 1 - Nature of the Organizations and Summary of Significant Accounting Policies (continued):

**Income Taxes** - FIND Aid, Woodstock, Hamilton and Hargrave are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and, therefore, have made no provision for Federal or State income taxes in the accompanying consolidated financial statements. These organizations have been determined by the Internal Revenue Service ("IRS") not to be a "private foundation" within the meaning of Section 509(a)(1) of the Internal Revenue Code. Other significant tax positions include the determination of whether any amounts are subject to unrelated business income tax ("UBIT"). Management has determined that the Organization had no activities subject to UBIT in the years ended December 31, 2016 or 2015. All significant tax positions have been considered by management and it has been determined that all tax positions would be sustained upon examinations by taxing authorities. Find Aid, Woodstock, Hamilton and Hargrave are required to file form 990 (Return of Organization Exempt from Income Tax) and State Form CHAR500 (except Hamilton and Hargrave), which are subject to examination by the IRS up to three years from the extended due date of the return. The forms 990 and CHAR500 for 2013 through 2015 are open to examination by the IRS as of December 31, 2016.

**Comparative Information** - The consolidated statements of activities and changes in net assets include certain prior year summarized comparative information. 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 the 2015 financial report from which the summarized information was derived.

**Reclassifications** - Certain prior period amounts have been reclassified to conform to the current year's presentation. Specifically, miscellaneous reclassifications were made on the consolidated statements of financial position and on the consolidated statements of cash flows. Such reclassifications did not impact beginning of the year net assets or cash balance.

**Subsequent Events** - Management has reviewed and evaluated all events and transactions from December 31, 2016 through July 21, 2017, the date that the consolidated financial statements were available for issuance. The effects of those events and transactions that provide additional pertinent information about conditions that existed at the date of the consolidated statement of financial position, have been recognized in the accompanying consolidated financial statements.

# FIND AID FOR THE AGED, INC. AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### Note 2 - Summary of Grants/Contracts Funding:

The following summarizes the Organization's funding:

| Grantor/Program   | Year Ended December 31, |                     |
|---|-------------------------|---------------------|
|   | 2016                    | 2015                |
| New York City Department for the Aging - FIND Aid                       | \$ 2,566,517            | \$ 2,508,319        |
| New York State Office of Temporary and Disability Assistance - FIND Aid | 133,741                 | 93,540              |
| New York City Department of Homeless Services - Woodstock               | 594,715                 | 521,552             |
| U.S. Department of Housing and Urban Development - Hamilton             | 74,561                  | 131,656             |
|   | <u>\$ 3,369,534</u>     | <u>\$ 3,255,067</u> |

Approximately 76% and 77% of grant/contract support was provided by New York City Department of the Aging for each of the years ended December 31, 2016 and 2015, respectively. Approximately 18% and 16% of grant/contract support was provided by New York City Department of Homeless Services for each of the years ended December 31, 2016 and 2015, respectively.

### Note 3 - Grants Receivable:

The Organization had grant receivable balances from the following funding sources:

|  | December 31,      |                   |
|--|-------------------|-------------------|
|  | 2016              | 2015              |
| New York City Department for the Aging                       | \$ 464,198        | \$ 269,437        |
| New York State Office of Temporary and Disability Assistance | 36,451            | 21,123            |
| New York City Department of Homeless Services                | 66,298            | 63,083            |
| U.S. Department of Housing and Urban Development             | 76,962            | 39,089            |
|  | <u>\$ 643,909</u> | <u>\$ 392,732</u> |

Approximately 72% and 69% of grants receivable were from the New York City Department of the Aging as of December 31, 2016 and 2015, respectively. Approximately 10% and 16% of grants receivable were from the New York City Department of Homeless Services as of December 31, 2016 and 2015, respectively. Approximately 12% and 10% of grants receivable was from the U.S. Department of Housing and Urban Development as of December 31, 2016 and 2015.

# FIND AID FOR THE AGED, INC. AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### Note 4 - Restricted Deposits and Funded Reserves:

According to the terms of the mortgage and other regulatory agreements, the Organization is required to maintain escrow deposits and reserves comprised of the following:

|                          | December 31,        |                     |
|--------------------------|---------------------|---------------------|
|                          | 2016                | 2015                |
| Replacement reserve      | \$ 1,602,385        | \$ 1,689,210        |
| Operating reserve        | 1,129,832           | 1,122,694           |
| Mortgage reserve         | 202,379             | 192,520             |
| Tenant security deposits | 341,431             | 326,703             |
|                          | <u>\$ 3,276,027</u> | <u>\$ 3,331,127</u> |

### Note 5 - Property and Equipment:

The following is a summary of property and equipment:

|  | December 31,         |                      |
|--|----------------------|----------------------|
|  | 2016                 | 2015                 |
| Land   | \$ 2,008,810         | \$ 2,008,810         |
| Buildings  | 12,076,382           | 12,076,382           |
| Building improvements                              | 23,117,507           | 22,995,853           |
| Leasehold improvements                             | 1,488,727            | 1,478,415            |
| Furniture and equipment                            | 1,103,112            | 1,085,881            |
| Construction in progress                           | 111,255              | -                    |
|  | 39,905,793           | 39,645,341           |
| Less: accumulated depreciation<br>and amortization | <u>(21,512,040)</u>  | <u>(20,575,448)</u>  |
|  | <u>\$ 18,393,753</u> | <u>\$ 19,069,893</u> |

Depreciation and amortization was \$937,190 and \$934,919 for the years ended December 31, 2016 and 2015, respectively.

## FIND AID FOR THE AGED, INC. AND AFFILIATES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

#### Note 6 - Fair Value Measurements - Recurring:

FASB ASC 820-10, Fair Value Measurements, establishes a framework for measuring fair value. That 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 under FASB ASC 820-10 are described as follows:

- *Level 1* - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization 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 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.
- *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.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2016 and 2015.

- Mutual Funds: Valued at the closing price reported in the active market in which the fund is traded.
- Exchange Traded Funds: Valued at the closing price reported on the New York Stock Exchange.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although management believes its valuation methods are 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.

