Greyston Foundation, Inc. and Subsidiaries

Consolidated Financial Statements

December 31, 2016 and 2015

Independent Auditors' Report

Board of Directors
Greyston Foundation, Inc.

We have audited the accompanying consolidated financial statements of Greyston Foundation, Inc. and Subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2016 and 2015, and the related consolidated statements of activities and change in net assets, functional expenses and cash flows for the years 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

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Basis for Qualified Opinion

As more fully described in Note 2 to the accompanying consolidated financial statements, “Accounting for Limited Partnerships”, Greyston Foundation, Inc. and Subsidiaries have not consolidated the limited partnerships in which Greyston Foundation, Inc. and Subsidiaries wholly-owns either a 100% controlling interest, or the general partner. In our opinion, accounting principles generally accepted in the United States of America require such limited partnerships to be consolidated in these consolidated financial statements, the effect of which is disclosed in Note 6.

Qualified Opinion

In our opinion, except for Greyston Foundation, Inc. and Subsidiaries not consolidating the limited partnerships referred to in the basis for qualified opinion paragraph, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Greyston Foundation, Inc. and Subsidiaries as of December 31, 2016 and 2015, and the consolidated changes in their net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position and activities and change in net assets (deficit) on pages 27-30 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits 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, except for the effects of not consolidating the limited partnerships discussed in the basis for qualified opinion paragraph, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

PKF O'Connor Davies, LLP
June 29, 2017
Harrison, NY

Greyston Foundation, Inc. and Subsidiaries

Consolidated Statements of Financial Position

	December 31, 2016	December 31, 2015
ASSETS		
Cash	$ 923,260	$ 781,629
Receivables, net	2,077,550	1,724,972
Inventories	942,717	858,231
Loans receivable from limited partnerships	2,700,089	2,700,089
Due from limited partnerships	88,871	80,565
Investments in limited partnerships	522,993	32,388
Prepaid expenses and other assets	97,596	130,546
Property and equipment, net	7,059,381	7,449,431
Restricted cash	44,528	139,621
Tenants' security deposits	24,933	28,605
Security deposits	35,842	36,625
Deferred income taxes	32,499	51,069
Assets held for sale	3,169,862	3,161,910
	$ 17,720,121	$ 17,175,681
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	$ 1,433,226	$ 1,029,554
Taxes payable	118,873	58,682
Line of credit	750,000	747,521
Tenants' security deposits payable	24,933	28,605
Deferred interest	86,236	123,700
Notes payable	205,687	299,251
Mortgages payable, net	702,613	785,462
Cumulative losses from investments in limited partnerships	1,256,531	335,695
Deferred income taxes	428,465	414,599
Liabilities of assets held for sale	2,581,563	2,563,225
Total Liabilities	7,588,127	6,386,294
Net Assets		
Unrestricted	10,131,994	10,789,387
	$ 17,720,121	$ 17,175,681

See notes to consolidated financial statements

Greyston Foundation, Inc. and Subsidiaries

Consolidated Statements of Activities and Change in Net Assets

	Year Ended December 31,	
	2016	2015
REVENUES		
Sales - for-profit operations	$ 17,295,794	$ 15,808,286
Government grants	1,533,450	1,629,044
Service fees	846,554	784,292
Rental	376,255	365,541
Contributions	1,015,965	1,144,495
Interest and other	73,099	14,875
Total Revenues	21,141,117	19,746,533
EXPENSES		
Cost of sales - for-profit operations	13,570,350	13,040,476
Selling and administrative - for-profit operations	2,627,352	2,152,706
Program services	3,300,932	3,355,249
Management and general	966,515	717,164
Fundraising	500,960	468,669
Total Expenses	20,966,109	19,734,264
Change in Net Assets Before Other Income (Expenses)	175,008	12,269
OTHER INCOME (EXPENSES)		
Loss on disposal of property	(112,404)	-
Equity in loss of limited partnership	(113,170)	-
Interest expense	(53,796)	(35,772)
Interest - debt amortization cost	(10,011)	(10,010)
Other income	15,414	(3,338)
Income tax provision - for-profit operations	(196,808)	(49,607)
Total Other Expenses	(470,775)	(98,727)
Change in Net Assets from Continuing Operations	(295,767)	(86,458)
DISCONTINUED OPERATIONS		
Loss from discontinued operations	(45,357)	(226,166)
Equity in losses of limited partnerships	(316,269)	(38)
Change in Net Assets	(657,393)	(312,662)
NET ASSETS		
Beginning of year	10,789,387	11,102,049
End of year	$ 10,131,994	$ 10,789,387

See notes to consolidated financial statements

Greyston Foundation, Inc. and Subsidiaries

Consolidated Statement of Functional Expenses
Year Ended December 31, 2016

	Program Services	Management and General	Fundraising	Total
Salaries and wages	$ 1,856,551	$ 530,337	$ 268,950	$ 2,655,838
Payroll taxes	130,532	33,118	11,061	174,711
Fringe benefits	204,070	46,179	6,154	256,403
	2,191,153	609,634	286,165	3,086,952
Client activities	594,197	-	-	594,197
Occupancy	181,891	13,863	-	195,754
Consultants and contractual services	787	74,637	180,290	255,714
Interest	-	17,783	-	17,783
Repairs and maintenance	101,100	6,872	-	107,972
Depreciation	35,769	3,395	-	39,164
Insurance	57,955	4,813	-	62,768
Other	32,416	97,410	10,537	140,363
Consumable supplies	53,786	37,118	18,433	109,337
Telephone	14,763	8,271	1,734	24,768
Professional fees	10,881	76,758	3,801	91,440
Equipment rental	26,234	15,961	-	42,195
	$ 3,300,932	$ 966,515	$ 500,960	$ 4,768,407

See notes to consolidated financial statements

Greyston Foundation, Inc. and Subsidiaries

Consolidated Statement of Functional Expenses
Year Ended December 31, 2015

	Program Services	Management and General	Fundraising	Total
Salaries and wages	$ 1,861,032	$ 488,894	$ 364,125	$ 2,714,051
Payroll taxes	122,565	44,262	25,516	192,343
Fringe benefits	145,431	24,952	28,931	199,314
	2,129,028	558,108	418,572	3,105,708
Client activities	576,527	-	-	576,527
Occupancy	173,211	-	-	173,211
Consultants and contractual services	41,384	1,565	997	43,946
Interest	-	17,616	-	17,616
Repairs and maintenance	174,836	-	-	174,836
Depreciation	39,831	-	-	39,831
Insurance	52,666	9,241	1,345	63,252
Other	64,311	10,552	21,495	96,358
Consumable supplies	48,871	42,583	20,227	111,681
Telephone	14,752	8,481	2,350	25,583
Professional fees	14,498	62,824	-	77,322
Equipment rental	25,334	6,194	3,683	35,211
	$ 3,355,249	$ 717,164	$ 468,669	$ 4,541,082

