

NEW YORK SERVICE FOR THE HANDICAPPED

**FINANCIAL STATEMENTS
AND AUDITOR'S REPORT**

DECEMBER 31, 2015

NEW YORK SERVICE FOR THE HANDICAPPED

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Independent Auditor's Report

**Board of Directors
New York Service for the Handicapped**

Report on the Financial Statements

We have audited the accompanying financial statements of New York Service for the Handicapped, which comprise the balance sheet as of December 31, 2015, 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New York Service for the Handicapped as of December 31, 2015, 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.

Loeb & Troper LLP

September 6, 2016

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2015

	Unrestricted				Temporarily Restricted	Permanently Restricted	
	Total	General	Board Designated	Land, Building and Equipment		Eisenberg Scholarship Fund	De Bare Fund
Operating revenues, gains, losses and other support							
Support							
Special events	\$ 200,612	\$ 200,612			\$ 200,612		
Shore Friends of Camp Oakhurst	40,618	40,618			40,618		
Non-board contributions	126,851	125,168	\$ 1,683		126,851		
Foundations, trusts and bequests	291,875	151,500			151,500	\$ 140,375	
Board member contributions	187,500	153,400			153,400	34,100	
U.J.A. - Federation of Jewish Philanthropies	49,538	49,538			49,538		
Miscellaneous	210	210			210		
Net assets released from restriction (Note 3)				\$ 320,349			
Total support	<u>897,204</u>	<u>721,046</u>	<u>1,683</u>	<u>320,349</u>	<u>1,043,078</u>		<u>(145,874)</u>
Government grants and contracts							
New Jersey Division of Developmental Disabilities - camp/respite care	61,765	61,765			61,765		
New Jersey Department of Education - summer food program	2,674	2,674			2,674		
New York State Office of People with Developmental Disabilities - respite care	<u>672,613</u>	<u>672,613</u>			<u>672,613</u>		
Total government grants and contracts	<u>737,052</u>	<u>737,052</u>			<u>737,052</u>		
Other revenues, gains and losses							
Direct client fees	227,161	227,161			227,161		
Supplementary fees and scholarships	122,883	122,883			122,883		
Interest and dividends	15,240	7,675			7,675	7,565	
Capital gain distributions	<u>141,705</u>	<u>141,705</u>			<u>141,705</u>		
Total other revenues, gains and losses	<u>506,989</u>	<u>499,424</u>			<u>499,424</u>	<u>7,565</u>	
Total operating revenues, gains, losses and other support	<u>2,141,245</u>	<u>1,957,522</u>	<u>1,683</u>	<u>320,349</u>	<u>2,279,554</u>		<u>(138,309)</u>

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STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2015

	Unrestricted				Temporarily Restricted	Permanently Restricted			
	Total	General	Board Designated	Land, Building and Equipment		Total	Eisenberg Scholarship Fund	De Bare Fund	Total
Operating expenses (Exhibit B)									
Program services									
Summer camp	\$ 607,164	\$ 566,020		\$ 41,144	\$ 607,164				
Traditional respite care	949,613	836,683		112,930	949,613				
Autism respite care	323,442	285,163		38,279	323,442				
Total program services	<u>1,880,219</u>	<u>1,687,866</u>		<u>192,353</u>	<u>1,880,219</u>				
Supporting services									
Management and general	193,434	193,434			193,434				
Fund raising	99,636	99,636			99,636				
Direct cost of special events	45,869	45,869			45,869				
Total supporting services	<u>338,939</u>	<u>338,939</u>			<u>338,939</u>				
Total operating expenses	<u>2,219,158</u>	<u>2,026,805</u>		<u>192,353</u>	<u>2,219,158</u>				
Change in net assets from operations	<u>(77,913)</u>	<u>(69,283)</u>	\$ 1,683	127,996	60,396	\$ (138,309)			
Nonoperating revenues, gains, losses and other support									
Board member contributions	27,076						\$ 27,076	\$ 27,076	
Unrealized loss on investments	(282,892)	(275,327)			(275,327)	(7,565)			
Realized gain on investments	71,469	71,469			71,469				
Loss on investment in real estate partnership	(3,848)	(3,848)			(3,848)				
Total nonoperating revenues, gains, losses and other support	<u>(188,195)</u>	<u>(207,706)</u>			<u>(207,706)</u>	<u>(7,565)</u>	<u>27,076</u>	<u>27,076</u>	
Change in net assets (Exhibit D)	<u>(266,108)</u>	<u>(276,989)</u>	1,683	127,996	<u>(147,310)</u>	<u>(145,874)</u>	27,076	27,076	
Net assets (deficit) - beginning of year	<u>3,872,069</u>	<u>(335,567)</u>	<u>43,681</u>	<u>1,586,508</u>	<u>1,294,622</u>	<u>2,012,276</u>	<u>\$ 98,577</u>	<u>466,594</u>	<u>565,171</u>
Net assets (deficit) - end of year (Exhibit C)	<u>\$ 3,605,961</u>	<u>\$ (612,556)</u>	<u>\$ 45,364</u>	<u>\$ 1,714,504</u>	<u>\$ 1,147,312</u>	<u>\$ 1,866,402</u>	<u>\$ 98,577</u>	<u>\$ 493,670</u>	<u>\$ 592,247</u>