# FIND AID FOR THE AGED, INC. AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### Note 6 - Fair Value Measurements – Recurring (continued):

The following tables set forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2016 and 2015:

| <i>Assets at Fair Value as of December 31, 2016</i> |                     |                |                |                     |
|---|---------------------|----------------|----------------|---------------------|
|   | <u>Level 1</u>      | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u>        |
| Mutual Funds  | \$ 363,939          | \$ -           | \$ -           | \$ 363,939          |
| Exchange Traded Equity Funds (ETF)                  |                     |                |                |                     |
| Large Cap Strategies                                | 606,360             | -              | -              | 606,360             |
| Small & Mid Cap Funds                               | 217,345             | -              | -              | 217,345             |
| Large Cap Core Funds                                | 298,503             | -              | -              | 298,503             |
| Strategic Opportunities Funds                       | <u>267,573</u>      | <u>-</u>       | <u>-</u>       | <u>267,573</u>      |
| Total   | <u>\$ 1,753,720</u> | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ 1,753,720</u> |
| Certificate of Deposit                              |                     |                |                | <u>239,061</u>      |
|   |                     |                |                | <u>\$ 1,992,781</u> |

| <i>Assets at Fair Value as of December 31, 2015</i> |                     |                |                |                     |
|---|---------------------|----------------|----------------|---------------------|
|   | <u>Level 1</u>      | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u>        |
| Mutual Funds  | \$ 314,392          | \$ -           | \$ -           | \$ 314,392          |
| Exchange Traded Equity Funds (ETF)                  |                     |                |                |                     |
| Large Cap Strategies                                | 578,999             | -              | -              | 578,999             |
| Small & Mid Cap Funds                               | 199,555             | -              | -              | 199,555             |
| Large Cap Core Funds                                | 278,136             | -              | -              | 278,136             |
| Strategic Opportunities Funds                       | <u>304,486</u>      | <u>-</u>       | <u>-</u>       | <u>304,486</u>      |
| Total   | <u>\$ 1,675,568</u> | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ 1,675,568</u> |
| Certificate of Deposit                              |                     |                |                | <u>235,300</u>      |
|   |                     |                |                | <u>\$ 1,910,868</u> |



# FIND AID FOR THE AGED, INC. AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### Note 7 - Mortgages Payable:

#### Woodstock

A summary of mortgages payable follows:

|  | Original<br>Amount | December 31,         |                      |
|--|--------------------|----------------------|----------------------|
|  |                    | 2016                 | 2015                 |
| Mortgage payable with HPD is collateralized by the Woodstock Hotel payable in a balloon payment on January 1, 2044. There are no interest payments due on this mortgage (a). | \$ 9,778,103       | \$ 9,778,103         | \$ 9,778,103         |
| Building loan with HPD payable in a balloon payment on January 1, 2044. There are no interest payments due on this mortgage (b).   | b                  | 849,734              | 833,507              |
|  |                    | <u>\$ 10,627,837</u> | <u>\$ 10,611,610</u> |

#### a) Mortgage

The mortgage payable from the City of New York, acting through HPD, consists of funding pursuant to Article IX of the New York Private Housing Finance Law. In accordance with the Restated Funding and Disbursement Agreement, Woodstock is required to have an Operating Reserve and a Replacement Reserve.

The Operating Reserve may be used to fund project maintenance, capital replacements and capital improvements, but only in the event that the Replacement Reserve Account is insufficient to cover such costs and no other funds are available.

The Replacement Reserve shall be used solely to fund the project maintenance, capital replacements and capital improvements whose necessity is demonstrated to the Department of Housing Preservation and Development's ("HPD") satisfaction. Beginning January 1, 2013 until maturity of the mortgage, monthly replacement reserve deposits will be based on HPD's replacement reserve schedule of annual deposits as follows:

| <u>Year End December 31,</u> |                     |
|------------------------------|---------------------|
| 2017                         | \$ 79,067           |
| 2018                         | 81,439              |
| 2019                         | 83,882              |
| 2020                         | 86,399              |
| 2021                         | 88,991              |
| 2022 and thereafter          | <u>2,974,642</u>    |
| Total                        | <u>\$ 3,394,420</u> |

# FIND AID FOR THE AGED, INC. AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### Note 7 - Mortgages Payable (continued):

The deposits made during the year ended December 31, 2016 totaled \$76,764 which satisfied the 2016 annual requirement. The deposits made during the year ended December 31, 2015 totaled \$146,886 which satisfied the 2015 and 2014 annual requirements.

#### b) Building Loan

The building loan consists of funding pursuant to Article XI of the New York Private Housing Finance Law. The building loan is approved for up to \$1,016,509 to fund rehabilitation and renovation work for the Woodstock Hotel.

#### Hamilton

Long-term debt is collateralized by the Organization's land and building and consists of the following:

|   | Interest<br>Rate | December 31,       |   |                    |                     |   |                    |
|---|------------------|--------------------|---|--------------------|---------------------|---|--------------------|
|   |                  | 2016               |   |                    | 2015                |   |                    |
|   |                  | Loan<br>Balance    | Unamortized<br>Debt<br>Issuance<br>Cost | Net Debt           | Loan<br>Balance     | Unamortized<br>Debt<br>Issuance<br>Cost | Net Debt           |
| First Mortgage, Note 1,<br>due September 2023   | 6.5%             | \$ 822,933         | \$ 13,181                               | \$ 809,752         | \$ 1,047,454        | \$ 15,126                               | \$1,032,328        |
| First Mortgage, Note 2,<br>due October 2035 (a) | 6.5%             | 701,683            | -                                       | 701,683            | 720,111             | -                                       | 720,111            |
| Rehab Loan, due<br>January 2036 (b)             | 0%               | 2,599,800          | -                                       | 2,599,800          | 2,599,800           | -                                       | 2,599,800          |
| HDC Note, due<br>January 2018 (c)               | 6.25%            | 600,071            | -                                       | 600,071            | 1,119,142           | -                                       | 1,119,142          |
|   |                  | <u>\$4,724,487</u> | <u>\$ 13,181</u>                        | <u>\$4,711,306</u> | <u>\$ 5,486,507</u> | <u>\$ 15,126</u>                        | <u>\$5,471,381</u> |

#### a) First Mortgage

The first mortgage bears interest at the rate of 6.5% per annum and is split between two loans. First mortgage note 1 in the original amount of \$2,699,170 requires monthly payments of principal and interest in the amount of \$24,187 through maturity, prior to the reduction of the interest subsidy paid by HUD under Section 236 of the National Housing Act. First mortgage note 2 in the original amount of \$852,915 requires monthly installments of principal and interest of \$5,391 through maturity. These notes are secured by the rental property. Total interest expense incurred for First mortgage notes 1 and 2 combined during 2016 and 2015 was \$106,424 and \$121,771, respectively. For the years ended December 31, 2016 and 2015, Hamilton received \$285,997 and \$286,595 of Section 236 subsidy, respectively, which is included in Other Income on the consolidated statements of activities and changes in net assets.

# FIND AID FOR THE AGED, INC. AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### Note 7 - Mortgages Payable (continued):

#### Other Mortgages

##### b) Second Mortgage - Rehab Loan

The second mortgage is noninterest bearing, with the full amount of unpaid principal due on maturity. The loan is secured by a second mortgage on the rental property.

##### c) Third Mortgage - HDC Repair Note

On February 1, 2005, Hamilton entered into a loan with HDC in the original amount of \$4,840,000 at the interest rate of 6.25% per annum. The loan requires monthly principal and interest of \$47,860 through maturity. For the years ended December 31, 2016 and 2015, interest expense incurred on the loan was \$52,541 and \$84,074, respectively.

Under agreements with the mortgage lender and credit enhancer, Hamilton is required to make monthly escrow deposits for taxes, insurance and replacement of project assets, and is subject to restrictions as to operating policies, rental charges, operating expenditures and distributions.

