



# include nyc

*Love, equity, and access for young people with disabilities*

## RESOURCES FOR CHILDREN WITH SPECIAL NEEDS, INC. d/b/a INCLUDEnyc

### Audited Financial Statements

December 31, 2015  
and  
December 31, 2014



## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Resources for Children with Special Needs, Inc.  
d/b/a INCLUDEnyc

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

We have audited the accompanying financial statements of Resources for Children with Special Needs, Inc. d/b/a INCLUDEnyc (the "Organization"), which comprise the statements of financial position as of December 31, 2015 and December 31, 2014, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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

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

### ***Auditors' Responsibility***

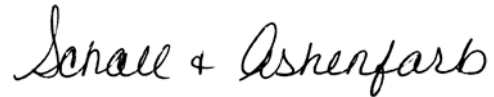
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 Resources for Children with Special Needs, Inc. d/b/a INCLUDEnyc as of December 31, 2015 and December 31, 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in cursive script that reads "Schall & Ashenfarb".

Schall & Ashenfarb  
Certified Public Accountants, LLC

April 14, 2016

**RESOURCES FOR CHILDREN WITH SPECIAL NEEDS, INC.**  
**d/b/a INCLUDEnyc**  
**STATEMENTS OF FINANCIAL POSITION**  
**AT DECEMBER 31, 2015 AND 2014**

	<u>12/31/15</u>	<u>12/31/14</u>
<b>Assets</b>		
Cash and cash equivalents	\$398,742	\$453,765
Government grants receivable	625,944	480,603
Contributions receivable	189,361	69,417
Fixed assets, net of accumulated depreciation (Note 3)	27,216	21,233
Security deposit and prepaid expenses	40,593	36,408
Investments (Note 4)	480,575	468,936
 Total assets	 <u><u>\$1,762,431</u></u>	 <u><u>\$1,530,362</u></u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities:</b>		
Accounts payable and accrued expenses	\$156,921	\$93,637
Conditional contributions (Note 5)	0	25,000
Loans payable (Note 6)	10,854	0
Security deposit payable (Note 9)	4,000	4,000
Deferred rent	39,472	34,209
Total liabilities	<u>211,247</u>	<u>156,846</u>
<b>Net Assets:</b>		
Unrestricted	1,109,923	1,106,434
Temporarily restricted (Note 7)	340,254	166,075
Permanently restricted (Note 8)	101,007	101,007
Total net assets	<u>1,551,184</u>	<u>1,373,516</u>
 Total liabilities and net assets	 <u><u>\$1,762,431</u></u>	 <u><u>\$1,530,362</u></u>

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

**RESOURCES FOR CHILDREN WITH SPECIAL NEEDS, INC.**  
**d/b/a INCLUDEnyc**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	<u>12/31/15</u>	<u>12/31/14</u>
Changes in unrestricted net assets:		
Support and revenue:		
Government grants	\$1,986,277	\$1,526,558
Foundation contributions	229,539	178,633
Individual donations	99,557	85,397
Program service revenue	29,855	35,423
Rental and other income	42,684	42,142
Special events proceeds (net of direct benefits to donors) (Note 11)	290,247	297,787
Interest income	7,545	9,856
Net assets released from restrictions (Note 7)	151,199	287,228
Total unrestricted support and revenue	<u>2,836,903</u>	<u>2,463,024</u>
Expenses:		
Program services	2,213,239	1,956,088
Management and general	430,632	313,850
Fundraising	182,812	126,853
Total expenses	<u>2,826,683</u>	<u>2,396,791</u>
Net increase in unrestricted net assets from operations	<u>10,220</u>	<u>66,233</u>
Non-operating activities:		
Realized and unrealized gains on investments	(6,731)	2,043
Total non-operating activities	<u>(6,731)</u>	<u>2,043</u>
Net increase in unrestricted net assets	<u>3,489</u>	<u>68,276</u>
Changes in temporarily restricted net assets:		
Contributions	325,000	90,000
Interest income	3,897	5,368
Realized and unrealized (losses)/gains on investments	(3,519)	1,157
Net assets released from restrictions	<u>(151,199)</u>	<u>(287,228)</u>
Net increase/(decrease) in temporarily restricted net assets	<u>174,179</u>	<u>(190,703)</u>
Net increase/(decrease) in total net assets	177,668	(122,427)
Net assets - beginning of year	<u>1,373,516</u>	<u>1,495,943</u>
Net assets - end of year	<u><u>\$1,551,184</u></u>	<u><u>\$1,373,516</u></u>

