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**COUNCIL OF SENIOR CENTERS AND SERVICES OF NEW YORK CITY, INC.
(d/b/a LiveOn NY)**

Audited Financial Statements

June 30, 2018

Independent Auditor's Report

To the Board of Directors of
Council of Senior Centers and Services of New York City, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Council of Senior Centers and Services of New York City, Inc. (d/b/a LiveOn NY) (the "Organization"), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 financial statements.

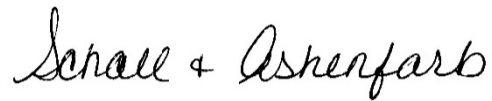
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Council of Senior Centers and Services of New York City, Inc. as of June 30, 2018, 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 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 30, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.



Schall & Ashenfarb
Certified Public Accountants, LLC

February 5, 2019

COUNCIL OF SENIOR CENTERS AND SERVICES OF NEW YORK CITY, INC.
d/b/a LiveOn NY
STATEMENT OF FINANCIAL POSITION
AT JUNE 30, 2018
(With comparative totals at June 30, 2017)

	<u>6/30/18</u>	<u>6/30/17</u>
Assets		
Cash and cash equivalents	\$42,597	\$93,128
Investments (Notes 3 and 7)	87,867	76,526
Government grants receivable	170,077	218,305
Contributions receivable	124,593	114,528
Security deposit	61,200	61,200
Fixed assets, net (Note 4)	9,793	20,223
Investments held for endowment (Notes 3 and 7)	<u>370,000</u>	<u>370,000</u>
 Total assets	 <u><u>\$866,127</u></u>	 <u><u>\$953,910</u></u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$74,250	\$133,185
Refundable advances	137,939	158,583
Deferred rent	84,989	74,131
Security deposit payable	16,557	16,557
Loan payable (Note 5)	<u>0</u>	<u>45,000</u>
Total liabilities	<u><u>313,735</u></u>	<u><u>427,456</u></u>
Net assets:		
Unrestricted	26,691	14,941
Temporarily restricted (Note 6)	155,701	141,513
Permanently restricted (Note 7)	<u>370,000</u>	<u>370,000</u>
Total net assets	<u><u>552,392</u></u>	<u><u>526,454</u></u>
 Total liabilities and net assets	 <u><u>\$866,127</u></u>	 <u><u>\$953,910</u></u>

The attached notes and auditor's report are an integral part of these financial statements.

COUNCIL OF SENIOR CENTERS AND SERVICES OF NEW YORK CITY, INC.
(d/b/a LiveOn NY)
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018
(With comparative totals for the year ended June 30, 2017)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total 6/30/18</u>	<u>Total 6/30/17</u>
Public support and revenue:					
Government grants	\$1,211,083			\$1,211,083	\$1,353,253
Contributions from foundations	93,750	\$160,000		253,750	325,931
Individual contributions	13,995			13,995	83,443
Donated services	73,190			73,190	0
Membership dues	221,530			221,530	202,735
Special event (net of expenses with a direct benefit to donor) (Note 10)	101,428			101,428	94,718
Market place initiative income	76,185			76,185	94,418
Rental income	59,107			59,107	56,520
Conference income	86,720			86,720	86,525
Workshops and other income	9,319			9,319	36,037
Interest income	2,768	4,720		7,488	7,469
Net assets released from restrictions	166,442	(166,442)		0	0
Total public support and revenue	<u>2,115,517</u>	<u>(1,722)</u>	<u>0</u>	<u>2,113,795</u>	<u>2,341,049</u>
Expenses:					
Program services:					
Member services	1,194,118			1,194,118	1,443,766
Policy and advocacy	553,274			553,274	490,853
Total program services	<u>1,747,392</u>	<u>0</u>	<u>0</u>	<u>1,747,392</u>	<u>1,934,619</u>
Supporting services:					
Management and general	260,542			260,542	294,635
Fundraising	97,728			97,728	90,361
Total supporting services	<u>358,270</u>	<u></u>	<u></u>	<u>358,270</u>	<u>384,996</u>
Total expenses	<u>2,105,662</u>	<u></u>	<u></u>	<u>2,105,662</u>	<u>2,319,615</u>
Change in net assets from operations	9,855	(1,722)	0	8,133	21,434
Non-operating:					
Unrealized gains on investments	1,895	15,910		17,805	23,998
Change in net assets	11,750	14,188	0	25,938	45,432
Net assets - beginning of year	14,941	141,513	370,000	526,454	481,022
Net assets - ending of year	<u>\$26,691</u>	<u>\$155,701</u>	<u>\$370,000</u>	<u>\$552,392</u>	<u>\$526,454</u>

The attached notes and auditor's report are an integral part of these financial statements.