The liability of Hamilton under the mortgage note is limited to the underlying value of the real estate collateral plus other amounts deposited with the lender.

Aggregate annual maturities of the mortgages payable over each of the next five years and thereafter are as follows:

|                   | First Mortgage    |                   |                     | Other Mortgages-Second and Third |                   |                     | Total               |
|-------------------|-------------------|-------------------|---------------------|----------------------------------|-------------------|---------------------|---------------------|
|                   | Note 1            | Note 2            | Sub-Total           | Rehab Loan                       | HDC Note          | Sub-Total           |                     |
| December 31, 2017 | \$ 120,607        | \$ 19,661         | \$ 140,268          | \$ -                             | \$ 552,460        | \$ 552,460          | \$ 692,728          |
| 2018              | 104,139           | 20,978            | 125,117             | -                                | 47,611            | 47,611              | 172,728             |
| 2019              | 111,114           | 22,383            | 133,497             | -                                | -                 | -                   | 133,497             |
| 2020              | 118,555           | 23,882            | 142,437             | -                                | -                 | -                   | 142,437             |
| 2021              | 126,495           | 25,482            | 151,977             | -                                | -                 | -                   | 151,977             |
| Thereafter        | 242,023           | 589,297           | 831,320             | 2,599,800                        | -                 | 2,599,800           | 3,431,120           |
|                   | <u>\$ 822,933</u> | <u>\$ 701,683</u> | <u>\$ 1,524,616</u> | <u>\$ 2,599,800</u>              | <u>\$ 600,071</u> | <u>\$ 3,199,871</u> | <u>\$ 4,724,487</u> |

# FIND AID FOR THE AGED, INC. AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### Note 7 - Mortgages Payable (continued):

#### Hargrave

|  |         | December 31,        |                   |                     |                     |                   |                     |
|--|---------|---------------------|-------------------|---------------------|---------------------|-------------------|---------------------|
|  |         | 2016                |                   |                     | 2015                |                   |                     |
|  |         | Unamortized Debt    |                   |                     | Unamortized Debt    |                   |                     |
| Interest   | Loan    | Issuance            |                   |                     | Loan                | Issuance          |                     |
| Rate   | Balance | Cost                | Net Debt          |                     | Balance             | Cost              | Net Debt            |
| First Mortgage, CPC<br>Note, due April 2034<br>(a)     | 6.58%   | \$ 3,040,061        | \$ 145,367        | \$ 2,894,694        | \$ 3,131,195        | \$ 154,568        | \$ 2,976,627        |
| Second Mortgage,<br>HPD Note, due<br>November 2031 (b) | 1.0%    | 1,086,413           | -                 | 1,086,413           | 1,155,020           | -                 | 1,155,020           |
|  |         | <u>\$ 4,126,474</u> | <u>\$ 145,367</u> | <u>\$ 3,981,107</u> | <u>\$ 4,286,215</u> | <u>\$ 154,568</u> | <u>\$ 4,131,647</u> |

#### a) First Mortgage

Hargrave obtained a first mortgage with the Community Preservation Corporation ("CPC") in the original amount of \$3,850,000 that is secured by a first deed of trust on the rental property. The loan was converted from a construction loan on April 1, 2004, at which time additional funds of \$279,869 were advanced to Hargrave. In addition, pursuant to the closing, escrow- reserve for pension fund and escrow-reserve for letter of credit funds were returned to Hargrave. Payments of principal and interest of \$24,538 are due and payable monthly beginning May 1, 2004, through maturity of the note. For the years ended December 31, 2016 and 2015, interest expense of \$202,817 and \$208,637 was charged to Hargrave, respectively.

#### b) Second Mortgage

A second mortgage with the NYC Department of Housing Preservation & Development ("HPD") was closed prior to 2003 in the original amount of \$1,949,196 to assist in renovation work to the building. The loan was made pursuant to Article 8a of the New York State Private Housing Finance Law. The loan was sold in June 2003 to the NYC Housing and Development Corporation ("HDC"). The loan is secured by a second deed of trust on the rental property. Payments of principal and interest of \$6,654 are due and payable monthly through maturity of the note. For the years ended December 31, 2016 and 2015, interest expense of \$11,180 and \$11,862 was charged to Hargrave, respectively.

Under agreements with the mortgage lender, Hargrave is required to make monthly escrow deposits for water, insurance and replacement of project assets.

The liability of Hargrave under the mortgage note is limited to the underlying value of the real estate collateral plus other amounts deposited with the lender.

# FIND AID FOR THE AGED, INC. AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### Note 7 - Mortgages Payable (continued):

Aggregate annual maturities of the mortgages payable over each of the next five years and thereafter are as follows:

| <u>Year Ending December 31,</u> | <u>First<br/>Mortgage</u> | <u>Second<br/>Mortgage</u> | <u>Total</u>        |
|---------------------------------|---------------------------|----------------------------|---------------------|
| 2017                            | \$ 97,314                 | \$ 69,296                  | \$ 166,610          |
| 2018                            | 103,914                   | 69,992                     | 173,906             |
| 2019                            | 110,962                   | 70,695                     | 181,657             |
| 2020                            | 118,487                   | 71,405                     | 189,892             |
| 2021                            | 126,523                   | 72,123                     | 198,646             |
| Thereafter                      | <u>2,482,861</u>          | <u>732,902</u>             | <u>3,215,763</u>    |
|                                 | <u>\$ 3,040,061</u>       | <u>\$ 1,086,413</u>        | <u>\$ 4,126,474</u> |

### Consolidated – All Organizations:

Aggregate annual maturities of all the Organization's mortgages are as follows:

| <u>Year Ending December 31,</u> |                      |
|---------------------------------|----------------------|
| 2017                            | \$ 859,338           |
| 2018                            | 346,634              |
| 2019                            | 315,154              |
| 2020                            | 332,329              |
| 2021                            | 350,623              |
| Thereafter                      | <u>17,274,720</u>    |
|                                 | 19,478,798           |
| Less: Debt issuance costs       | <u>(158,548)</u>     |
|                                 | <u>\$ 19,320,250</u> |

### Note 8 - Commercial Rents:

The Organization entered into lease agreements with the following commercial tenants:

#### FIND Aid

On December 21, 2000, FIND Aid entered into a lease agreement with Chop House, Inc., a commercial tenant, with an option to extend. The tenant has exercised its option to extend the lease until September 2023. The tenant has committed to pay a portion of the utilities and real property tax in conformity with the annual property tax assessment. Rent income, including utilities and property taxes, collected from the tenant totaled \$695,000 and \$695,802 for the years ended December 31, 2016 and 2015, respectively.