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

**RESOURCES FOR CHILDREN WITH SPECIAL NEEDS, INC.**  
**d/b/a INCLUDEnyc**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	December 31, 2015				December 31, 2014			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Salaries	\$1,280,320	\$217,660	\$109,771	\$1,607,751	\$1,157,583	\$171,731	\$71,540	\$1,400,854
Payroll taxes and benefits	302,290	51,388	25,921	379,599	239,373	35,511	14,796	289,680
Total personnel services	1,582,610	269,048	135,692	1,987,350	1,396,956	207,242	86,336	1,690,534
Printing, design and promotion	70,032	4,696	7,479	82,207	31,139	972	4,733	36,844
Occupancy	184,029	31,286	15,778	231,093	187,494	27,816	11,587	226,897
Sub-contractors	145,595			145,595	137,592			137,592
Professional fees and consultants	43,011	80,430	2,761	126,202	52,884	44,087	2,109	99,080
Postage, delivery and fulfillment	22,474	351	2,081	24,906	10,266	30	1,878	12,174
Equipment lease and rentals	23,428	2,514	1,915	27,857	42,204	5,494	2,995	50,693
Credit card processing fees		4,060		4,060		5,391		5,391
Dues and membership fees		1,799		1,799	770	834	13	1,617
Insurance	7,226	987	589	8,802	3,202	658	261	4,121
Office supplies and website	65,838	26,809	5,274	97,921	34,795	13,136	3,256	51,187
Program supplies	7,864	1,411		9,275	2,551	2,115	125	4,791
Space rentals	9,146			9,146	8,685			8,685
Telephone and communications	19,827	3,371	1,700	24,898	18,078	2,682	1,117	21,877
Travel, conference and meetings	27,701	3,113	2,471	33,285	19,351	1,892	1,228	22,471
Special event expenses			6,690	6,690			10,590	10,590
Depreciation	4,458	757	382	5,597	10,121	1,501	625	12,247
Total expenses	<u>\$2,213,239</u>	<u>\$430,632</u>	<u>\$182,812</u>	<u>\$2,826,683</u>	<u>\$1,956,088</u>	<u>\$313,850</u>	<u>\$126,853</u>	<u>\$2,396,791</u>

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

**RESOURCES FOR CHILDREN WITH SPECIAL NEEDS, INC.**  
**d/b/a INCLUDEnyc**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	12/31/15	12/31/14
Cash Flows from Operating Activities:		
Change in net assets	\$177,668	(\$122,427)
Adjustments to reconcile change in net assets to net cash used for operating activities:		
Depreciation	5,597	12,247
Realized and unrealized loss/(gain) on investments	10,250	(3,200)
Donated stock	(10,544)	(21,226)
Changes in assets and liabilities:		
Government grants receivable	(145,341)	(37,812)
Contributions receivable	(119,944)	(2,112)
Security deposit and prepaid expenses	(4,185)	9,347
Accounts payable and accrued expenses	51,704	5,910
Conditional contributions	(25,000)	25,000
Deferred rent	5,263	8,587
Total adjustments	(232,200)	(3,259)
Net cash used for operating activities	(54,532)	(125,686)
Cash Flows from Investing Activities:		
Acquisitions of fixed assets	(11,580)	0
Accounts payable for acquisitions of fixed assets	11,580	0
Purchase of investments	(11,345)	(14,876)
Net cash used for investing activities	(11,345)	(14,876)
Cash Flows from Financing Activities:		
Proceeds from loan payable	11,000	0
Repayments of loan payable	(146)	0
Net cash flow provided by financing activities	10,854	0
Net decrease in cash and cash equivalents	(55,023)	(140,562)
Cash and cash equivalents - beginning of year	453,765	594,327
Cash and cash equivalents - end of year	\$398,742	\$453,765
Supplemental disclosure:		
Interest paid	\$0	\$0
Income taxes paid	\$0	\$0

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

**RESOURCES FOR CHILDREN WITH SPECIAL NEEDS, INC.**  
**d/b/a INCLUDEnyc**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015 AND 2014**

**Note 1 - Organization**

Resources for Children with Special Needs, Inc. d/b/a INCLUDEnyc (the "Organization") was organized in New York on September 25, 1981 as a non-profit corporation. The Organization's mission is to promote positive futures and enhance quality of life for New York City children and youth with disabilities, ages birth through 26, and their families. The Organization empowers families of children and youth with any disability with the knowledge, confidence, and skills to make informed decisions, effectively access and navigate systems and services, and to advocate for themselves and other young people with disabilities and their families. The Organization supports educators, youth workers, and other professionals to partner with families for successful, person-centered services, and to support and promote a family voice in the policy process.

