SCHALL & ASHENFARB Certified Public Accountants, LLC

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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, 2019

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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, 2019, 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 entity'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 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 financial statements.

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

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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, 2019, 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.

Emphasis of Matter

As discussed in Note 2 to the financial statements, the Organization adopted Accounting Standards Update ("ASU") No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities.* Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited the Organization's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 5, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Schall & Ashenfarb

Schall & Ashenfarb
Certified Public Accountants, LLC

January 17, 2020

COUNCIL OF SENIOR CENTERS AND SERVICES OF NEW YORK CITY, INC.
d/b/a LiveOn NY
STATEMENT OF FINANCIAL POSITION
AT JUNE 30, 2019
(With comparative totals at June 30, 2018)

	6/30/19	6/30/18*
Assets		
Cash and cash equivalents	$62,302	$42,597
Investments (Note 3)	0	52,166
Government grants receivable	216,596	170,077
Contributions receivable	110,795	124,593
Prepaid expenses	192	0
Security deposit	61,200	61,200
Fixed assets, net (Note 4)	2,289	9,793
Investments held for endowment (Notes 3 and 6)	392,627	405,701
Total assets	$846,001	$866,127
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	$93,551	$74,250
Refundable advances	24,195	137,939
Deferred rent	90,193	84,989
Security deposit payable	16,557	16,557
Total liabilities	224,496	313,735
Net assets:		
Without donor restrictions	87,532	26,691
With donor restrictions (Note 5)	533,973	525,701
Total net assets	621,505	552,392
Total liabilities and net assets	$846,001	$866,127

* Reclassified for comparative purposes

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, 2019
(With comparative totals for the year ended June 30, 2018)

	Without Donor Restrictions	With Donor Restrictions	Total 6/30/19	Total 6/30/18
Public support and revenue:				
Government grants	$1,003,553		$1,003,553	$1,211,083
Contributions from foundations	77,000	$180,000	257,000	253,750
Individual contributions	14,889		14,889	13,995
Donated services	73,000		73,000	73,190
Membership dues	217,505		217,505	221,530
Special event (net of expenses with a direct benefit to donor) (Note 9)	110,704		110,704	101,428
Market place initiative income	42,014		42,014	76,185
Rental income	59,619		59,619	59,107
Conference income	85,745		85,745	86,720
Workshops and other income	11,525		11,525	9,319
Interest income	3,042	5,448	8,490	7,488
Net assets released from restrictions	196,144	(196,144)	0	0
Total public support and revenue	1,894,740	(10,696)	1,884,044	2,113,795
Expenses:				
Program services:				
Member services	1,057,317		1,057,317	1,194,118
Policy and advocacy	450,515		450,515	553,274
Total program services	1,507,832	0	1,507,832	1,747,392
Supporting services:				
Management and general	247,029		247,029	260,542
Fundraising	79,138		79,138	97,728
Total supporting services	326,167	0	326,167	358,270
Total expenses	1,833,999	0	1,833,999	2,105,662
Change in net assets from operations	60,741	(10,696)	50,045	8,133
Non-operating:				
Unrealized gains on investments	100	18,968	19,068	17,805
Change in net assets	60,841	8,272	69,113	25,938
Net assets - beginning of year	26,691	525,701	552,392	526,454
Net assets - ending of year	$87,532	$533,973	$621,505	$552,392

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, 2019
(With comparative totals for the year ended June 30, 2018)

	Program Services			Supporting Services				
	Member Services	Policy and Advocacy	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses 6/30/19	Total Expenses 6/30/18
Salaries	$452,615	$267,316	$719,931	$74,100	$31,326	$105,426	$825,357	$869,873
Payroll taxes and benefits	131,765	77,821	209,586	21,571	9,120	30,691	240,277	249,246
Occupancy	145,822	52,563	198,385	16,109	5,934	22,043	220,428	220,680
Printing and supplies	12,813	4,618	17,431	1,415	521	1,936	19,367	40,712
Telephone	14,326	5,164	19,490	1,583	583	2,166	21,656	22,863
Postage and shipping	3,927	1,416	5,343	434	160	594	5,937	11,375
Travel	4,748	1,712	6,460	525	193	718	7,178	16,020
Professional fees, legal, and accounting	70,400	26,587	96,987	104,710	1,400	106,110	203,097	290,367
Subcontractors	78,120		78,120			0	78,120	103,168
Equipment rental and maintenance	12,920	4,657	17,577	1,427	526	1,953	19,530	14,067
Depreciation	4,965	1,789	6,754	548	202	750	7,504	10,430
Insurance	10,970	3,954	14,924	1,212	446	1,658	16,582	14,815
Dues and subscriptions			0	22,253		22,253	22,253	16,582
Utilities	8,095	2,918	11,013	894	329	1,223	12,236	15,359
Reservists	23,889		23,889			0	23,889	41,790
Meetings and conferences	17,753		17,753			0	17,753	25,316
Annual conference	52,052		52,052			0	52,052	86,012
Other expenses	12,137		12,137	248		248	12,385	10,514
Event expenses			0		80,626	80,626	80,626	113,261
Total expenses	1,057,317	450,515	1,507,832	247,029	131,366	378,395	1,886,227	2,172,450
Less: direct special event expenses netted with revenue			0		(52,228)	(52,228)	(52,228)	(66,788)
Total expenses for statement of activities	$1,057,317	$450,515	$1,507,832	$247,029	$79,138	$326,167	$1,833,999	$2,105,662