# FIND AID FOR THE AGED, INC. AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### Note 8 - Commercial Rents (continued):

Future minimum rental receipts under the terms of the non-cancellable lease is as follows:

| FIND Aid<br>Year Ending December 31, |                     |
|--------------------------------------|---------------------|
| 2017                                 | \$ 665,500          |
| 2018                                 | 687,683             |
| 2019                                 | 732,050             |
| 2020                                 | 732,050             |
| 2021                                 | 756,452             |
| Thereafter                           | 1,342,092           |
|                                      | <u>\$ 4,915,827</u> |

Rent revenue (not including supplemental lease charges) is recognized on the straight-line basis. Differences between actual rent receipts and revenue recognized results in a deferred rent asset until the payments escalate beyond the revenue recognized. At the end of the lease term, the asset amortizes to zero. The deferred rents receivable amounted to \$98,927 and \$115,881 as of December 31, 2016 and 2015, respectively.

### Woodstock

Woodstock holds rental lease agreements with commercial tenants such as Heartland Brewery and various telecommunication companies maturing at varying dates with renewal options through 2023.

The minimum annual rental receipts over the next five years and thereafter under existing non-cancelable operating leases is as follows:

| Year       | Heartland Brewery   | Rooftop Rentals   | Wireless Sites   | Total               |
|------------|---------------------|-------------------|------------------|---------------------|
| 2017       | \$ 162,152          | \$ 128,905        | \$ 10,433        | \$ 301,490          |
| 2018       | 170,259             | 111,171           | -                | 281,430             |
| 2019       | 178,772             | 79,086            | -                | 257,858             |
| 2020       | 187,711             | 46,516            | -                | 234,227             |
| 2021       | 197,096             | 15,657            | -                | 212,753             |
| Thereafter | 368,578             | -                 | -                | 368,578             |
|            | <u>\$ 1,264,568</u> | <u>\$ 381,335</u> | <u>\$ 10,433</u> | <u>\$ 1,656,336</u> |

Total prepaid commercial rent of \$49,311 and \$33,794 for the years ended December 31, 2016 and 2015, respectively, is included in deferred rent and utilities on the consolidated statements of financial position. The prepaid rent is related to a rental lease agreement with a commercial telecommunication tenant.

# FIND AID FOR THE AGED, INC. AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### Note 9 - Commitments:

FIND Aid is committed under two lease agreements for the rental of space.

The first lease is for the administrative office which commenced on July 1, 2009 and was extended until June 30, 2019 with annual minimum lease payments of \$60,900.

The second lease is for the Coffeehouse senior center which commenced on January 1, 2012. The lease is for a 10-year period and requires an annual rental of \$50,000 for the first 5 years and \$52,500 for the sixth through the tenth year.

Rent expense for the years ended December 31, 2016 and 2015 totaled \$156,085 and \$171,952, respectively. Minimum future rental payments are as follows:

| FIND Aid<br>Year Ending December 31, |                   |
|--------------------------------------|-------------------|
| 2017                                 | \$ 113,400        |
| 2018                                 | 113,400           |
| 2019                                 | 82,950            |
| 2020                                 | 52,500            |
| 2021                                 | 30,625            |
|                                      | <u>\$ 392,875</u> |

### Note 10 - Temporarily Restricted Net Assets:

Temporarily restricted net assets are available for the following purposes:

|                            | December 31, |                  |
|----------------------------|--------------|------------------|
|                            | 2016         | 2015             |
| Homeless In-Reach for 2016 | \$ -         | \$ 40,000        |
|                            | <u>\$ -</u>  | <u>\$ 40,000</u> |

Temporarily restricted net assets as of December 31, 2015 totaling \$40,000 were released from donor restrictions in 2016 by incurring expenses satisfying the restricted purposes.

### Note 11 - Retirement Plan:

The Organization adopted a tax-deferred annuity plan effective July 1, 1995. All employees who work at least 20 hours per week are eligible to make contributions from the date of employment. Employees with at least two years of service and who make a minimum contribution of 2% of salary receive a contribution from the Organization based on 5% of their salary. Contributions were \$139,712 and \$128,681 for the years ended December 31, 2016 and 2015, respectively, and are included under payroll taxes and fringe benefits in the consolidated statements of activities and changes in net assets.

FIND AID FOR THE AGED, INC. AND AFFILIATES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**Note 12 - Line-of-Credit:**

FIND Aid has a line of credit with a bank for \$275,000. As of December 31, 2016, FIND Aid has not drawn down any amount from its line of credit.

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# FIND AID FOR THE AGED, INC. AND AFFILIATES

## SUPPLEMENTARY INFORMATION CONSOLIDATING STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2016

| ASSETS  | Consolidated  | Consolidating Eliminations | Woodstock HDFC | Hamilton HDC | Hargrave HDFC | FIND Aid for the Aged, Inc. |
|---|---------------|----------------------------|----------------|--------------|---------------|-----------------------------|
| Cash and equivalents                                      | \$ 3,507,627  | \$ -                       | \$ 492,117     | \$ 482,759   | \$ 754,179    | \$ 1,778,572                |
| Restricted deposits and funded reserves                   | 3,276,027     | -                          | 1,939,708      | 761,517      | 447,512       | 127,290                     |
| Investments   | 1,992,781     | -                          | -              | -            | 239,061       | 1,753,720                   |
| Grants receivable   | 643,909       | -                          | 66,298         | 76,962       | -             | 500,649                     |
| Tenant accounts receivable (net of allowance of \$44,267) | 63,647        | -                          | 51,976         | 6,870        | 4,801         | -                           |
| Other receivables (net of allowance of \$6,985)           | 135,036       | -                          | 5,693          | 90,654       | 4,929         | 33,760                      |
| Due from affiliates                                       | -             | (197,329)                  | 37,484         | -            | -             | 159,845                     |
| Prepaid expenses and other assets                         | 245,761       | -                          | 100,556        | 66,557       | 30,183        | 48,465                      |
| Deferred rents receivable                                 | 98,927        | (14,658)                   | -              | 14,658       | -             | 98,927                      |
| Property and equipment, net                               | 18,393,753    | -                          | 9,625,943      | 5,374,705    | 2,004,434     | 1,388,671                   |
| Total assets  | \$ 28,357,468 | \$ (211,987)               | \$ 12,319,775  | \$ 6,874,682 | \$ 3,485,099  | \$ 5,889,899                |

## LIABILITIES AND NET ASSETS

|  |               |              |               |              |              |              |
|--|---------------|--------------|---------------|--------------|--------------|--------------|
| LIABILITIES:   |               |              |               |              |              |              |
| Accounts payable   | \$ 277,976    | \$ -         | \$ 79,847     | \$ 37,899    | \$ 94,200    | \$ 66,030    |
| Accrued expenses and other liabilities                                 | 475,579       | -            | 169,000       | 41,211       | 40,509       | 224,859      |
| Refundable advances  | 603,441       | -            | 96,002        | -            | -            | 507,439      |
| Due to affiliates  | -             | (197,329)    | -             | 151,792      | 5,537        | 40,000       |
| Deferred rent and utilities  | 149,956       | (14,658)     | 58,031        | -            | 784          | 105,799      |
| Security deposits payable  | 341,431       | -            | 21,337        | 118,790      | 74,014       | 127,290      |
| Mortgages payable, net of unamortized debt issuance costs of \$158,548 | 19,320,250    | -            | 10,627,837    | 4,711,306    | 3,981,107    | -            |
| Total liabilities  | 21,168,633    | (211,987)    | 11,052,054    | 5,060,998    | 4,196,151    | 1,071,417    |
| NET ASSETS:  |               |              |               |              |              |              |
| Unrestricted net assets  | 7,188,835     | -            | 1,267,721     | 1,813,684    | (711,052)    | 4,818,482    |
| Total net assets (deficit)   | 7,188,835     | -            | 1,267,721     | 1,813,684    | (711,052)    | 4,818,482    |
| Total liabilities and net assets                                       | \$ 28,357,468 | \$ (211,987) | \$ 12,319,775 | \$ 6,874,682 | \$ 3,485,099 | \$ 5,889,899 |

See independent auditors' report.