COUNCIL OF SENIOR CENTERS AND SERVICES OF NEW YORK CITY, INC.
(d/b/a LiveOn NY)
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2018
(With comparative totals for the year ended June 30, 2017)

	Program Services			Supporting Services			Total Expenses 6/30/18	Total Expenses 6/30/17
	Member Services	Policy and Advocacy	Total Program Services	Management and General	Fundraising	Total Supporting Services		
Salaries	\$477,829	\$283,347	\$761,176	\$76,489	\$32,208	\$108,697	\$869,873	\$1,145,699
Payroll taxes and benefits	136,913	81,188	218,101	21,917	9,228	31,145	249,246	287,255
Occupancy	139,304	56,548	195,852	20,000	4,828	24,828	220,680	216,396
Printing and supplies	25,699	10,432	36,131	3,690	891	4,581	40,712	42,362
Telephone	14,432	5,859	20,291	2,072	500	2,572	22,863	29,027
Postage and shipping	7,180	2,915	10,095	1,031	249	1,280	11,375	9,773
Travel	10,113	4,105	14,218	1,452	350	1,802	16,020	19,838
Professional fees, legal, and accounting	82,366	94,870	177,236	111,993	1,138	113,131	290,367	150,412
Subcontractors	103,168		103,168			0	103,168	0
Equipment rental and maintenance	8,879	3,605	12,484	1,275	308	1,583	14,067	30,977
Depreciation	6,584	2,673	9,257	945	228	1,173	10,430	9,258
Insurance	9,352	3,796	13,148	1,343	324	1,667	14,815	20,579
Dues and subscriptions			0	16,582		16,582	16,582	17,454
Miscellaneous	9,486		9,486	361	667	1,028	10,514	1,126
Utilities	9,695	3,936	13,631	1,392	336	1,728	15,359	15,362
Reservists	41,790		41,790			0	41,790	94,288
Meetings and conferences	25,316		25,316			0	25,316	32,264
Annual conference	86,012		86,012			0	86,012	154,439
Interest			0			0	0	1,510
Other special event expenses			0		113,261	113,261	113,261	96,456
Total expenses before direct event expenses netted with revenue	1,194,118	553,274	1,747,392	260,542	164,516	425,058	2,172,450	2,374,475
Less: direct special event expenses netted with revenue			0		(66,788)	(66,788)	(66,788)	(54,860)
Total expenses for statement of activities	\$1,194,118	\$553,274	\$1,747,392	\$260,542	\$97,728	\$358,270	\$2,105,662	\$2,319,615

The attached notes and auditor's report are an integral part of these financial statements.

COUNCIL OF SENIOR CENTERS AND SERVICES OF NEW YORK CITY, INC.
(d/b/a LiveOn NY)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018

(With comparative totals for the year ended June 30, 2017)

	<u>6/30/18</u>	<u>6/30/17</u>
Cash flows from operating activities:		
Change in net assets	\$25,938	\$45,432
Adjustments to reconcile change in net assets to net cash (used for)/provided by operating activities:		
Depreciation	10,430	9,258
Unrealized gain on investments	(17,805)	(23,998)
Changes in assets and liabilities:		
Government grants receivable	48,228	37,181
Contributions receivable	(10,065)	51,033
Prepaid expenses	0	11,873
Accounts payable and accrued expenses	(58,935)	7,292
Refundable advances	(20,644)	(48,917)
Deferred rent	10,858	16,357
Total adjustments	<u>(37,933)</u>	<u>60,079</u>
Net cash (used for)/provided by operating activities	<u>(11,995)</u>	<u>105,511</u>
 Cash flows from investing activities:		
Purchases of fixed assets	0	(13,734)
Purchases of investments	(7,478)	(7,208)
Transfers into operating account	13,942	17,591
Net cash provided by/(used for) investing activities	<u>6,464</u>	<u>(3,351)</u>
 Cash flows from financing activities:		
Repayment of loan	(45,000)	(30,000)
Net cash used for financing activities	<u>(45,000)</u>	<u>(30,000)</u>
 Net (decrease)/increase in cash and cash equivalents	(50,531)	72,160
 Cash and cash equivalents - beginning of year	<u>93,128</u>	<u>20,968</u>
 Cash and cash equivalents - end of year	<u>\$42,597</u>	<u>\$93,128</u>
 Supplemental information:		
Interest and taxes paid	<u>\$0</u>	<u>\$1,510</u>

The attached notes and auditor's report are an integral part of these financial statements.