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, 2019
(With comparative totals for the year ended June 30, 2018)

	6/30/19	6/30/18
Cash flows from operating activities:		
Change in net assets	$69,113	$25,938
Adjustments to reconcile change in net assets		
to net cash used for operating activities:		
Depreciation	7,504	10,430
Unrealized gain on investments	(19,068)	(17,805)
Changes in assets and liabilities:		
Government grants receivable	(46,519)	48,228
Contributions receivable	13,798	(10,065)
Prepaid expenses	(192)	0
Accounts payable and accrued expenses	19,301	(58,935)
Refundable advances	(113,744)	(20,644)
Deferred rent	5,204	10,858
Total adjustments	(133,716)	(37,933)
Net cash used for operating activities	(64,603)	(11,995)
Cash flows from investing activities:		
Purchases of investments	(8,487)	(7,478)
Proceeds from sale of investments	92,795	13,942
Net cash provided by investing activities	84,308	6,464
Cash flows from financing activities:		
Repayment of loan	0	(45,000)
Net cash used for financing activities	0	(45,000)
Net increase/(decrease) in cash and cash equivalents	19,705	(50,531)
Cash and cash equivalents - beginning of year	42,597	93,128
Cash and cash equivalents - end of year	$62,302	$42,597
Supplemental information:		
Interest and taxes paid	$0	$0

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

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 following are significant programs offered by the Organization:

- Membership Services – The Organization is a membership organization of nonprofit aging service providers that builds power and capacity at the city and state level to change public policy, grow resources, and strengthen services for older adult.
- Policy and Advocacy – The Organization is recognized as the lead New York City-based organization representing senior services and aging issues, our policy and advocacy work focuses on advocating for needed community-based services that allow older adults to age with independence and dignity.

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.

Effective July 1, 2018, the Organization adopted the requirements of the Financial Accounting Standards Board's (FASB) Accounting Standards Update (ASU) No. 2016-14 – Not-for-Profit Entities (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities* (ASU 2016-14). This standard addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities. A key change required by ASU 2016-14 is the net asset classes used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets are now reported as net assets with donor restrictions. A footnote on liquidity has also been added (Note 10).

Implementation of ASU No. 2016-14 did not require any reclassification or restatement of any opening balances related to the periods presented.

b. Basis of Presentation

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

- *Net Assets Without Donor Restrictions* – represent those resources for which there are no restrictions by donors as to their use.

- *Net Assets With Donor Restrictions* – relates to contributions of cash and other assets with donor stipulations. Some donor restrictions are temporary in nature; those restrictions will be met by the actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

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, 2019, 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, 2019, 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 if donated, at the estimated fair value of donation. 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. Contributions
Contributions are recorded in one of the net asset classes referred to above based on the existence or absence of any donor stipulations. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities. Contributions whose restrictions expire in the same year they are received are recorded as without donor restrictions.

j. 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.

k. 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.

l. 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, 2019, the Organization received in-kind legal services of $73,000, 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.

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. 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.

The following costs are allocated by time and effort:

- Salaries
- Payroll taxes and employee benefits
- Occupancy
- Printing and supplies
- Telephone
- Postage and shipping
- Travel
- Equipment rental and maintenance
- Depreciation
- Insurance
- Utilities

All other expenses have been charged directly to the applicable program or supporting services.

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, 2018, 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, 2016 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 January 17, 2020, 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. <u>New Accounting Pronouncements</u>

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.

FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers*. The ASU, which becomes effective for the 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, 2022 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:

	June 30, 2019		
	Level 1	Level 2	Total
Exchange traded funds	$355,198	$0	$355,198
Money market funds	0	37,429	37,429
Total	$355,198	$37,429	$392,627

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

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:

	6/30/19	6/30/18	Estimated Useful Life
Furniture and equipment	$37,997	$37,997	*3 to 7 years*
Leasehold improvements	14,237	14,237	*10 years*
	52,234	52,234	
Less: accumulated depreciation	(49,945)	(42,441)	
Net book value	$2,289	$9,793	

Note 5 - Net Assets with Donor Restrictions

During the years ended June 30, 2019 and 2018, net assets released from restriction were spent as follows:

	6/30/19	6/30/18
Programs:		
RISE Program	$16,154	$0
Elder Abuse	0	37,500
Creative Aging Initiative	80,000	40,000
Senior Housing Initiative	62,500	75,000
Total program	158,654	152,500
Appropriation of endowment fund earnings (See Note 6)	37,490	13,942
Total	$196,144	$166,442

The following summarizes the nature of net assets with donor restrictions:

	6/30/19	6/30/18
Program:		
RISE Program	$13,846	$0
Senior Housing Initiative	87,500	0
Creative Aging Initiative	40,000	120,000
Total program restricted	141,346	120,000
Restricted for endowment (See Note 6):		
Endowment funds -corpus	370,000	370,000
Endowment funds-earnings	22,627	35,701
Total restricted for endowment	392,627	405,701
Total	$533,973	$525,701

Note 6 - Net Assets With Donor Restrictions - Endowment Funds

The Organization's endowment consists specific donor restricted funds to be held in perpetuity. The balances were as follows at June 30, 2019 and 2018:

Andrew Freedman Fund	$100,000
The Corey Foundation	170,000
Various individuals	100,000
Total	$370,000

Interpretation of Relevant Law

The Organization follows the 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 for 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 as endowment corpus (a) the original value of gifts donated to the donor restricted endowment, (b) the original value of subsequent gifts to the donor restricted endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

When endowment funds have earnings in excess of amounts that need to be retained as part of the corpus, their earnings are restricted until the board appropriates for expenditures, therefore, they have been classified in the class of net assets with donor restrictions.

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 in accordance with the donor's stipulation.

Other Donor Restricted Endowment Funds

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

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

	June 30, 2019		
	Endowment Earnings	Endowment Corpus	Total
Beginning of year	$35,701	$370,000	$405,701
Interest and dividend income	7,520	0	7,520
Unrealized gain	16,896	0	16,896
Appropriations for expenditure	(37,490)	0	(37,490)
End of year	$22,627	$370,000	$392,627

	June 30, 2018		
	Endowment Earnings	Endowment Corpus	Total
Beginning of year	$29,013	$370,000	$399,013
Interest and dividend income	4,720	0	4,720
Unrealized gain	15,910	0	15,910
Appropriations for expenditure	(13,942)	0	(13,942)
End of year	$35,701	$370,000	$405,701

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, 2019 or 2018.

Note 7 - Commitments and Contingencies

The Organization has a noncancelable lease for rental of office space in Manhattan, New York. The lease runs from May 1, 2015 through April 30, 2025. The Organization is required to additionally pay its pro rata share of Real Estate Tax increases. Minimum rental amounts due are as follows:

Year ending:	June 30, 2020	$217,002
	June 30, 2021	222,970
	June 30, 2022	229,104
	June 30, 2023	235,398
	June 30, 2024	241,872
	Thereafter	206,160
Total		$1,352,506

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, 2019 was $59,619. The following represents the future amounts expected to be received:

Year ending:	June 30, 2020	$49,644
	June 30, 2021	49,644
	June 30, 2022	49,644
	June 30, 2023	49,644
	June 30, 2024	49,644
	Thereafter	41,370
Total		$289,590

Note 8 - Retirement Plan

The Organization sponsors a tax deferred 401(k) 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 employee's salary. The total amount contributed was $50,580 and $51,926 at June 30, 2019 and 2018, respectively.

Note 9 - Special Event

The event proceeds are summarized as follows:

	6/30/19	6/30/18
Gross revenue	$162,932	$168,216
Less: expenses with a direct benefit to donor	(52,228)	(66,788)
	110,704	101,428
Less: other event expenses	(28,398)	(46,473)
Net revenue from event	$82,306	$54,955

Note 10 - Availability and Liquidity

The Organization maintains cash on hand to be available for its general expenditures, liabilities, and other obligations for on-going operations. The Organization operates its programs within a board approved budget. As part of its liquidity management, the Organization relies on grants and contributions to fund its operations. The Organization's endowment funds are held for long term purposes and consist of donor-restricted endowments Therefore, these assets are not considered available for general expenditures. The following reflects the Organization's financial assets at June 30, 2019 that are available to meet cash needs for general expenditures within one year:

Financial assets at year-end:		
Cash and cash equivalents	$62,302	
Government grants receivable	216,596	
Contributions receivable due within one year	110,795	
Investments held for endowment	392,627	
Total financial assets		$782,320
Less amounts not available to be used within one year:		
Contributions with purpose restrictions	(141,346)	
Donor restricted endowment, less amount appropriated for spending for 2020	(382,627)	
Total amounts not available for general expenditures		(523,973)
Financial assets available to meet cash needs for general expenditures within one year		$258,347