See notes to consolidated financial statements

Greyston Foundation, Inc. and Subsidiaries

Consolidated Statements of Cash Flows

	Year Ended December 31, 2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ (657,393)	$ (312,662)
Net loss from discontinued operations	(45,357)	(226,166)
Net loss from continuing operations	(612,036)	(86,496)
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	474,511	493,907
Bad debt expense	90,583	35,675
Deferred income taxes	32,436	(46)
Deferred interest	(37,464)	1,227
Interest - debt amortization cost	10,011	10,010
Equity in losses of limited partnerships	429,439	717
Loss on disposal of property	112,404	-
Changes in operating assets and liabilities		
Receivables	(443,161)	(576,066)
Inventories	(84,486)	(221,508)
Due from limited partnerships	(8,306)	(7,201)
Prepaid expenses and other assets	32,950	(3,541)
Security deposits	783	9,047
Restricted cash	95,093	267,815
Accounts payable and accrued expenses	403,672	(130,186)
Taxes payable	60,191	58,682
Net Cash from Operating Activities - Continuing Operations	556,620	(147,964)
Net Cash from Operating Activities - Discontinued Operations	(44,565)	(40,915)
Net Cash from Operating Activities	512,055	(188,879)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(198,365)	(302,627)
Proceeds from sale of property	1,500	-
Net Cash from Investing Activities - Continuing Operations	(196,865)	(302,627)
Net Cash from Investing Activities - Discontinued Operations	(7,952)	(14,323)
Net Cash from Investing Activities	(204,817)	(316,950)
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings on line of credit, net	2,479	647,521
Payments on notes,mortgages payable and deferred interest, net	(137,692)	(194,366)
Net Cash from Financing Activities - Continuing Operations	(135,213)	453,155
Net Cash from Financing Activities - Discontinued Operations	(30,394)	(29,063)
Net Cash from Financing Activities	(165,607)	424,092
Change in Cash	141,631	(81,737)
CASH		
Beginning of year	781,629	863,366
End of year	$ 923,260	$ 781,629
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid for interest	$ 102,279	$ 80,062

See notes to consolidated financial statements

1. Organization

Greyston Foundation, Inc. and Subsidiaries (the “Foundation”) provides management services and fundraising support to its not-for-profit subsidiaries (discussed below) located in Yonkers, New York. The Foundation also operates workforce development and community gardens programs. The Foundation owns two corporate entities which serve as general partners in limited partnerships. The limited partnerships operate qualified, low-income housing complexes, a ballroom, and commercial units in Westchester County. In addition, the Foundation also owns two corporations, each of which has a minority interest in a housing-related, limited liability company.

During 2016, the Limited Partners of 74 Warburton Limited Partnership, 62 Warburton Limited Partnership, Burnham Building Limited Patnership and 23 Park Limited Partnership transferred their full interests to Greyston Foundation, Inc.

The Foundation’s three separately incorporated not-for-profit subsidiaries which are controlled by common management, administrative staff and board members are:

Greyston Family Inn of Yonkers, Inc. (“Family Inn”) provides permanent housing and related community services to a wide variety of community residents ranging in age from infants to twenty two years old and formerly homeless persons. Services rendered include youth programs, workforce development, child care, tenant services and technology programs. To assist in providing these services, Family Inn owns two corporate entities which serve as general partners in limited partnerships. The limited partnerships operate low income housing complexes in Yonkers, New York.

Greyston Health Services, Inc. (“Health Services”) provides housing and community services to homeless persons living with AIDS or HIV related illnesses. To assist in providing these services, Health Services owns a corporate entity which serves as the general partner in a limited partnership organized for the purpose of acquiring, rehabilitating and renting a building complex which includes 35 units of qualified low income housing for people with HIV or AIDS and a commercial space.

Ravine Avenue Properties, Inc. (“Ravine”) provides affordable housing to low-income families and provides certain maintenance services to affiliates. Ravine is the owner of two low-income residential buildings located at 55-57 and 61 Ravine Avenue in Yonkers, New York. Ravine is also the sole member of two inactive entities – Warburton Riverview LLC and Warburton Riverview 49 LLC. Ravine owns two lots of undeveloped land, namely 64 and 74 Ravine Avenue, in Yonkers, New York.

The Foundation owns 100% of 104 Ashburton Holding Corp. which was formed to be a holding company of two operating subsidiaries, 104 Ashburton Property Corp. and Greyston Bakery, Inc. 104 Ashburton Property Corp. is the sole member of 104 Ashburton Ave., LLC, which owns a bakery facility and distribution center in Yonkers, New York which is rented exclusively to Greyston Bakery, Inc. Greyston Bakery, Inc. is a manufacturer of baked goods sold at retail under both the Greyston and other brand names and a leading supplier of gourmet brownie inclusions to ice cream manufacturers in the United States and Europe. 104 Ashburton Holding Corp. and its subsidiaries are collectively referred to as the Foundation’s for-profit group.

1. Organization *(continued)*

To address the continued operating losses of Family Inn, management is executing a strategic plan to increase revenue and improve the efficiency of operations with the assistance of a strategic consultant who specializes in the improvement of low-income early education centers. This strategic plan also entails seeking new, diverse funding sources as well as the use of private funding raised for general operating support at the Greyston Foundation, Inc. level, Family Inn's parent company. Lastly, Family Inn is in negotiations with an unrelated third-party to fully divest from its real-estate related assets and operations, which will eliminate a portion of the operating losses.

To address the continued operating losses of Ravine, management is executing a strategic plan to fully divest its assets and operations. At the direction of the proposed eventual buyer, vacant units have intentionally not been filled in anticipation of significant renovations that will occur, which has been a key contributor to the operating losses of Ravine. On a cash basis (excluding depreciation, bad debt expense and other non-cash items), Ravine has been operating above a break-even level and has financial support available from its parent, Greyston Foundation, Inc.