See independent auditor's report.

The accompanying notes are an integral part of these statements.

NEW YORK SERVICE FOR THE HANDICAPPED

EXHIBIT B

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2015

	Program Services				Supporting Services				
	Total	Summer Camp	Traditional Respite Care	Autism Respite Care	Total	Management and General	Fund Raising	Direct Cost of Special Events	Total
Personnel costs									
Administrative salaries	\$ 377,684	\$ 56,706	\$ 140,979	\$ 59,354	\$ 257,039	\$ 63,780	\$ 56,865		\$ 120,645
Household maintenance salaries	81,042	18,933	44,057	18,052	81,042				
Professional salaries	126,094	37,038	62,772	26,284	126,094				
Direct care and recreational salaries	259,328	26,559	180,562	52,207	259,328				
Payroll taxes and employee benefits	278,049	56,694	143,557	48,325	248,576	22,216	7,257		29,473
Contracted services	76,036	64,473	9,141	2,422	76,036				
	<u>1,198,233</u>	<u>260,403</u>	<u>581,068</u>	<u>206,644</u>	<u>1,048,115</u>	<u>85,996</u>	<u>64,122</u>		<u>150,118</u>
Occupancy and maintenance									
Repairs and maintenance of buildings and grounds	89,401	29,460	41,257	14,046	84,763	3,020	1,618		4,638
Electricity, fuel, gas and water	105,021	43,910	48,311	12,800	105,021				
Occupancy (Note 5)	58,619	7,379	19,559	8,234	35,172	14,655	8,792		23,447
Real estate taxes	988	207	549	232	988				
	<u>254,029</u>	<u>80,956</u>	<u>109,676</u>	<u>35,312</u>	<u>225,944</u>	<u>17,675</u>	<u>10,410</u>		<u>28,085</u>
Administrative expenses									
Stationery, printing and office supplies	40,420	11,830	13,016	3,448	28,294	8,084	4,042		12,126
Technology and communications	35,213	6,491	16,440	6,836	29,767	3,632	1,814		5,446
Professional fees	77,863					62,863	15,000		77,863
Insurance	73,265	27,569	30,332	8,038	65,939	7,326			7,326
Recruitment	95,442	95,442			95,442				
Catering and entertainment	49,000						3,131	\$ 45,869	49,000
Other	19,020	4,116	4,658	1,271	10,045	7,858	1,117		8,975
	<u>390,223</u>	<u>145,448</u>	<u>64,446</u>	<u>19,593</u>	<u>229,487</u>	<u>89,763</u>	<u>25,104</u>	<u>45,869</u>	<u>160,736</u>

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NEW YORK SERVICE FOR THE HANDICAPPED