COUNCIL OF SENIOR CENTERS AND SERVICES OF NEW YORK CITY, INC.
(d/b/a LiveOn NY)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

Note 1 - Organization

The Council of Senior Centers and Services of New York City, Inc. (d/b/a LiveOn NY), (the "Organization") was incorporated as a New York not-for-profit corporation in December 1978 for the purpose of promoting the quality of life, independent living, productivity, and dignity of older adults and their families in New York including, but not limited to, the promotion of the general welfare of senior citizens and the broader New York community.

The Organization is supported primarily through government grants and private donor contributions.

The Organization has been notified by the Internal Revenue Service that it is a not-for-profit organization exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code and has not been determined to be a private foundation.

Note 2 - Significant Accounting Policies

a. Basis of Accounting

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

b. Basis of Presentation

The Organization reports information regarding its financial position and activities according to the following classes of net assets:

- *Unrestricted* – represents all activity without donor-imposed restrictions as well as activity with donor-imposed restrictions that expire within the same period.
- *Temporarily restricted* – represents all activity based on specific donor restrictions that are expected to be satisfied by the passage of time or performance of activities. See Note 6.
- *Permanently restricted* – represents those assets, which have been restricted by the donor and must remain intact in perpetuity. See Note 7.

c. Cash and Cash Equivalents

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

d. Concentration of Credit Risk

Financial instruments that potentially subject the Organization to concentration of credit risk consist of cash, money market accounts, and investment securities which are placed with financial institutions that management deems to be creditworthy. At times, balances may exceed federal limits. As of June 30, 2018, there were no significant uninsured balances.

e. Contributions Receivable

Unconditional promises to give are recognized at net realizable value when due in less than one year. Long-term pledges are recorded at fair value using risk adjusted present value techniques, when considered material. Conditional promises to give are recognized when the conditions on which they depend are substantially met. As of June 30, 2018, all contributions receivable were due within one year.

Management assesses outstanding receivables for collectability using specific analysis and historical experience necessary. Based on this review, no allowance for doubtful accounts is deemed warranted.

f. Investments

Investments are recorded at fair value which is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e. the "exit price") in an orderly transaction between market participants at the measurement date. Realized and unrealized gains and losses are reflected in the statement of activities.

The fair value of investments is subject to fluctuation. Management believes the investment policy is prudent for its long-term welfare. The portfolio is diversified with the goal of being able to obtain the long-term objectives of the organization without taking on risks they feel are imprudent.

g. Fixed Assets

Leasehold improvements, equipment, and furniture that exceed pre-determined amounts and that have a useful life of greater than one year are recorded at cost or at fair value at the date of gift. Depreciation is computed using the straight-line method over the estimated useful life of the respective assets, as follows:

Office equipment – 3 years

Furniture and fixtures – 7 years

Leasehold improvements – *Shorter of lease term or economic life*

h. Deferred Rent

Rent expense is recorded on the straight-line basis over the life of the lease. Rent expense recognized in excess of cash payments is reflected as deferred rent. As future payments exceed the annual expense recognized, deferred rent will be reduced to zero by the end of the lease term.

- i. Conditional Contributions
Receipts of conditional contributions are recorded as refundable advances in the statement of financial position until the conditions have been met.
- j. Contributions
Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted, depending on the existence and/or nature of any donor restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction. Contributions whose restrictions expire in the same year they are received are recorded as unrestricted.
- k. Government Grants
All government grants have been recognized as income when earned, either based on performance of certain milestones or by incurring expenses that can be reimbursed under the terms of the grant agreement. The difference between cash received and revenue recognized is reflected as government grants receivable or refundable advances.
- l. Membership Dues
The Organization receives dues from its members based on a sliding scale of members' operating budgets, which are recognized as revenue when billed.
- m. In-Kind and Donated Services
Donated services are recognized in circumstances where those services create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided in-kind. During the year ended June 30, 2018, the Organization received in-kind legal services of \$73,190, presented as management and general supporting services on the statement of functional expenses.

Many volunteers, including board members, provide services in support of the Organization's mission. Those services have not been recognized on the financial statements because they do not meet the criteria outlined above.
- n. Management Estimates
The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.
- o. Functional Allocation of Expenses
The costs of providing various programs and other activities have been summarized on a functional basis in the accompanying financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

p. Prior Year Comparative Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2017, from which the summarized information was derived.

q. Accounting for Uncertainty of Income Taxes

The Organization does not believe its financial statements include any material, uncertain tax positions. Tax filings for periods ending June 30, 2015 and later are subject to examination by applicable taxing authorities.

r. Subsequent Events

Management has evaluated for potential recognition and disclosure events subsequent to the date of the statement of financial position through February 5, 2019, the date the financial statements were available to be issued. No events have occurred subsequent to the statement of financial position date, through our evaluation date that would require adjustment to or disclosure in the financial statements.

s. New Accounting Pronouncements

The Financial Accounting Standards Board (FASB) issued an Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. The ASU, which becomes effective for the June 30, 2019 year focuses on improving the current net asset classification requirements and information presented in the financial statements and notes that is useful in assessing a not-for-profit's liquidity, financial performance and cash flows.