2. Summary of Significant Accounting Policies

Basis of Presentation and Use of Estimates

Except as discussed below, the accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from the Foundation's estimates.

Accounting for Limited Partnerships

U.S. GAAP requires that, if a general partner controls a limited partnership, the partnership should be consolidated in the financial statements of the parent company.

The Foundation has not consolidated the related limited partnerships as required by U.S. GAAP because management does not consider that the inclusion of the assets, liabilities, partners' equity and results of activities of the limited partnerships would provide the user of the consolidated financial statements meaningful information about the financial position and results of operations of the Foundation. Financial information for these partnerships is disclosed in Note 6.

Investments in limited partnerships are carried at cost, adjusted for the subsidiaries' share of their undistributed earnings or losses.

2. Summary of Significant Accounting Policies *(continued)*

Net Asset Presentation

The Foundation is required to report information regarding its consolidated financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, or permanently restricted net assets based on donor restrictions.

Unrestricted net assets are not restricted by donors, or the donor imposed restrictions have expired or been met. Unrestricted net assets are funds that are fully available, at the discretion of management and the Board, for the Foundation to utilize in any of its programs or supporting services.

Temporarily restricted net assets contain donor-imposed restrictions that permit the Foundation to use or expend the assets as specified. The Foundation records gifts of cash or other assets as temporarily restricted support if they are received with donor stipulations that limit their use either through purpose or time restrictions.

Permanently restricted net assets contain donor-imposed restrictions that stipulate the resources be maintained permanently, but permit the Foundation to use or expend part or all of the income derived from the donated assets for either specified or unspecified purposes. These amounts are permanently restricted as an endowment fund.

Principles of Consolidation

The consolidated financial statements include the accounts of Greyston Foundation Inc. and its wholly owned subsidiaries except for its wholly owned Limited Partnerships. All material intercompany transactions and balances have been eliminated in consolidation.

Accounts Receivable

The for-profit group uses “supplier finance” programs offered by its main customer whereby receivables are paid within 45 days for a fee. In August 2013, payments financed by Citibank for the US receivables commenced. The annual rate is 120 day London Interbank Offered Rate (“LIBOR”) plus 0.75%. Total fees of $41,836 and $22,121 were paid for the years ended December 31, 2016 and 2015. In January 2014, payments financed by Banco Santander for European receivables commenced. The annual rate is 120 day LIBOR plus 1.00%. Total fees of $12,437 and $18,005 were paid for the years ended December 31, 2016 and 2015.

2. Summary of Significant Accounting Policies *(continued)*

Allowance for Uncollectible Receivables

An allowance for uncollectible accounts and grants receivables is estimated based on a combination of write-off history, aging analysis and any specifically known troubled accounts.

Inventories

Inventories are stated at the lower of cost or market. The first-in, first-out ("FIFO") method is used to determine the cost of inventory.

Property and Equipment

All expenditures for property and equipment with a useful life greater than one year and a cost in excess of $1,000 are capitalized.

Land is carried at cost. Buildings, improvements, furniture and equipment, capital lease equipment and automobiles are carried at cost, or, if donated, at fair value at the date of receipt, less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets from 2 to 40 years. Repairs and maintenance costs which do not extend useful lives of the assets are expensed as incurred. When retired or otherwise disposed of, the asset and related accumulated depreciation are removed from the accounts and any gain or loss is included in the consolidated statements of activities and change in net assets for the period.

Investment in Real Estate

The Foundation reviews its investment in real estate for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the real estate to the future net undiscounted cash flow expected to be generated by the rental property and any estimated proceeds from the eventful disposition of the real estate. If the real estate is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the real estate exceeds the estimated fair value of such property. The determination of undiscounted cash flows requires significant estimates by management. Subsequent changes in estimated undiscounted cash flows could impact the determination of whether impairment exists. There were no impairment losses recognized in 2016 and 2015.

2. Summary of Significant Accounting Policies *(continued)*

Debt Issuance Costs

In 2016, the Foundation adopted new U.S. GAAP guidance for the presentation of debt issuance costs and related amortization. Debt issuance costs are now reported on the consolidated statement of financial position as a direct deduction from the face amount of the related debt. Previously, such costs were shown as deferred financing costs. The debt issuance costs are being amortized over the term of the debt on a method that approximates the interest method. The Foundation reflects amortization of debt issuance costs within interest expense, in accordance with the new guidance. This changed had no effect on previously report earnings. The 2015 amounts have been reclassified to conform to the new guidance.

Revenue Recognition

Grants and contracts awarded for the acquisition of long-lived assets are reported as unrestricted non-operating revenue, in the absence of donor stipulations to the contrary, during the year in which the assets are acquired. Cash received in excess of revenue recognized is recorded as refundable advances. Grants and contracts, other than long-lived assets, are reported as unrestricted non-operating revenue in the absence of donor stipulations to the contrary.

Governmental and nongovernmental grants and donations constitute revenue in the unrestricted fund when such amounts represent unconditional transfers from donors.

Rental income is recognized as it accrues. Advanced receipts of rental income are deferred and classified as liabilities until earned. All leases between the Foundation and the tenants of the property are operating leases with the terms of one year or less.

Revenue from product sales in the for-profit operations are recognized when the goods are shipped or delivered depending on when title and risk passes to the customer. Product returns and discounts to customers are recorded as reductions in determining sales as incurred.

Advertising

Advertising costs are expensed when incurred and are included in selling and administrative expenses. Advertising costs totaled approximately $93,000 and $55,000 in 2016 and 2015.

Shipping and Handling Costs

Shipping and handling costs are expensed as incurred and are included in selling and administrative expenses. Shipping and handling costs totaled approximately $25,000 and $49,000 in 2016 and 2015.

2. Summary of Significant Accounting Policies *(continued)*

Income Taxes

The Foundation and its not-for-profit subsidiaries are corporations which are exempt from Federal and state income taxes pursuant to section 501(c)(3) of the Internal Revenue Code.

The Foundation's for-profit group accounts for income taxes in accordance with the "Liability Method". Under this method, income taxes consist of taxes currently due plus those deferred due to temporary differences between the financial reporting basis and tax basis of the for-profit group's assets and liabilities measured by enacted tax rates for the years in which the taxes are expected to be paid or recovered. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of a deferred tax asset will not be realized. The for-profit group recognizes interest and penalties on income taxes as a component of income tax expense.