FIND AID FOR THE AGED, INC. AND AFFILIATES  
SUPPLEMENTARY INFORMATION  
CONSOLIDATING STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2015

| ASSETS  | Consolidated  | Consolidating Eliminations | Woodstock HDFC | Hamilton HDC | Hargrave HDFC | FIND Aid for the Aged, Inc. |
|---|---------------|----------------------------|----------------|--------------|---------------|-----------------------------|
| Cash and equivalents                                      | \$ 1,826,353  | \$ -                       | \$ 402,811     | \$ 439,935   | \$ 656,508    | \$ 327,099                  |
| Restricted deposits and funded reserves                   | 3,331,127     | -                          | 1,920,260      | 830,081      | 453,559       | 127,227                     |
| Investments   | 1,910,868     | -                          | -              | -            | 235,301       | 1,675,567                   |
| Grants receivable   | 392,732       | -                          | 63,083         | 39,089       | -             | 290,560                     |
| Tenant accounts receivable (net of allowance of \$47,267) | 52,663        | -                          | 36,511         | 5,197        | 10,955        | -                           |
| Other receivables (net of allowance of \$34,985)          | 190,235       | -                          | 12,754         | 107,503      | 1,313         | 68,665                      |
| Due from affiliates                                       | -             | (331,140)                  | 59,505         | 3,574        | 6,911         | 261,150                     |
| Prepaid expenses and other assets                         | 215,152       | -                          | 94,661         | 68,565       | 30,257        | 21,669                      |
| Deferred rents receivable                                 | 115,881       | -                          | -              | -            | -             | 115,881                     |
| Property and equipment, net                               | 19,069,893    | -                          | 10,009,945     | 5,631,481    | 1,975,514     | 1,452,953                   |
| Total assets  | \$ 27,104,904 | \$ (331,140)               | \$ 12,599,530  | \$ 7,125,425 | \$ 3,370,318  | \$ 4,340,771                |

LIABILITIES AND NET ASSETS

|  |               |              |               |              |              |              |
|--|---------------|--------------|---------------|--------------|--------------|--------------|
| LIABILITIES:   |               |              |               |              |              |              |
| Accounts payable   | \$ 481,977    | \$ -         | \$ 143,548    | \$ 218,721   | \$ 59,730    | \$ 59,978    |
| Accrued expenses and other liabilities                                 | 388,334       | -            | 91,990        | 63,921       | 32,908       | 199,515      |
| Refundable advances  | 500,768       | -            | -             | -            | -            | 500,768      |
| Due to affiliates  | -             | (331,140)    | 118,923       | 107,720      | 75,663       | 28,834       |
| Deferred rent and utilities  | 89,144        | -            | 41,787        | -            | 7,390        | 39,967       |
| Security deposits payable  | 326,703       | -            | 21,331        | 110,663      | 67,482       | 127,227      |
| Mortgages payable, net of unamortized debt issuance costs of \$169,694 | 20,214,637    | -            | 10,611,610    | 5,471,381    | 4,131,646    | -            |
| Total liabilities  | 22,001,563    | (331,140)    | 11,029,189    | 5,972,406    | 4,374,819    | 956,289      |
| NET ASSETS:  |               |              |               |              |              |              |
| Unrestricted   | 5,063,341     | -            | 1,570,341     | 1,153,019    | (1,004,501)  | 3,344,482    |
| Temporarily restricted   | 40,000        | -            | -             | -            | -            | 40,000       |
| Total net assets (deficit)   | 5,103,341     | -            | 1,570,341     | 1,153,019    | (1,004,501)  | 3,384,482    |
| Total liabilities and net assets                                       | \$ 27,104,904 | \$ (331,140) | \$ 12,599,530 | \$ 7,125,425 | \$ 3,370,318 | \$ 4,340,771 |

See independent auditors' report.

FIND AID FOR THE AGED, INC. AND AFFILIATES  
SUPPLEMENTARY INFORMATION  
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
YEAR ENDED DECEMBER 31, 2016