On June 21, 2018, FASB issued ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The ASU which becomes effective for the June 30, 2020 year, with early implementation permitted, provides guidance on whether a receipt from a third-party resource provider should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions.

In addition, FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers*. The ASU, which becomes effective for the June 30, 2020 year, focuses on a principle-based model. It highlights the identification of performance obligations of the contract, determining the price and allocating that price to the performance obligation so that revenue is recognized as each performance obligation is satisfied.

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

The Organization is in the process of evaluating the impact these standards will have on future statements.

Note 3 - Investments

Investments are reflected at fair value. Accounting standards have established a fair value hierarchy giving the highest priority to quoted market prices in active markets and the lowest priority to unobservable data.

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

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

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

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

Investments can be summarized as follows:

	<u>June 30, 2018</u>		
	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Exchange traded funds	\$336,130	\$0	\$336,130
Money market funds	<u>0</u>	<u>121,737</u>	<u>121,737</u>
Total	<u>\$336,130</u>	<u>\$121,737</u>	<u>\$457,867</u>

	<u>June 30, 2017</u>		
	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Exchange traded funds	\$318,325	\$0	\$318,325
Money market funds	<u>0</u>	<u>128,201</u>	<u>128,201</u>
Total	<u>\$318,325</u>	<u>\$128,201</u>	<u>\$446,526</u>

Level 1 securities are valued at the closing price reported on the active market they are traded on. Level 2 securities are valued using observable market inputs for securities that are similar to those owned. This method produces a fair value calculation that may not be indicative of net realizable value or reflective of future values. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurements.

Note 4 - Fixed Assets

Fixed assets consist of the following:

	<u>6/30/18</u>	<u>6/30/17</u>	<u>Estimated Useful Life</u>
Furniture and equipment	\$37,997	\$37,997	3 to 7 years
Leasehold improvements	<u>14,237</u>	<u>14,237</u>	120 months
	52,234	52,234	
Less: accumulated depreciation	<u>(42,441)</u>	<u>(32,011)</u>	
Net book value	<u>\$9,793</u>	<u>\$20,223</u>	

Note 5 - Loan Payable

In October 2014, the Organization entered into a loan agreement with the Fund for the City of New York (the "Fund") for \$100,000 to cover operating expenses pending the expected receipt of funds from the New York State Office for the Aging. The loan had no repayment date. A one-time interest charge was assessed by the Fund when the loan was made. The outstanding balance of \$45,000 as of June 30, 2017 was repaid during the year ended June 30, 2018.

Note 6 - Temporarily Restricted Net Assets

During the years ended June 30, 2018 and 2017, net assets were released from restriction as funds were spent as follows:

	<u>6/30/18</u>	<u>6/30/17</u>
Elder Abuse	\$37,500	\$150,000
Creative Aging Initiative	40,000	0
Senior Housing Initiative	75,000	0
Appropriated earnings – endowment fund	3,942	7,591
Appropriated earnings – A. Freedman fund	<u>10,000</u>	<u>10,000</u>
Total	<u>\$166,442</u>	<u>\$167,591</u>

At year end, net assets are temporarily restricted by donors for the following purposes:

	<u>6/30/18</u>	<u>6/30/17</u>
Elder Abuse	\$0	\$37,500
Senior Housing Initiative	0	75,000
Creative Aging Initiative	120,000	0
Unappropriated earnings from:		
Andrew Freedman Fund	11,812	17,141
Other funds	<u>23,889</u>	<u>11,872</u>
Total	<u>\$155,701</u>	<u>\$141,513</u>

Note 7 - Permanently Restricted Net Assets

Permanently restricted net assets consist of the following at June 30, 2018 and 2017:

Andrew Freedman Fund	\$100,000
The Corey Foundation	170,000
Various individuals	<u>100,000</u>
Total	<u>\$370,000</u>

Interpretation of Relevant Law

The Organization follows New York Prudent Management of Institutional Funds Act ("NYPMIFA"). The Board of Directors of the Organization has interpreted NYPMIFA as requiring certain amounts to be retained permanently. Absent explicit donor stipulations to the contrary, the Organization will preserve the fair value of the original gift as of the

gift date of all donor-restricted endowment funds. However, under certain circumstances, the Organization has the right to appropriate for expenditure the fair value of the original gift in a manner consistent with the standard of prudence specifically prescribed by NYPMIFA.