The Foundation recognizes the effect of income tax positions taken in its income tax returns only when those positions are believed to be more likely than not of being sustained upon review by the tax authorities. Management has determined that the Foundation had no uncertain tax positions that would require financial statement recognition or disclosure. The Foundation is no longer subject to U.S. federal, state or local income tax audits for periods prior to 2013.

Reclassifications

Certain accounts in the consolidated financial statements were reclassified in 2015 to conform to the 2016 presentation. There has been no effect on net assets as a result of these reclassifications.

Evaluation of Subsequent Events by Management

Management has evaluated subsequent events for disclosure and/or recognition in the consolidated financial statements through the date that the consolidated financial statements were available to be issued, which date is June 29, 2017.

The Foundation is in the process of divesting the majority of its real estate portfolio subject to a Purchase and Sale Agreement to sell its real estate portfolio to an unrelated third-party. The entities intending to be divested are Philipsburgh Hall Associates Limited Partnership, 74 Warburton Limited Partnership, 62 Warburton Limited Partnership, Burnham Building Limited Partnership, which are currently not consolidated, and Ravine Avenue Properties, Inc. and the real estate operations of Family Inn, which are wholly owned. As part of the intended transaction, it is expected that 23 Park Avenue Limited Partnership will become a wholly owned subsidiary. The transaction is expected to close by end of 2017.

3. Receivables

Receivables at December 31 consists of:

	2016	2015
Accounts receivable	$ 1,783,836	$ 1,335,284
Grants receivable	265,425	321,193
Pledges receivable	18,080	45,834
Rent receivable	247,765	142,636
	2,315,106	1,844,947
Less allowance for doubtful accounts	(237,556)	(119,975)
	$ 2,077,550	$ 1,724,972

4. Inventory

Inventory cost includes material, direct labor and manufacturing overhead and is comprised of the following at December 31:

	2016	2015
Raw materials	$ 465,781	$ 363,321
Finished goods	476,936	494,910
	$ 942,717	$ 858,231

5. Loans Receivable from Limited Partnerships

Loans receivable from limited partnerships at December 31 consists of:

	2016	2015
Mortgage receivable ($2,531,149 face amount), composed of four different loan agreements and secured by property from an affiliated limited partnership (23 Park Avenue Limited Partnership) are due in 2027. Annual principal collections are based on the the cash flow of the limited partnership and the "waterfall" of cash payments, as defined in the Partnership Agreement. Interest accrues at 0.25% to 7% per annum. Interest revenue is not recognized until it is collected as the collection is doubtful. At maturity, all principal and unpaid interest become due.	$ 2,508,089	$ 2,508,089

5. Receivables from Limited Partnerships *(continued)*

	2016	2015
Mortgage receivable ($192,000 face amount), secured by property from an affiliated limited partnership (Burnham Building Limited Partnership), with only interest to be received annually at 0.5% per annum based upon available cash flow of the partnership as defined in the loan agreement until April 2038 when the principal and unpaid interest become due.	$ 192,000	$ 192,000
	$ 2,700,089	$ 2,700,089

6. Investments in Limited Partnerships *(Cumulative Losses in Excess of Investments in Limited Partnerships)*

Investments in limited partnerships are carried at cost, adjusted for the entities' share of their undistributed earnings or losses.

Investments in limited partnerships at December 31 consist of:

	2016	2015
Philipsburgh Hall Associates LP	$ -	$ 32,388
Burnham Building Limited Partnership	46,139	-
74 Warburton Limited Partnership	476,854	-
	$ 522,993	$ 32,388
Cumulative losses from investment in limited partnerships		
74 Warburton Limited Partnership	$ -	$ 56,296
62 Warburton Limited Partnership	1,053,129	121,953
Philipsburgh Hall Associates LP	6,765	-
23 Park Avenue Limited Partnership	196,637	83,291
Ashbourne, LLC	-	253
Burnham Building Limited Partnership	-	73,902
	$ 1,256,531	$ 335,695

6. Investments in Limited Partnerships *(Cumulative Losses in Excess of Investments in Limited Partnerships) (continued)*

Summarized financial information for the limited partnerships as of and for the years ended December 31 consists of:

	2016	2015
Assets	$ 13,361,523	$ 19,415,304
Liabilities	$ 13,774,021	$ 17,409,613
Revenues	$ 1,183,292	$ 1,549,168
Expenses	$ 1,965,816	$ 2,395,813

7. Property and Equipment

Property and equipment at December 31 consists of:

	2016	2015
Land	$ 530,000	$ 530,000
Buildings	8,867,900	7,784,289
Improvements	2,918,339	805,194
Furniture and equipment	3,056,976	3,132,931
Office equipment	34,835	25,160
Capital lease equipment	280,991	289,753
Automobiles	38,041	38,041
Construction in progress	-	146,828
	15,727,082	12,752,196
Less accumulated depreciation, including $218,743 in 2016 and $202,397 in 2015 for capital leases	(8,667,701)	(5,302,765)
	$ 7,059,381	$ 7,449,431

8. Restricted Cash

Restricted cash at December 31 consists of:

	2016	2015
Operating reserves	$ 5,378	$ 5,375
Replacement and other reserves	39,150	134,246
	$ 44,528	$ 139,621

9. Assets Held for Sale

Assets held for sale at December 31 consists of:

	2016	2015
Land	$ 789,272	$ 789,272
Buildings	837,404	837,404
Improvements	1,490,544	1,490,544
Furniture and equipment	52,642	44,690
	$ 3,169,862	$ 3,161,910

Assets held for sale is net of accumulated depreciation of $3,081,409 in 2016 and 2015.

10. Line of Credit

The for-profit group has a $1,000,000 primary line of credit and a $1,000,000 secondary line of credit with The Westchester Bank. The primary line of credit expires on March 31, 2019 and the secondary line of credit expires on March 31, 2018. Borrowings on the primary line of credit at December 31, 2016 and 2015 was $750,000 and $747,521. Borrowings on the secondary line of credit at December 31, 2016 and 2015 was $0. Interest on both lines are payable monthly at Prime + 1.00% (4.75% at December 31, 2016). The loans are secured by the assets (primary line) and accounts receivable (secondary line) of the for-profit group.