|   | Consolidated        | Consolidating Eliminations | Woodstock HDFC      | Hamilton HDC        | Hargrave HDFC       | FIND Aid for the Aged, Inc. |                              |
|---|---------------------|----------------------------|---------------------|---------------------|---------------------|-----------------------------|------------------------------|
|   |                     |                            |                     |                     |                     | Unrestricted                | Temporarily Restricted Total |
| <b>SUPPORT AND REVENUES:</b>                    |                     |                            |                     |                     |                     |                             |                              |
| Grants and contracts                            | \$ 3,369,534        | \$ -                       | \$ 594,715          | \$ 74,561           | \$ -                | \$ 2,700,258                | \$ 2,700,258                 |
| Contributions                                   | 1,652,551           | (40,000)                   | 40,000              | -                   | -                   | 1,652,551                   | 1,652,551                    |
| Program income                                  | 129,227             | -                          | -                   | -                   | -                   | 129,227                     | 129,227                      |
| Special events                                  | 110,846             | -                          | -                   | -                   | -                   | 110,846                     | 110,846                      |
| Rental income                                   | 7,341,492           | (30,526)                   | 2,898,032           | 2,275,382           | 1,457,302           | 741,302                     | 741,302                      |
| Vacancies and concessions                       | (495,010)           | -                          | (284,122)           | (136,414)           | (74,474)            | -                           | -                            |
| Contributions in kind                           | -                   | (461,375)                  | -                   | -                   | -                   | 461,375                     | 461,375                      |
| Property management fees                        | -                   | (582,683)                  | -                   | -                   | -                   | 582,683                     | 582,683                      |
| Administrative fees                             | 12,809              | -                          | -                   | -                   | -                   | 12,809                      | 12,809                       |
| Investment income, net                          | 26,151              | -                          | -                   | 2,965               | 4,900               | 18,286                      | 18,286                       |
| Gain on sale of assets                          | 5,670               | -                          | -                   | -                   | -                   | 5,670                       | 5,670                        |
| Net change in unrealized gain on investments    | 57,860              | -                          | -                   | -                   | 3,759               | 54,101                      | 54,101                       |
| Other income                                    | 400,379             | -                          | 27,368              | 329,157             | 5,782               | 38,072                      | 38,072                       |
|   | <u>12,611,509</u>   | <u>(1,114,584)</u>         | <u>3,275,993</u>    | <u>2,545,651</u>    | <u>1,397,269</u>    | <u>6,507,180</u>            | <u>6,507,180</u>             |
| <b>NET ASSETS RELEASED FROM RESTRICTIONS -</b>  |                     |                            |                     |                     |                     |                             |                              |
| Satisfaction of program restrictions            | -                   | -                          | -                   | -                   | -                   | 40,000                      | (40,000)                     |
|   | <u>12,611,509</u>   | <u>(1,114,584)</u>         | <u>3,275,993</u>    | <u>2,545,651</u>    | <u>1,397,269</u>    | <u>6,547,180</u>            | <u>6,507,180</u>             |
| <b>EXPENSES:</b>                                |                     |                            |                     |                     |                     |                             |                              |
| Program services                                | 3,739,735           | (491,901)                  | -                   | -                   | -                   | 4,231,636                   | 4,231,636                    |
| Supporting services:                            |                     |                            |                     |                     |                     |                             |                              |
| Management and general                          | 647,218             | (40,000)                   | -                   | -                   | -                   | 687,218                     | 687,218                      |
| Fund-raising                                    | 154,326             | -                          | -                   | -                   | -                   | 154,326                     | 154,326                      |
| Woodstock HDFC                                  | 3,349,360           | (229,253)                  | 3,578,613           | -                   | -                   | -                           | -                            |
| Hamilton HDC                                    | 1,629,257           | (255,729)                  | -                   | 1,884,986           | -                   | -                           | -                            |
| Hargrave HDFC                                   | 1,006,119           | (97,701)                   | -                   | -                   | 1,103,820           | -                           | -                            |
|   | <u>10,526,015</u>   | <u>(1,114,584)</u>         | <u>3,578,613</u>    | <u>1,884,986</u>    | <u>1,103,820</u>    | <u>5,073,180</u>            | <u>5,073,180</u>             |
| <b>CHANGE IN NET ASSETS</b>                     |                     |                            |                     |                     |                     |                             |                              |
|   | 2,085,494           | -                          | (302,620)           | 660,665             | 293,449             | 1,474,000                   | 1,434,000                    |
| <b>NET ASSETS/(DEFICIT) - BEGINNING OF YEAR</b> | <u>5,103,341</u>    | <u>-</u>                   | <u>1,570,341</u>    | <u>1,153,019</u>    | <u>(1,004,501)</u>  | <u>3,344,482</u>            | <u>3,384,482</u>             |
| <b>NET ASSETS/(DEFICIT) - END OF YEAR</b>       | <u>\$ 7,188,835</u> | <u>\$ -</u>                | <u>\$ 1,267,721</u> | <u>\$ 1,813,684</u> | <u>\$ (711,052)</u> | <u>\$ 4,818,482</u>         | <u>\$ 4,818,482</u>          |

See independent auditors' report.

FIND AID FOR THE AGED, INC. AND AFFILIATES  
SUPPLEMENTARY INFORMATION  
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
YEAR ENDED DECEMBER 31, 2015

|   | Consolidated        | Consolidating Eliminations | Woodstock HDFC      | Hamilton HDC        | Hargrave HDFC         | FIND Aid for the Aged, Inc. |                              |
|---|---------------------|----------------------------|---------------------|---------------------|-----------------------|-----------------------------|------------------------------|
|   |                     |                            |                     |                     |                       | Unrestricted                | Temporarily Restricted Total |
| <b>SUPPORT AND REVENUES:</b>                    |                     |                            |                     |                     |                       |                             |                              |
| Grants and contracts                            | \$ 3,255,067        | \$ -                       | \$ 521,552          | \$ 131,656          | \$ -                  | \$ 2,601,859                | \$ 2,601,859                 |
| Contributions                                   | 151,609             | -                          | -                   | -                   | -                     | 111,609                     | 151,609                      |
| Program income                                  | 146,141             | -                          | -                   | -                   | -                     | 146,141                     | 146,141                      |
| Special events                                  | 106,204             | -                          | -                   | -                   | -                     | 106,204                     | 106,204                      |
| Rental income                                   | 7,323,542           | (61,052)                   | 2,966,136           | 2,289,924           | 1,409,427             | 719,107                     | 719,107                      |
| Vacancies and concessions                       | (574,799)           | -                          | (295,616)           | (137,247)           | (141,956)             | -                           | -                            |
| Contributions in kind                           | -                   | (461,375)                  | -                   | -                   | -                     | 461,375                     | 461,375                      |
| Property management fees                        | -                   | (566,380)                  | -                   | -                   | -                     | 566,380                     | 566,380                      |
| Administrative fees                             | 13,602              | -                          | -                   | -                   | -                     | 13,602                      | 13,602                       |
| Investment income, net                          | 21,865              | -                          | -                   | 1,397               | 1,763                 | 18,705                      | 18,705                       |
| Gain on sale of assets                          | 17,091              | -                          | -                   | -                   | -                     | 17,091                      | 17,091                       |
| Net change in unrealized loss on investments    | (58,354)            | -                          | -                   | -                   | (737)                 | (57,617)                    | (57,617)                     |
| Other income                                    | 380,510             | -                          | 44,903              | 298,197             | 10,599                | 26,811                      | 26,811                       |
|   | <u>10,782,478</u>   | <u>(1,088,807)</u>         | <u>3,236,975</u>    | <u>2,583,927</u>    | <u>1,279,116</u>      | <u>4,731,267</u>            | <u>4,771,267</u>             |
| <b>NET ASSETS RELEASED FROM RESTRICTIONS -</b>  |                     |                            |                     |                     |                       |                             |                              |
| Satisfaction of program restrictions            | -                   | -                          | -                   | -                   | -                     | 171,834                     | (171,834)                    |
|   | <u>10,782,478</u>   | <u>(1,088,807)</u>         | <u>3,236,975</u>    | <u>2,583,927</u>    | <u>1,279,116</u>      | <u>4,903,101</u>            | <u>4,771,267</u>             |
| <b>EXPENSES:</b>                                |                     |                            |                     |                     |                       |                             |                              |
| Program services                                | 3,577,186           | (522,427)                  | -                   | -                   | -                     | 4,099,613                   | 4,099,613                    |
| Supporting services:                            |                     |                            |                     |                     |                       |                             |                              |
| Management and general                          | 615,821             | -                          | -                   | -                   | -                     | 615,821                     | 615,821                      |
| Fund-raising                                    | 179,872             | -                          | -                   | -                   | -                     | 179,872                     | 179,872                      |
| Woodstock HDFC                                  | 3,337,325           | (222,576)                  | 3,559,901           | -                   | -                     | -                           | -                            |
| Hamilton HDC                                    | 1,727,900           | (247,071)                  | -                   | 1,974,971           | -                     | -                           | -                            |
| Hargrave HDFC                                   | 1,103,289           | (96,733)                   | -                   | -                   | 1,200,022             | -                           | -                            |
|   | <u>10,541,393</u>   | <u>(1,088,807)</u>         | <u>3,559,901</u>    | <u>1,974,971</u>    | <u>1,200,022</u>      | <u>4,895,306</u>            | <u>4,895,306</u>             |
| <b>CHANGE IN NET ASSETS</b>                     |                     |                            |                     |                     |                       |                             |                              |
|   | 241,085             | -                          | (322,926)           | 608,956             | 79,094                | 7,795                       | (124,039)                    |
| <b>NET ASSETS/(DEFICIT) - BEGINNING OF YEAR</b> | <u>4,862,256</u>    | <u>-</u>                   | <u>1,893,267</u>    | <u>544,063</u>      | <u>(1,083,595)</u>    | <u>3,336,687</u>            | <u>3,508,521</u>             |
| <b>NET ASSETS/(DEFICIT) - END OF YEAR</b>       | <u>\$ 5,103,341</u> | <u>\$ -</u>                | <u>\$ 1,570,341</u> | <u>\$ 1,153,019</u> | <u>\$ (1,004,501)</u> | <u>\$ 3,344,482</u>         | <u>\$ 3,384,482</u>          |