Effective June 17, 2015, the Organization began doing business as INCLUDEnyc.

The Organization is tax exempt under IRS Section 501(c)3 and applicable New York statutes. They have not been designated as a private foundation.

**Note 2 - Summary of Significant Accounting Policies**

a. Basis of Accounting

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

b. Basis of Presentation

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

- *Unrestricted* – represents all activity without donor imposed restrictions and activity with donor imposed restrictions, which expire within the same period.
- *Temporarily restricted* – relates to contributions of cash and other assets with donor stipulations that make clear the assets' restriction, either due to a program nature or by passage of time.
- *Permanently restricted* – relates to contributions of cash and other assets whereby the assets must remain intact due to restrictions placed by the donor. The income from these assets has not been restricted by the donor and has been reflected in the temporarily restricted class of net assets until appropriated by the board of directors for expenditure.



c. Contributions

Contributions received without restrictions or that are restricted by the donor where the restriction expires in the same year, are reported as an increase in unrestricted net assets. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the 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 statements of activities as net assets released from restriction.

Conditional contributions are recognized when the condition on which they depend are substantially met.

d. Cash and Cash Equivalents

Cash and cash equivalents include cash held in banks and money market funds other than those held by the investment manager.

e. Concentration of Credit Risk

Financial instruments which potentially subject the Organization to concentration of credit risk consist of cash, money market accounts and investment securities which have been placed with high-quality financial institutions that management deems to be creditworthy. Investments are subject to market value fluctuations and principal is not guaranteed. At times, balances may exceed federally insured limits. While at year-end there were material uninsured balances, management feels they have little risk and has not experienced any losses due to bank failure.

f. Government Grants

The terms of each government grant are reviewed to determine if they contain traits more closely associated with contributions or exchange transactions. Management has determined that all existing government grants are exchange transactions because of their conditional and reciprocal nature. As such, government grant receipts are recorded as advances/(liabilities) until they have been earned. Once the conditions have been satisfied, income is recognized. Government grants receivable has been established to reflect amounts due that have not been collected for services performed that have been earned under terms of the government contract.

g. Contributions Receivable

The Organization records promises to give from foundations and individual contributions as revenue in the period the promise is considered unconditional. All contributions receivable are expected to be received in less than one year, and have been recorded at net realizable value.

h. Allowance for Uncollectible Receivables

Management has not established a reserve for uncollectible government grant and contributions receivables because all receivables are considered to be fully collectible based on specific analysis and historical experience. Write-offs, if any, will be recorded as expenses in the year they are deemed to be uncollectible.

i. Capitalization Policies

Items of property and equipment and leasehold improvements that have a long-term benefit and exceed certain predetermined levels are recorded at cost. Routine maintenance and repair costs that do not materially extend the estimated useful lives of property and equipment are expensed as incurred.

j. Investments

Investments are recorded at fair value, which refers to the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Unrealized gains and losses are included as non-operating income.

Donated securities are recorded at fair value on the date of the gift and, except as otherwise required by the donor, are immediately sold by the Organization. Since it is the Organization's policy to sell the donated securities upon receipt, the contributions are classified as operating activities in the statements of cash flow unless the donor restricts the use of the contributed resources to long-term purposes, in which case those cash receipts are classified as cash flows from financing activities.

Donated stock totaled \$10,544 and \$21,226 during the years ending December 31, 2015 and December 31, 2014, respectively.

k. Deferred Rent

The Organization recognizes rent expense evenly over the life of the lease using the straight-line method and records deferred rent for the cumulative amount that expenses exceed actual payments. In latter stages of the lease, deferred rent will be reduced as the amount of payments exceeds the expense recorded.

l. In-Kind 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. There were no donated services recognized in 2015 or 2014.

The Organization pays for most services requiring specific expertise. Board members and other individuals volunteer their time and perform a variety of tasks that assist the Organization. These services do not meet the criteria of in-kind services and have not been recorded in the financial statements.

m. 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.

n. Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Management

and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

o. Subsequent Events

Management has evaluated for potential recognition and disclosure events subsequent to the date of the statements of financial position through April 14, 2016, the date the financial statements were available to be issued. No events have occurred subsequent to the statement of financial position date through our evaluation date that would require adjustment to or disclosure in the financial statements.

p. 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 December 31, 2012 and later are subject to examination by applicable taxing authorities.

**Note 3 - Fixed Assets**

Fixed assets consist of the following:

	<u>12/31/15</u>	<u>12/31/14</u>
Equipment	\$68,220	\$68,220
Leasehold improvements	<u>39,019</u>	<u>27,439</u>
	107,239	95,659
Less: accumulated depreciation	<u>(80,023)</u>	<u>(74,426)</u>
Total	<u>\$27,216</u>	<u>\$21,233</u>

**Note 4 - Investments**

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.