11. Notes Payable

Notes payable at December 31 consists of:

	2016	2015
Note ($10,000 face value, plus $4,813 of accrued interest) owed by 104 Ashburton Holding Corp., payable to a community supporter, payable on demand. No further interest is due.	$ 14,813	$ 14,813
Note payable in the original amount of $1,000,000 owed by 104 Ashburton Holding Corp., payable to the City of Yonkers Office of Economic Development ("Yonkers OED"). During 2011, pursuant to the terms of the restructuring agreement, 104 Ashburton Holding Corp. repaid $114,488 (including accrued interest) and $310,967 was forgiven by Yonkers OED. The loan is secured by certain property and equipment and payable in monthly installments of approximately $2,800 beginning January 2012 through December 2018, without interest.	67,644	101,424
Capital lease obligations in the original amount of $245,425, payble in monthly installments of $2,858 through July 2017, including interest ranging from 4.10% to 17.50% per annum.	2,374	12,063
Note payable in the original amount of $252,250, payable to Unitarian Universalist Congregation of Shelter Rock in monthly installments of principal and interest of approximately $4,400 through April 2019, including interest at 2% per annum.	120,856	170,951
	$ 205,687	$ 299,251

11. Notes Payable *(continued)*

Principal payments due on notes payable at December 31, 2016 are as follows:

2017	$ 87,080
2018	86,182
2019	17,612
2020	-
2021	-
Thereafter	14,813
	$ 205,687

12. Mortgages Payable

Mortgages payable at December 31 consists of:

	2016	2015
Mortgage note payable ($390,000 original amount) owed by 104 Ashburton Holding Corp., payable to Westchester Bank with principal and interest payable monthly at a fixed rate based on the Wall Street Journal Prime Rate + 250 basis points, or 5.75% at December 31, 2016 and 2015, secured by the assets of the Company and matures on January 1, 2023. Interest expense for the years ended December 31, 2016 and 2015 was $23,621 and $20,841.	$ 358,337	$ 366,675
In July 2011, the Foundation entered into a consolidated and restated mortgage note to consolidate certain notes with Hudson Valley Bank. N.A. including notes held by its not-for-profit subsidiaries. The consolidated mortgage note had an original principal amount of $502,794 payable in monthly payments of principal and interest of $3,063 with a final balloon payment in July 2021. The note accrues interest of 4% for the first five years based on outstanding principal balance. Interest rate will be reset from years six to ten based on the greater of 4% or 300 basis points above the Federal Home Loan Bank of New York Regular Fixed Five Year Term Advance. Interest expense for the years ended December 31, 2016 and 2015 was $17,783 and $17,616.	404,409	423,931

12. Mortgages Payable *(continued)*

	2016	2015
Mortgage ($130,000 face value), owed by the Foundation and secured by certain property, payable to City of Yonkers, requires no monthly payments or interest and was paid in full as of December 31, 2016.	-	65,000
	762,746	855,606
Less - unamortized debt issuance costs	60,133	70,144
	$ 702,613	$ 785,462

Principal payments due on mortgages payable at December 31, 2016 are as follows:

2017	$ 45,926
2018	46,105
2019	46,856
2020	47,406
2021	48,099
Thereafter	528,354
	$ 762,746

13. Income Taxes, For-Profit Group

The provision (benefit) for income taxes for the years ended December 31 consisted of the following components:

	2016	2015
Current		
Federal	$ 163,733	$ 48,971
State and local	639	682
	164,372	49,653
Deferred		
Federal	34,102	(46)
State	(1,666)	-
	32,436	(46)
	$ 196,808	$ 49,607

13. Income Taxes, For-Profit Group *(continued)*

Deferred tax assets and liabilities at December 31 relate to the following items:

	2016	2015
Deferred Tax Assets		
Inventory	$ 28,719	$ 20,207
Bad debt	1,587	-
Other liabilities	24,193	27,591
Credit carryover	-	149,951
Net operating loss carryover	-	5,000
Valuation allowance	(22,000)	(151,680)
	$ 32,499	$ 51,069
Deferred Tax Liability		
Depreciation	$ 428,465	$ 414,599

The Foundation's for-profit group has state net operating loss carryforwards of approximately $849,000 as of December 31, 2016 which have been fully reserved since the prospective tax benefit is projected to be nominal.

14. Liabilities of Assets Held for Sale

Liabilities of assets held for sale at December 31 consists of:

	2016	2015
Note ($81,000 original amount) owed by Ravine, secured by certain property, payable to the City of Yonkers, requires no monthly payments and is due July 2036, including interest at 2% per annum which matures July 15, 2036. Ravine has not accrued interest related to the note.	$ 81,000	$ 81,000
Mortgage payable ($1,222,966 original amount) secured by property known as 55-57 and 61 Ravine Avenue in Yonkers, New York, payable to the City of Yonkers in equal monthly installments of principal including 1% interest based upon the available cash flow of Ravine through November 2031. Interest expense for the years ended December 31, 2016 and 2015 was $11,268 and $11,237. For the years ended December 31, 2016 and 2015, cash flow was insufficient to provide any repayment of principal.	1,175,563	1,126,831

14. Liabilities of Assets Held for Sale *(continued)*

	2016	2015
Mortgage ($850,000 original amount) owed by Ravine, secured by rental property, payable to the New York State Homeless Housing and Assistance Corporation which is due in May 2025. The mortgage is interest free and requires no monthly payments. If Ravine maintains the property in accordance with the restrictions of the agreement as defined for the 25 year period, the mortgage will be forgiven at maturity.	$ 850,000	$ 850,000
Mortgage ($777,715 original amount) owed by Ravine, secured by rental property, payable to Low Income Investment Fund in monthly installments of principal and interest of approximately $5,000 through August 2017 with a final principal payment of approximately $456,000. Interest is charged at 6.0% per annum. Interest expense for the years ended December 31, 2016 and 2015 was $30,700 and $31,780.	475,000	505,394
	$ 2,581,563	$ 2,563,225

The Foundation expects to pay in full the liabilities of assets held for sale when the majority of its real estate portfolio is sold in 2017.