See independent auditors' report.

FIND AID FOR THE AGED, INC. AND AFFILIATES  
SUPPLEMENTARY INFORMATION  
CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2016

|   | FIND Aid for the Aged, Inc. |                 |                  |                     |                              |                  |
|---|-----------------------------|-----------------|------------------|---------------------|------------------------------|------------------|
|   | Woodstock<br>HDFC           | Hamilton<br>HDC | Hargrave<br>HDFC | Program<br>Services | Management<br>and<br>General | Fund-<br>Raising |
|   |                             |                 |                  |                     | Total                        | Totals           |
| Salaries                                | \$ 1,001,907                | \$ 382,066      | \$ 165,355       | \$ 1,828,785        | \$ 326,884                   | \$ 109,371       |
| Payroll taxes and fringe benefits       | 332,735                     | 148,032         | 67,599           | 445,518             | 97,698                       | 29,630           |
| Professional fees and contract services | 318,259                     | 39,696          | 58,347           | 233,389             | 79,906                       | 840              |
| Rent                                    | -                           | -               | -                | 100,103             | 55,982                       | -                |
| Repairs and maintenance                 | 105,729                     | 91,998          | 63,028           | 81,231              | 2,401                        | -                |
| Supplies                                | 75,412                      | 31,754          | 36,025           | 107,524             | -                            | -                |
| Utilities                               | 672,278                     | 271,694         | 157,211          | 20,071              | 6,232                        | -                |
| Contributions-in-kind                   | -                           | -               | -                | 461,375             | -                            | -                |
| Food                                    | -                           | -               | -                | 681,321             | 528                          | -                |
| Office expenses                         | 52,112                      | 15,670          | 17,392           | 39,802              | 35,972                       | 13,819           |
| Equipment rental                        | 9,534                       | 3,283           | 2,344            | 15,465              | 4,790                        | -                |
| Telephone and postage                   | 42,981                      | 8,277           | 3,357            | 19,280              | 10,380                       | 356              |
| Minor equipment and furniture purchases | 11,967                      | 12,244          | 17,730           | 11,088              | 3,124                        | -                |
| Insurance                               | 166,621                     | 132,142         | 72,369           | 42,352              | 17,660                       | -                |
| Real estate taxes                       | 97,151                      | -               | -                | -                   | -                            | -                |
| Interest expense                        | -                           | 160,910         | 223,198          | -                   | -                            | -                |
| Property management fees                | 229,253                     | 255,729         | 97,701           | -                   | -                            | -                |
| Senior trips and activities             | -                           | -               | -                | 24,708              | -                            | 50               |
| Special events                          | -                           | -               | -                | 26,011              | -                            | 189              |
| Other expenses                          | 5,888                       | 19,007          | 14,579           | 11,644              | 44,657                       | 71               |
| Depreciation and amortization           | 439,028                     | 292,249         | 122,940          | 81,969              | 1,004                        | -                |
| Bad debt expense                        | 17,758                      | 20,235          | (15,355)         | -                   | -                            | -                |
| Total Expenses                          | 3,578,613                   | 1,884,986       | 1,103,820        | 4,231,636           | 687,218                      | 154,326          |
| Eliminations                            | (229,253)                   | (255,729)       | (97,701)         | (531,901)           | -                            | -                |
| Consolidated Total Expenses             | \$ 3,349,360                | \$ 1,629,257    | \$ 1,006,119     | \$ 3,699,735        | \$ 687,218                   | \$ 154,326       |
|   |                             |                 |                  |                     |                              | \$ 4,541,279     |
|   |                             |                 |                  |                     |                              | \$ 10,526,015    |

See independent auditors' report.

FIND AID FOR THE AGED, INC. AND AFFILIATES

SUPPLEMENTARY INFORMATION  
CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2015

|   | FIND Aid for the Aged, Inc. |                 |                  |                     |                              |                  | Totals        |
|---|-----------------------------|-----------------|------------------|---------------------|------------------------------|------------------|---------------|
|   | Woodstock<br>HDFC           | Hamilton<br>HDC | Hargrave<br>HDFC | Program<br>Services | Management<br>and<br>General | Fund-<br>Raising |               |
| Salaries                                | \$ 928,424                  | \$ 396,055      | \$ 160,605       | \$ 1,642,649        | \$ 303,654                   | \$ 117,443       | \$ 3,548,830  |
| Payroll taxes and fringe benefits       | 302,631                     | 147,274         | 65,208           | 453,518             | 92,546                       | 30,456           | 1,091,633     |
| Professional fees and contract services | 347,581                     | 49,914          | 63,596           | 269,182             | 66,351                       | 15,692           | 812,316       |
| Rent                                    | -                           | -               | -                | 114,552             | 57,400                       | -                | 171,952       |
| Repairs and maintenance                 | 107,186                     | 88,858          | 58,931           | 64,650              | 166                          | -                | 319,791       |
| Supplies                                | 65,866                      | 39,904          | 30,201           | 102,712             | -                            | -                | 238,683       |
| Utilities                               | 741,764                     | 281,584         | 161,670          | 21,497              | 6,719                        | -                | 1,213,234     |
| Contributions-in-kind                   | -                           | -               | -                | 461,375             | -                            | -                | 461,375       |
| Food                                    | -                           | -               | -                | 745,271             | -                            | -                | 745,271       |
| Office expenses                         | 50,491                      | 13,995          | 20,814           | 36,443              | 32,860                       | 15,935           | 170,538       |
| Equipment rental                        | 13,839                      | 11,454          | 2,285            | 12,755              | 5,457                        | -                | 45,790        |
| Telephone and postage                   | 37,398                      | 9,612           | 3,874            | 17,269              | 7,615                        | 323              | 76,091        |
| Minor equipment and furniture purchases | 26,272                      | 29,078          | 18,024           | 12,960              | 1,012                        | -                | 87,346        |
| Insurance                               | 167,134                     | 128,539         | 71,274           | 22,808              | 31,068                       | -                | 420,823       |
| Real estate taxes                       | 77,867                      | -               | -                | -                   | -                            | -                | 77,867        |
| Interest expense                        | -                           | 207,790         | 229,700          | -                   | -                            | -                | 437,490       |
| Property management fees                | 222,576                     | 247,071         | 96,733           | -                   | -                            | -                | 566,380       |
| Senior trips and activities             | -                           | -               | -                | 20,173              | -                            | -                | 20,173        |
| Special events                          | -                           | -               | -                | 10,118              | 495                          | -                | 10,613        |
| Other expenses                          | 13,479                      | 24,944          | 16,149           | 9,413               | 9,004                        | 23               | 73,012        |
| Depreciation and amortization           | 439,936                     | 289,784         | 121,437          | 82,268              | 1,474                        | -                | 934,919       |
| Bad debt expense                        | 17,437                      | 9,115           | 79,521           | -                   | -                            | -                | 106,073       |
| Total Expenses                          | 3,559,901                   | 1,974,971       | 1,200,022        | 4,099,613           | 615,821                      | 179,872          | 11,630,200    |
| Eliminations                            | (222,576)                   | (247,071)       | (96,733)         | (522,427)           | -                            | -                | (1,088,807)   |
| Consolidated Total Expenses             | \$ 3,337,325                | \$ 1,727,900    | \$ 1,103,289     | \$ 3,577,186        | \$ 615,821                   | \$ 179,872       | \$ 10,541,393 |