The following summarizes the composition of investments:

	<u>December 31, 2015</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds equities	<u>\$224,757</u>	<u>\$0</u>	<u>\$0</u>	\$224,757
Money markets and other cash equivalents				<u>255,818</u>
Total investments				<u>\$480,575</u>

	<u>December 31, 2014</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds equities	<u>\$233,801</u>	<u>\$0</u>	<u>\$0</u>	\$233,801
Money markets and other cash equivalents				<u>235,135</u>
Total investments				<u>\$468,936</u>

Level 1 securities are valued at the closing price reported on the active market that they are traded on. Level 2 securities are valued using observable market inputs for securities that are similar to those owned.

Those methods produce 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 5 - Conditional Contributions**

The Organization received a matching grant of \$50,000, of which \$25,000 had been met and recognized as income as of December 31, 2014. The remaining \$25,000 was recognized during 2015, when the matching requirement was met.

**Note 6 - Loans Payable**

The business revolving credit line has a maximum amount of \$100,000 with interest payable at prime plus 1% (4.25% at year-end). The amount due at December 31, 2015 was \$10,854 while no amount was outstanding as of December 31, 2014.

**Note 7 - Temporarily Restricted Net Assets**

The following summarizes the changes in temporarily restricted net assets:

	<u>December 31, 2015</u>			
	<u>Balance 1/1/15</u>	<u>Increases</u>	<u>Released from Restrictions</u>	<u>Balance 12/31/15</u>
Programs:				
Transition Program/High				
School Match	\$40,000	\$0	(\$40,000)	\$0
Community Services	39,987	120,000	(39,987)	120,000
Infrastructure Support	0	25,000	0	25,000
Project Possibility	<u>25,195</u>	<u>180,000</u>	<u>(71,212)</u>	<u>133,983</u>
Total program restricted	<u>105,182</u>	<u>325,000</u>	<u>(151,199)</u>	<u>278,983</u>
Time restricted:				
Endowment	<u>60,893</u>	<u>378</u>	<u>0</u>	<u>61,271</u>
Total time restricted	<u>60,893</u>	<u>378</u>	<u>0</u>	<u>61,271</u>
Total restrictions	<u>\$166,075</u>	<u>\$325,378</u>	<u>(\$151,199)</u>	<u>\$340,254</u>
	<u>December 31, 2014</u>			
	<u>Balance 1/1/15</u>	<u>Increases</u>	<u>Released from Restrictions</u>	<u>Balance 12/31/15</u>
Programs:				
Transition Program/High				
School Match	\$201,256	\$40,000	(\$201,256)	\$40,000
Community Services	101,154	0	(61,167)	39,987
Project Possibility	<u>0</u>	<u>50,000</u>	<u>(24,805)</u>	<u>25,195</u>
Total program restricted	<u>302,410</u>	<u>90,000</u>	<u>(287,228)</u>	<u>105,182</u>
Time restricted:				
Endowment	<u>54,368</u>	<u>6,525</u>	<u>0</u>	<u>60,893</u>
Total time restricted	<u>54,368</u>	<u>6,525</u>	<u>0</u>	<u>60,893</u>
Total restrictions	<u>\$356,778</u>	<u>\$96,525</u>	<u>(\$287,228)</u>	<u>\$166,075</u>

**Note 8 - Permanently Restricted Net Assets**

The endowment includes donations that were restricted by donors to be held in perpetuity and investments designated by the Board of Directors to be retained for future appropriation.

*Interpretation of Relevant Law*

The Organization follows New York Prudent Management of Institutional Funds Act ("NYPMIFA"), which the Board of Directors has interpreted as requiring certain amounts to be retained permanently. Absent explicit donor stipulations to the contrary, the fair value of the original gift will be preserved as of the gift date of all donor-restricted endowment funds. However, under certain circumstances, the fair value of the original gift can be appropriated in a manner consistent with the standard of prudence specifically prescribed by NYPMIFA.

As a result of this interpretation, permanently restricted net assets consist of: (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, the remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the board of directors. Endowment investments not restricted by donors (added to investments by the board of directors) are considered unrestricted.

#### *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 available;
- (7) The investment policies;
- (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.

There is no formal spending policy, and interest, dividends and other market value gains are being accumulated for future appropriation, if deemed prudent and necessary.