15. Government Grants

For the years ended December 31, government grants consist of:

	2016	2015
U.S. Department of Housing and Urban Development		
Housing Opportunities for People with AIDS	$ 397,487	$ 528,017
Supportive Housing Programs	252,673	266,052
City of Yonkers		
Housing Opportunities for People with AIDS	-	80,459
Yonkers Workforce Investment Board	91,011	101,204
Community Development Block Grants	297,079	164,203

15. Government Grants *(continued)*

	2016	2015
Westchester County Department of Health		
HIV Emergency Relief Project Funds	$ 157,050	$ 160,459
Westchester Community Opportunity Program		
Early Head Start	86,200	72,600
Childcare Council Grant	-	1,000
State of New York Department of Health		
Child and Adult Care Food Program	65,450	62,048
New York State Office of Temporary and Disability Assistance		
Single Room Occupancy Support Services Program	84,000	84,000
Supportive Housing for Families and Young Adults	82,500	82,500
New York State Department of Labor		
Workforce Development	10,000	16,502
Enterprise Community Grant	10,000	10,000
	$ 1,533,450	$ 1,629,044

16. Service Fees

Service fees for the years ended December 31 consists of:

	2016	2015
Childcare fees	$ 795,401	$ 733,765
Other	51,153	50,527
	$ 846,554	$ 784,292

17. Related Party Transactions

Loan receivables from limited partnerships are from 23 Park Avenue Limited Partnership and Burnham Building Limited Partnership at December 31, 2016 and 2015 (see note 5).

The Foundation and its not-for-profit subsidiaries advance funds to affiliated Limited Partnerships to support operating fund expenses. At December 31, 2016 and 2015, due from Limited Partnerships amount to $88,871 and $80,565.

Service fees includes approximately $155,000 and $148,000 in 2016 and 2015 from non-consolidated affiliates.

18. Employee Savings Plan

The Foundation's for-profit group sponsors an employee Simple IRA Savings Plan ("Plan"). The Plan provides for retirement benefits for employees meeting certain eligibility requirements. Contributions to the plan totaled approximately $750 and $1,300 in 2016 and 2015.

19. Concentrations, Risks and Uncertainties

Significant Customers

The Foundation's for-profit group had one customer that comprised approximately 89% of sales in both 2016 and 2015. At December 31, 2016 and 2015, one customer comprised approximately 87% of accounts receivable.

Collective Bargaining Agreement

On July 8, 2015, the Foundation's for-profit group's production employees ratified a new three year union collective bargaining agreement. This agreement is retroactive as of January 1, 2015 and expires on December 31, 2017.

One of the Foundation's not-for-profit subsidiaries has a concentration of its labor supply from employees working under a union collective bargaining agreement covering substantially all regular full-time and part-time employees that ended in December 2015. The not-for-profit subsidiary is in the process of negotiating a new contract.

Credit Risks

The Foundation maintains cash balances in short-term cash investments and commercial checking accounts with financial institutions which periodically are in excess of the federally insured limits. Management does not anticipate non-performance by the financial institutions.

The Foundation's for-profit group sells its products to various customers. Receivables are not collateralized and, as a result, management continually monitors the financial condition and credit limits of these customers to reduce the risk of loss.

Lease Commitments

The Foundation rents residential apartments to formerly homeless persons under yearly leases which are considered operating leases.

19. Concentrations, Risks and Uncertainties *(continued)*

Contingencies

Pursuant to the conditions and requirements described in the Limited Partnership Agreements, the Foundation, as sponsor, has provided various guarantees to certain limited partnerships. Those guarantees relate to operating deficits, fee guarantee advances and the purchase of the limited partners' interests. The fair value of these guarantees for any future operating deficits cannot be determined and are not included in the accompanying consolidated financial statements. Management does not believe that any accrual is required as of December 31, 2016 and 2015, relating to these guarantees. In addition, the general partner is contingently liable for the liabilities of the partnerships.

The Foundation is involved in litigation arising in the normal course of business. Management estimates that the ultimate resolution of these matters will not be material to the Foundation's financial position.

Other

The Foundation and its not-for-profit subsidiaries have not reflected any amounts in the consolidated financial statements for donated services since they generally pay for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist these organizations with specific programs, fund-raising services and various committee assignments that does not meet the criteria for recognition as a contribution. Accordingly, the value of this contributed time has not been determined and is not reflected in the accompanying consolidated financial statements.

20. Discontinued Operations

The Foundation is in the process of divesting the majority of its real estate portfolio and has determined that the real estate operations and cash flows of Family Inn and Ravine will be removed from the ongoing operations of the Foundation and that the Foundation will have no significant continuing involvement in the operations of the Foundation after the disposal transaction. As a result, property and equipment and results of operations of its real estate portfolio are presented in the accompanying consolidated financial statements as assets and liabilities held for sale and discontinued operations.

20. Discontinued Operations *(continued)*

The following is a summary of the real estate portfolio that are included in discontinued operations.

	Year Ended December 31, 2016	Year Ended December 31, 2015
REVENUE		
Rental	$ 379,808	$ 397,942
Service fees	187,448	229,835
Interest	142	34
Other	6,034	65,657
Total Revenue	573,432	693,468
EXPENSES		
Salaries and wages	164,435	219,325
Payroll taxes	18,146	21,550
Employee benefits	12,081	11,138
Bad debts	90,583	35,675
Client activities	-	31,651
Consumable supplies	12,397	20,899
Management fees	10,693	7,884
Telephone	6,054	6,437
Professional fees	13,780	33,745
Repairs and maintenance	96,749	112,033
Utilities	101,622	129,920
Taxes and insurance	38,861	39,724
Interest	49,021	49,539
Equity in limited partnership	792	679
Depreciation	-	173,824
Others	3,575	25,611
Total Expenses	618,789	919,634
Loss from Discontinued Operations	$ (45,357)	$ (226,166)

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Greyston Foundation, Inc. and Subsidiaries