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2015

	Program Services					Supporting Services			
	Total	Summer Camp	Traditional Respite Care	Autism Respite Care	Total	Management and General	Fund Raising	Direct Cost of Special Events	Total
Institutional operations									
Food supplies	\$ 87,334	\$ 36,514	\$ 40,174	\$ 10,646	\$ 87,334				
Household supplies and equipment	25,935	10,843	11,930	3,162	25,935				
Linen and bedding	3,499	1,463	1,609	427	3,499				
Medical supplies and fees	5,382	2,186	2,526	670	5,382				
Recreation and program supplies	17,968	11,391	5,200	1,377	17,968				
Transportation	10,195	2,139	5,669	2,387	10,195				
Motor vehicle expense	13,066	2,741	7,267	3,058	13,066				
Clothing	3,603	3,603			3,603				
Laundry service	17,338	8,333	7,118	1,887	17,338				
	<u>184,320</u>	<u>79,213</u>	<u>81,493</u>	<u>23,614</u>	<u>184,320</u>				
Total expenses before depreciation	2,026,805	566,020	836,683	285,163	1,687,866	\$ 193,434	\$ 99,636	\$ 45,869	\$ 338,939
Depreciation	<u>192,353</u>	<u>41,144</u>	<u>112,930</u>	<u>38,279</u>	<u>192,353</u>				
Total expenses (Exhibit A)	<u>\$ 2,219,158</u>	<u>\$ 607,164</u>	<u>\$ 949,613</u>	<u>\$ 323,442</u>	<u>\$ 1,880,219</u>	<u>\$ 193,434</u>	<u>\$ 99,636</u>	<u>\$ 45,869</u>	<u>\$ 338,939</u>

See independent auditor's report.

The accompanying notes are an integral part of these statements.

NEW YORK SERVICE FOR THE HANDICAPPED

BALANCE SHEET

DECEMBER 31, 2015

ASSETS

Cash and cash equivalents	\$ 38,656
Investments (Note 2)	1,462,300
Accounts receivable	250,661
Security deposit and prepaid expenses	218,750
Investment in real estate partnership (Note 2)	13,512
Land	17,120
Building and improvements (net of \$3,012,911 accumulated depreciation)	1,593,045
Equipment (net of \$1,281,666 accumulated depreciation)	<u>104,339</u>
Total assets	<u><u>\$ 3,698,383</u></u>

LIABILITIES AND NET ASSETS

Liabilities	
Accounts payable and accrued expenses	\$ 22,422
Deferred revenue	<u>70,000</u>
Total liabilities	<u>92,422</u>
Net assets (deficit) (Exhibit A)	
Unrestricted	
General	(612,556)
Board designated (Happy Days Fund) (Note 2)	45,364
Land, building and equipment	<u>1,714,504</u>
Total unrestricted	<u>1,147,312</u>
Temporarily restricted (Note 3)	<u>1,866,402</u>
Permanently restricted	
Eisenberg Scholarship Fund (Note 4)	98,577
Charles A. and Mary De Bare Fund (Note 4)	<u>493,670</u>
Total permanently restricted	<u>592,247</u>
Total net assets	<u>3,605,961</u>
Total liabilities and net assets	<u><u>\$ 3,698,383</u></u>

See independent auditor's report.

The accompanying notes are an integral part of these statements.

NEW YORK SERVICE FOR THE HANDICAPPED

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2015

Cash flows from operating activities	
Change in net assets (Exhibit A)	\$ (266,108)
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Permanently restricted contributions	(27,076)
Depreciation	192,353
Realized gain on investments	(71,469)
Unrealized loss on investments	282,892
Loss on investment in real estate partnership	3,848
Decrease (increase) in assets	
Accounts receivable	24,575
Security deposit and prepaid expenses	(26,826)
Increase in liabilities	
Accounts payable and accrued expenses	12,322
Deferred revenue	70,000
	<hr/>
Net cash provided by operating activities	194,511
	<hr/>
Cash flows from investing activities	
Purchase of investments	(283,407)
Proceeds from sale of investments	255,905
Fixed asset acquisitions	(320,349)
	<hr/>
Net cash used by investing activities	(347,851)
	<hr/>
Cash flows from financing activities	
Proceeds from permanently restricted contributions	27,076
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Change in cash and cash equivalents	(126,264)
Cash and cash equivalents - beginning of year	164,920
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Cash and cash equivalents - end of year	\$ <u>38,656</u>

See independent auditor's report.

The accompanying notes are an integral part of these statements.

NEW YORK SERVICE FOR THE HANDICAPPED

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

NOTE 1 - NATURE AND PURPOSE OF THE ORGANIZATION

New York Service for the Handicapped is a not-for-profit organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The purpose of New York Service for the Handicapped is to operate Camp Oakhurst, a camp for disabled children and adults. Programs include a sleep-away summer camp and year-round respite.

The primary sources of funding for New York Service for the Handicapped are contributions, government grants and contracts.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting - The financial statements are prepared on the accrual basis of accounting.

Use of estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents - Cash and cash equivalents consist of highly liquid instruments purchased with maturities, when acquired, of three months or less.