As a result of this interpretation, the Organization classifies permanently restricted net assets as (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

Absent any specific donor-stipulations, when endowment funds have earnings in excess of amounts that need to be retained permanently, these excess amounts are classified as temporarily restricted net assets until appropriated for expenditure by the Organization's governing board.

Spending Policies

In accordance with NYPMIFA, The Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund;
- (2) The purposes of the Organization and the donor-restricted endowment fund;
- (3) General economic conditions;
- (4) The possible effect of inflation and deflation;
- (5) The expected total return from income and the appreciation of investments;
- (6) Other resources of the Organization;
- (7) The investment policies of the Organization;
- (8) Where appropriate and circumstances would otherwise warrant, alternatives to expenditure of the endowment fund, giving due consideration to the effect that such alternatives may have on the Organization.

Andrew Freedman Fund

The Organization has the right to withdraw up to \$10,000 for general operations in a calendar year at the discretion of the Board of Directors. In addition, the Organization withdraws dividends and interest from the fund on a monthly basis to be used for general operations.

Other Donor Restricted Endowment Funds

The Organization appropriates for expenditure all realized and unrealized gains, dividends and interest earned on endowed funds.

Changes in investments and investments held for endowment are as follows:

	<u>June 30, 2018</u>			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Beginning of year	\$47,513	\$29,013	\$370,000	\$446,526
Interest and dividend income	2,758	4,720	0	7,478
Unrealized gain	1,895	15,910	0	17,805
Appropriations for expenditure	<u>0</u>	<u>(13,942)</u>	<u>0</u>	<u>(13,942)</u>
End of year	<u>\$52,166</u>	<u>\$35,701</u>	<u>\$370,000</u>	<u>\$457,867</u>

	<u>June 30, 2017</u>			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Beginning of year	\$44,319	\$18,592	\$370,000	\$432,911
Interest and dividend income	737	6,471	0	7,208
Unrealized gain	2,457	21,541	0	23,998
Appropriations for expenditure	<u>0</u>	<u>(17,591)</u>	<u>0</u>	<u>(17,591)</u>
End of year	<u>\$47,513</u>	<u>\$29,013</u>	<u>\$370,000</u>	<u>\$446,526</u>

Endowment Investment Policies

The Organization has adopted an investment policy for endowment assets that relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Funds with Deficiencies

From time-to-time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or NYPMIFA requires the Organization to retain as a fund of perpetual duration. There were no such deficiencies at June 30, 2018.

Note 8 - Commitments and Contingencies

The Organization has a lease for rental of office space in Manhattan, New York. The lease runs from May 1, 2015 through April 30, 2025. Minimum rental amounts due are as follows:

Year ending:	June 30, 2019	\$211,192
	June 30, 2020	217,002
	June 30, 2021	222,970
	June 30, 2022	229,104
	June 30, 2023	235,398
Thereafter		<u>448,032</u>
Total		<u>\$1,563,698</u>

The Organization has a sub-lease agreement for a portion of its premises with another not-for-profit agency. The sub-lease runs from May 1, 2015 through April 30, 2025. Rental income from this agreement for the year ended June 30, 2017 was \$59,107. The following represents the future amounts expected to be received:

Year ending:	June 30, 2019	\$49,644
	June 30, 2020	49,644
	June 30, 2021	49,644
	June 30, 2022	49,644
	June 30, 2023	49,644
Thereafter		<u>91,014</u>
Total		<u>\$339,234</u>

Note 9 - Retirement Plan

The Organization sponsors a tax deferred 403(b) retirement plan. Employees are eligible to participate after they complete twelve months of service. The employer contributions are at the discretion of the Board of Directors and are based upon a fixed rate of employees' salaries. The total amount contributed was \$0 and \$55,662, June 30, 2018 and 2017, respectively.

Note 10 - Special Event

The event proceeds are summarized as follows:

	<u>6/30/18</u>	<u>6/30/17</u>
Gross revenue	\$168,216	\$149,578
Less: expenses with a direct benefit to donor	<u>(66,788)</u>	<u>(54,860)</u>
	101,428	94,718
Less: other event expenses	<u>(46,473)</u>	<u>(41,596)</u>
Net revenue from event	<u>\$54,955</u>	<u>\$53,122</u>