Supplementary Information

December 31, 2016 and 2015

Greyston Foundation, Inc. and Subsidiaries

Consolidating Statement of Financial Position
December 31, 2016

	Greyston Foundation, Inc.	Greyston Family Inn of Yonkers, Inc.	Greyston Health Services, Inc.	Ravine Avenue Properties, Inc.	104 Ashburton Holding Corp. and Subsidiaries	Eliminations	2016 Consolidated
ASSETS							
Cash	$ 22,046	$ 69,607	$ 95,481	$ 22,546	$ 713,580	$ -	$ 923,260
Receivables, net	101,559	124,915	147,136	27,509	1,676,431	-	2,077,550
Inventories	-	-	-	-	942,717	-	942,717
Loans receivable from limited partnerships	192,000	-	2,508,089	-	-	-	2,700,089
Loans receivable from subsidiaries	100,972	-	-	-	-	(100,972)	-
Due from limited partnerships	-	-	88,871	-	-	-	88,871
Investments in limited partnerships	522,993	-	-	-	-	-	522,993
Prepaid expenses and other assets	25,486	6,599	10,270	4,391	50,850	-	97,596
Property and equipment, net	28,195	216,131	157,632	-	6,657,423	-	7,059,381
Restricted cash	-	21,194	-	23,334	-	-	44,528
Tenants' security deposits	-	9,707	-	15,226	-	-	24,933
Security deposits	-	-	-	-	35,842	-	35,842
Deferred income taxes	-	-	-	-	32,499	-	32,499
Investment in subsidiaries	7,605,441	-	-	-	-	(7,605,441)	-
Assets held for sale	-	1,442,353	-	1,727,509	-	-	3,169,862
	$ 8,598,692	$ 1,890,506	$ 3,007,479	$ 1,820,515	$ 10,109,342	$ (7,706,413)	$ 17,720,121
LIABILITIES AND NET ASSETS (DEFICIT)							
Liabilities							
Accounts payable and accrued expenses	$ 19,516	$ 69,607	$ 86,628	$ 18,386	$ 1,239,089	$ -	$ 1,433,226
Taxes payable	-	-	-	-	118,873	-	118,873
Line of credit	-	-	-	-	750,000	-	750,000
Tenants' security deposits payable	-	9,707	-	15,226	-	-	24,933
Deferred interest	-	-	-	86,236	-	-	86,236
Notes payable	-	100,972	-	-	205,687	(100,972)	205,687
Mortgages payable, net	404,409	-	-	-	298,204	-	702,613
Cumulative losses from investments in limited partnerships	994,023	179,041	83,467	-	-	-	1,256,531
Deferred income taxes	-	-	-	-	428,465	-	428,465
Liabilities of assets held for sale	-	-	-	2,581,563	-	-	2,581,563
Due (from) to subsidiaries	(1,212,242)	1,718,860	(585,975)	615,774	(536,417)	-	-
Total Liabilities	205,706	2,078,187	(415,880)	3,317,185	2,503,901	(100,972)	7,588,127
Net Assets (Deficit)							
Net assets (deficit)	8,392,986	(187,681)	3,423,359	(1,496,670)	-	-	10,131,994
Common stock	-	-	-	-	201	(201)	-
Paid in capital	-	-	-	-	6,475,629	(6,475,629)	-
Accumulated earnings	-	-	-	-	1,129,611	(1,129,611)	-
Total Net Assets (Deficit)	8,392,986	(187,681)	3,423,359	(1,496,670)	7,605,441	(7,605,441)	10,131,994
	$ 8,598,692	$ 1,890,506	$ 3,007,479	$ 1,820,515	$ 10,109,342	$ (7,706,413)	$ 17,720,121

Greyston Foundation, Inc. and Subsidiaries

Consolidating Statement of Financial Position
December 31, 2015

	Greyston Foundation, Inc.	Greyston Family Inn of Yonkers, Inc.	Greyston Health Services, Inc.	Ravine Avenue Properties, Inc.	104 Ashburton Holding Corp. and Subsidiaries	Eliminations	2015 Consolidated
ASSETS							
Cash	$ 133,529	$ 25,403	$ 153,656	$ 69,030	$ 400,011	$ -	$ 781,629
Receivables, net	139,017	132,314	208,098	25,992	1,219,551	-	1,724,972
Inventories	-	-	-	-	858,231	-	858,231
Loans receivable from limited partnerships	192,000	-	2,508,089	-	-	-	2,700,089
Loans receivable from subsidiaries	93,919	-	-	-	-	(93,919)	-
Due from limited partnerships	-	-	80,565	-	-	-	80,565
Investments in limited partnerships	32,388	-	-	-	-	-	32,388
Prepaid expenses and other assets	32,869	14,759	24,486	5,990	52,442	-	130,546
Property and equipment, net	21,915	226,664	169,976	-	7,030,876	-	7,449,431
Restricted cash	97,048	19,250	-	23,323	-	-	139,621
Tenants' security deposit	-	7,021	-	21,584	-	-	28,605
Security deposits	-	-	-	-	36,625	-	36,625
Deferred income taxes	-	-	-	-	51,069	-	51,069
Investment in subsidiaries	7,092,864	-	-	-	-	(7,092,864)	-
Assets held for sale	-	1,434,401	-	1,727,509	-	-	3,161,910
Total Assets	$ 7,835,549	$ 1,859,812	$ 3,144,870	$ 1,873,428	$ 9,648,805	$ (7,186,783)	$ 17,175,681
LIABILITIES AND NET ASSETS (DEFICIT)							
Liabilities							
Accounts payable and accrued expenses	$ (53,079)	$ 83,438	$ 85,420	$ 49,817	$ 863,958	$ -	$ 1,029,554
Taxes payable	-	-	-	-	58,682	-	58,682
Line of credit	-	-	-	-	747,521	-	747,521
Tenants' security deposits payable	-	7,021	-	21,584	-	-	28,605
Deferred interest	-	-	-	123,700	-	-	123,700
Notes payable	-	93,919	-	-	299,251	(93,919)	299,251
Mortgages payable, net	488,931	-	-	-	296,531	-	785,462
Cumulative losses from investments in limited partnerships	74,155	178,249	83,291	-	-	-	335,695
Deferred income taxes	-	-	-	-	414,599	-	414,599
Liabilities of assets held for sale	-	-	-	2,563,225	-	-	2,563,225
Due (from) to subsidiaries	(1,344,037)	1,305,742	(382,491)	545,387	(124,601)	-	-
Total Liabilities	(834,030)	1,668,369	(213,780)	3,303,713	2,555,941	(93,919)	6,386,294
Net Assets (Deficit)							
Net assets (deficit)	8,669,579	191,443	3,358,650	(1,430,285)	-	-	10,789,387
Common stock	-	-	-	-	201	(201)	-
Paid in capital	-	-	-	-	6,475,629	(6,475,629)	-
Accumulated earnings	-	-	-	-	617,034	(617,034)	-
Total Net Assets (Deficit)	8,669,579	191,443	3,358,650	(1,430,285)	7,092,864	(7,092,864)	10,789,387
	$ 7,835,549	$ 1,859,812	$ 3,144,870	$ 1,873,428	$ 9,648,805	$ (7,186,783)	$ 17,175,681

See independent auditors' report

Greyston Foundation, Inc. and Subsidiaries

Consolidating Statement of Activities and Change in Net Assets (Deficit)
Year Ended December 31, 2016