Changes in endowment net assets as of December 31, 2015:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$307,036	\$60,893	\$101,007	\$468,936
Interest and dividend income	7,390	3,897	0	11,287
Donated stock/transfers in	10,544	0	0	10,544
Net losses on investments	<u>(6,673)</u>	<u>(3,519)</u>	<u>0</u>	<u>(10,192)</u>
Endowment net assets, end of year	<u>\$318,297</u>	<u>\$61,271</u>	<u>\$101,007</u>	<u>\$480,575</u>

Changes in endowment net assets as of December 31, 2014:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$274,259	\$54,368	\$101,007	\$429,634
Interest and dividend income	9,474	5,368	0	14,842
Donated stock/transfers in	21,260	0	0	21,260
Net gains on investments	<u>2,043</u>	<u>1,157</u>	<u>0</u>	<u>3,200</u>
Endowment net assets, end of year	<u>\$307,036</u>	<u>\$60,893</u>	<u>\$101,007</u>	<u>\$468,936</u>

Endowment net asset composition by type of fund as of December 31, 2015:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor restricted	\$0	\$61,271	\$101,007	\$162,278
Board-designated	<u>318,297</u>	<u>0</u>	<u>0</u>	<u>318,297</u>
Total	<u>\$318,297</u>	<u>\$61,271</u>	<u>\$101,007</u>	<u>\$480,575</u>

Endowment net asset composition by type of fund as of December 31, 2014:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor restricted	\$0	\$60,893	\$101,007	\$161,900
Board-designated	<u>307,036</u>	<u>0</u>	<u>0</u>	<u>307,036</u>
Total	<u>\$307,036</u>	<u>\$60,893</u>	<u>\$101,007</u>	<u>\$468,936</u>

*Endowment Investment Policies*

The investment policy for endowment assets is consistent with the investment policy of unrestricted investments. A total return strategy is used and investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). A diversified asset allocation strategy is used 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 to be retained as a fund of perpetual duration. There were no such deficiencies as of December 31, 2015 or 2014.

**Note 9 - Commitments**

Office space is occupied under a non-cancelable lease for specified base rents plus certain escalations including real estate taxes. The lease covers the period of February 2012 through January 2022. Rent expense was \$212,169 and \$209,011 for December 31, 2015 and 2014, respectively.

The Organization sub-leased a portion of its office space that runs through December 31, 2016. Rental income was \$42,684 and \$42,142 for December 31, 2015 and 2014, respectively. In connection with this agreement, a security deposit of \$4,000 is being held by the Organization on behalf of the subtenant and has been included in the accompanying statements of financial position as a security deposit payable.

Minimum future obligations are as follows:

<u>Year Ending</u>	<u>Rent Expense</u>	<u>Rental Income</u>	<u>Net</u>
December 31, 2016	\$182,069	\$40,992	\$141,077
December 31, 2017	185,393	0	185,393
December 31, 2018	188,717	0	188,717
December 31, 2019	192,041	0	192,041
December 31, 2020	195,365	0	195,365
Thereafter	<u>215,270</u>	<u>0</u>	<u>215,270</u>
	<u>\$1,158,855</u>	<u>\$40,992</u>	<u>\$1,117,863</u>

Equipment leases are not material.

#### **Note 10 - Retirement Plan**

The Organization maintains two tax deferred 403(b) retirement plans. Under the first plan, all employees may participate by designating a percentage of their salaries, subject to regulatory limits, to be contributed to the plan on a pre-tax basis. No employer contributions are made to the plan. The second plan, which became effective January 1, 2015, also allows all employees to participate by designating a percentage of their salaries, subject to regulatory limits, to be contributed to the plan on a pre-tax basis. The employer matches contributions to the plan up to 2%. During the year ended December 31, 2015, the Organization contributed \$24,000 towards this plan.

#### **Note 11 - Fundraising Events**

A summary of the events as of December 31, 2015 is as follows:

	<u>Annual Benefit</u>
Gross revenue	\$317,247
Less: expenses with direct benefits to donors	<u>(27,000)</u>
	290,247
Less: indirect expenses	<u>(6,690)</u>
Net revenue from event	<u>\$283,557</u>



A summary of the events as of December 31, 2014 is as follows:

	<u>Annual Benefit</u>	<u>Other</u>	<u>Total</u>
Gross revenue	\$317,357	\$12,889	\$330,246
Less: expenses with direct benefits to donors	<u>(24,257)</u>	<u>(8,202)</u>	<u>(32,459)</u>
	293,100	4,687	297,787
Less: indirect expenses	<u>(10,590)</u>	<u>0</u>	<u>(10,590)</u>
Net revenue from event	<u>\$282,510</u>	<u>\$4,687</u>	<u>\$287,197</u>