See independent auditors' report.



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

**INDEPENDENT AUDITORS' REPORT**

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Board of Directors  
FIND Aid for the Aged, Inc. and Affiliates  
New York, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America, the consolidated financial statements of FIND Aid for the Aged, Inc., and Affiliates (collectively the "Organization"), as of and for the year ended December 31, 2016, and the related notes to the consolidated financial statements, which collectively comprise the Organization's basic consolidated financial statements and have issued our report thereon dated July 21, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of consolidated financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Wiss & Company*

WISS & COMPANY, LLP

Livingston, New Jersey  
July 21, 2017





**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON  
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

**INDEPENDENT AUDITORS' REPORT**

Board of Directors  
FIND Aid for the Aged, Inc. and Affiliates  
New York, New York

**Report on Compliance for Each Major Federal Program**

We have audited FIND Aid for the Aged, Inc. and Affiliates (collectively the "Organization") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2016. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

## Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2016.

## Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



WISS & COMPANY, LLP

Livingston, New Jersey  
July 21, 2017

FIND AID FOR THE AGED, INC. AND AFFILIATES  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2016

| Federal Grantor /<br>Pass-Through Grantor / Program                            | Federal CFDA<br>Number | Pass-Through<br>Entity<br>Identifying<br>Number | Passed-Through<br>to<br>Subrecipients | Federal<br>Expenditures |
|--|------------------------|---|---------------------------------------|-------------------------|
| U.S. Department of Health and Human Services                                   |                        |   |                                       |                         |
| Passed through the New York City Department of the Aging                       |                        |   |                                       |                         |
| Aging Cluster  |                        |   |                                       |                         |
| - Nutrition Service Incentive Program  | 93.053                 | N/A   | \$ -                                  | \$ 145,952              |
| - Title III-C1 of the OAA- Nutrition Services in a<br>Congregate Setting       | 93.045                 | N/A   | -                                     | 264,528                 |
| - Title III-B of the Older American Act of 1965<br>Grants for Support Services | 93.044                 | N/A   | -                                     | 31,184                  |
|  |                        |   | -                                     | 441,664                 |
| Title XX Social Services Block Grant   | 93.667                 | N/A   | -                                     | 501,941                 |
| Title III-D of the OAA - In Home Services<br>to Frail Older Individuals        | 93.043                 | N/A   | -                                     | 34,471                  |
| Total Expenditures of Federal Awards   |                        |   | \$ -                                  | \$ 978,076              |

*See independent auditors' report and notes to Schedule of Expenditures of Federal Awards.*

**FIND AID FOR THE AGED, INC. AND AFFILIATES**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

**1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activities of the Organization under programs of the federal government for the year ended December 31, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

**2. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**3. Indirect Cost Rate**

The Organization has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**FIND AID FOR THE AGED, INC. AND AFFILIATES**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED DECEMBER 31, 2016**

**Section I. Summary of Auditors' Results**

**Financial Statements Section**

|  |                       |                     |               |
|--|-----------------------|---------------------|---------------|
| Type of auditors' report issued:                       | <u>Unmodified</u>     |                     |               |
| Internal control over financial reporting:             |                       |                     |               |
| Material weakness(es) identified?                      | <u>          </u> Yes | <u>          </u> X | No            |
| Significant deficiency(ies) identified?                | <u>          </u> Yes | <u>          </u> X | None Reported |
| Non-compliance material to financial statements noted? | <u>          </u> Yes | <u>          </u> X | No            |

**Federal Awards Section**

|   |                       |                     |               |
|---|-----------------------|---------------------|---------------|
| Internal Control over major programs:   |                       |                     |               |
| Material weakness(es) identified?       | <u>          </u> Yes | <u>          </u> X | No            |
| Significant deficiency(ies) identified? | <u>          </u> Yes | <u>          </u> X | None Reported |

Type of auditors' report issued on compliance  
for major programs:

Unmodified

|   |                       |                     |    |
|---|-----------------------|---------------------|----|
| Any audit findings disclosed that are required<br>to be reported in accordance with 2 CFR 200.516(a)? | <u>          </u> Yes | <u>          </u> X | No |
|---|-----------------------|---------------------|----|

Identification of major programs:

| <u>Name of Federal Program</u>       | <u>CFDA<br/>Number</u> | <u>Amount</u>     |
|--------------------------------------|------------------------|-------------------|
| Title XX Social Services Block Grant | 93.667                 | \$ <u>501,941</u> |

Dollar threshold used to distinguish  
between Type A and Type B programs:

\$750,000

|                                |                       |                     |    |
|--------------------------------|-----------------------|---------------------|----|
| Qualified as low-risk auditee? | <u>          </u> Yes | <u>          </u> X | No |
|--------------------------------|-----------------------|---------------------|----|

FIND AID FOR THE AGED, INC. AND AFFILIATES  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)  
YEAR ENDED DECEMBER 31, 2016

**Section II. Schedule of Financial Statement Findings**

None

**Section III. Schedule of Federal Award Findings and Questioned Costs**

None noted.

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FIND AID FOR THE AGED, INC. AND AFFILIATES  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
YEAR ENDED DECEMBER 31, 2016

There were no prior year findings related to federal awards.

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