	Greyston Foundation, Inc.	Greyston Family Inn of Yonkers, Inc.	Greyston Health Services, Inc.	Ravine Avenue Properties, Inc.	104 Ashburton Holding Corp. and Subsidiaries	Eliminations	Consolidated
REVENUES							
Sales - for-profit operations	$ -	$ -	$ -	$ -	$ 17,295,794	$ -	$ 17,295,794
Government grants	480,763	161,477	891,210	-	-	-	1,533,450
Service fees	-	838,586	51,153	-	-	(43,185)	846,554
Management fees	534,424	-	-	-	-	(534,424)	-
Rental	-	-	376,255	-	-	-	376,255
Contributions	838,390	152,575	25,000	-	-	-	1,015,965
Interest and other	73,057	24	18	-	-	-	73,099
Total Revenues	1,926,634	1,152,662	1,343,636	-	17,295,794	(577,609)	21,141,117
EXPENSES							
Cost of sales - for-profit operations	-	-	-	-	13,570,350	-	13,570,350
Selling and administrative - for-profit operations	-	-	-	-	2,627,352	-	2,627,352
Program services	849,245	1,378,904	1,110,196	-	-	(37,413)	3,300,932
Management and general	936,336	173,910	168,555	-	-	(312,286)	966,515
Fundraising	500,960	-	-	-	-	-	500,960
Total Expenses	2,286,541	1,552,814	1,278,751	-	16,197,702	(349,699)	20,966,109
Change in Net Assets (Deficit) Before Other Income (Expenses)	(359,907)	(400,152)	64,885	-	1,098,092	(227,910)	175,008
OTHER INCOME (EXPENSES)							
Loss on disposal of property	-	-	-	-	(112,404)	-	(112,404)
Equity in gains of subsidiaries	512,577	-	-	-	-	(512,577)	-
Equity in loss of limited partnership	(113,170)	-	-	-	-	-	(113,170)
Interest expense	-	-	-	-	(53,796)	-	(53,796)
Interest - debt amortization cost	-	-	-	-	(10,011)	-	(10,011)
Other income	-	-	-	-	15,414	-	15,414
Management fees	-	-	-	-	(227,910)	227,910	-
Income tax provision - for-profit operations	-	-	-	-	(196,808)	-	(196,808)
Total Other Income (Expenses)	399,407	-	-	-	(585,515)	(284,667)	(470,775)
Change in Net Assets (Deficit) from Continuing Operations	39,500	(400,152)	64,885	-	512,577	(512,577)	(295,767)
DISCONTINUED OPERATIONS							
Income (loss) from discontinued operations	-	21,028	-	(66,385)	-	-	(45,357)
Equity in losses of limited partnerships	(316,093)	-	(176)	-	-	-	(316,269)
Change in Net Assets (Deficit)	(276,593)	(379,124)	64,709	(66,385)	512,577	(512,577)	(657,393)
NET ASSETS (DEFICIT)							
Beginning of year	8,669,579	191,443	3,358,650	(1,430,285)	7,092,864	(7,092,864)	10,789,387
End of year	$ 8,392,986	$ (187,681)	$ 3,423,359	$ (1,496,670)	$ 7,605,441	$ (7,605,441)	$ 10,131,994

See independent auditors' report

Greyston Foundation, Inc. and Subsidiaries

Consolidating Statement of Activities and Change in Net Assets (Deficit)
Year Ended December 31, 2015

	Greyston Foundation, Inc.	Greyston Family Inn of Yonkers, Inc.	Greyston Health Services, Inc.	Ravine Avenue Properties, Inc.	104 Ashburton Holding Corp. and Subsidiaries	Eliminations	Consolidated
REVENUES							
Sales - for-profit operations	$ -	$ -	$ -	$ -	$ 15,808,286	$ -	$ 15,808,286
Government grants	364,409	145,648	1,118,987	-	-	-	1,629,044
Service fees	9,774	793,809	40,753	-	-	(60,044)	784,292
Management fees	571,081	-	-	-	-	(571,081)	-
Rental	-	-	365,541	-	-	-	365,541
Contributions	854,061	265,434	25,000	-	-	-	1,144,495
Interest and other	(100)	170	21,327	-	-	(6,522)	14,875
Total Revenues	1,799,225	1,205,061	1,571,608	-	15,808,286	(637,647)	19,746,533
EXPENSES							
Cost of sales - for-profit operations	-	-	-	-	13,040,476	-	13,040,476
Selling and administrative - for-profit operations	-	-	-	-	2,152,706	-	2,152,706
Program services	956,179	1,256,911	1,208,725	-	-	(66,566)	3,355,249
Management and general	681,364	131,888	165,116	-	-	(261,204)	717,164
Fundraising	468,669	-	-	-	-	-	468,669
Total Expenses	2,106,212	1,388,799	1,373,841	-	15,193,182	(327,770)	19,734,264
Change in Net Assets (Deficit) Before Other Income (Expenses)	(306,987)	(183,738)	197,767	-	615,104	(309,877)	12,269
OTHER INCOME (EXPENSES)							
Equity in gains of subsidiaries	206,552	-	-	-	-	(206,552)	-
Interest expense	-	-	-	-	(35,772)	-	(35,772)
Interest - debt amortization cost	-	-	-	-	(10,010)	-	(10,010)
Other income (expense)	(52)	-	-	-	(3,286)	-	(3,338)
Management fees	-	-	-	-	(309,877)	309,877	-
Income tax provision	-	-	-	-	(49,607)	-	(49,607)
Total Other Income (Expenses)	206,500	-	-	-	(408,552)	103,325	(98,727)
Change in Net Assets (Deficit) from Continuing Operations	(100,487)	(183,738)	197,767	-	206,552	(206,552)	(86,458)
DISCONTINUED OPERATIONS							
Loss from discontinued operations	-	(138,049)	-	(88,117)	-	-	(226,166)
Equity in losses of limited partnerships	146	-	(184)	-	-	-	(38)
Change in Net Assets (Deficit)	(100,341)	(321,787)	197,583	(88,117)	206,552	(206,552)	(312,662)
NET ASSETS (DEFICIT)							
Beginning of year	8,769,920	513,230	3,161,067	(1,342,168)	6,886,312	(6,886,312)	11,102,049
End of year	$ 8,669,579	$ 191,443	$ 3,358,650	$ (1,430,285)	$ 7,092,864	$ (7,092,864)	$ 10,789,387

See independent auditors' report