Investments - Investments are recorded at fair value. New York Service for the Handicapped invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, based upon the markets' fluctuations, and that such changes could materially affect New York Service for the Handicapped's financial statements.

Investment in real estate partnership - New York Service for the Handicapped has invested in a real estate partnership. New York Service for the Handicapped is a 6.72% owner in Audubon Apartments of NY, LLC which, based on the equity method, was valued at \$13,512 at December 31, 2015.

Accounts receivable - New York Service for the Handicapped records receivables based on established rates when services are rendered. Accounts receivable are presented net of allowances for doubtful accounts. Interest income is not accrued or recorded on accounts receivable.

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NEW YORK SERVICE FOR THE HANDICAPPED

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Allowance for doubtful accounts - New York Service for the Handicapped determines whether an allowance for uncollectibles should be provided for accounts receivable. Such estimates are based on management's assessment of the aged basis of its accounts, current economic conditions, subsequent receipts and historical information. Accounts receivable are written off against the allowance for doubtful accounts when all reasonable collection efforts have been exhausted. Management has determined that there was no need to record an allowance for doubtful accounts as of December 31, 2015.

Fixed assets - Fixed assets costing more than \$500 and having a useful life in excess of one year are capitalized at cost and depreciated on the straight-line method over their useful lives as follows:

Building and improvements	5-35 years
Equipment	5-10 years

Net assets - Unrestricted net assets include funds having no restriction as to use or purpose imposed by donors. Temporarily restricted net assets are those whose use by the organization has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the organization in perpetuity.

Measure of operations - New York Service for the Handicapped excludes unrealized losses on investments and contributions restricted to investment in endowment from its measure of operations.

Board designated fund - The Board established a Designated Fund consisting of a \$25,000 bequest from George Joelson and \$20,364 of contributions made in memory of former board members and their immediate families during the years 1998-1999. The fund is known as the Happy Days Fund.

Contributions - Unconditional contributions, including promises to give cash and other assets, are reported at fair value at the date the contribution is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Functional allocation of expenses - The costs of providing the organization's programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

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NEW YORK SERVICE FOR THE HANDICAPPED**NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2015****NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Rent expense - Operating leases are recorded on the straight-line basis with deferred rent recorded when there are material differences between the fixed payment and the rent expense.

Uncertainty in income taxes - New York Service for the Handicapped has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. Periods ending December 31, 2012 and subsequent remain subject to examination by applicable taxing authorities.

Subsequent events - Subsequent events have been evaluated through September 6, 2016, which is the date the financial statements were available to be issued.

Fair Value Measurements

Fair Value Measurements establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below. Level 1 inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that New York Service for the Handicapped has the ability to access. Level 2 inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability. Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement. The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

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NEW YORK SERVICE FOR THE HANDICAPPED

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value Measurements (continued)

The following is a description of the valuation methodology used for assets measured at fair value. There has been no change in the methodology used at December 31, 2015 as compared to that used at December 31, 2014.

Mutual funds - Valued at the net asset value (NAV) of shares held at year end.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while New York Service for the Handicapped believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the assets at fair value as of December 31, 2015:

	<u>Level 1</u>
Mutual funds	
Stock	\$ 437,347
International stock	102,982
Small-Cap Growth	545,749
Large Growth	323,889
Large Value	<u>52,333</u>
	\$ <u>1,462,300</u>

NOTE 3 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

Campaign for the Second Century	\$ 746,038
Capital projects	995,713
Program development	<u>124,651</u>
	\$ <u>1,866,402</u>

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NEW YORK SERVICE FOR THE HANDICAPPED**NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2015****NOTE 3 - TEMPORARILY RESTRICTED NET ASSETS (continued)**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes specified by donors:

Capital projects	\$ <u>320,349</u>
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NOTE 4 - PERMANENTLY RESTRICTED NET ASSETS**General**

New York Service for the Handicapped's permanently restricted net assets consist of two endowment funds whose assets are to be held in perpetuity. The income from the assets can be used for the specific purpose for which the endowment was established as detailed below.

As required by generally accepted accounting principles (GAAP), net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Directors of New York Service for the Handicapped adopted the New York Prudent Management of Institutional Funds Act (NYPMIFA). NYPMIFA moves away from the "historic dollar value" standard, and permits charities to apply a spending policy to endowments based on certain specified standards of prudence. New York Service for the Handicapped is governed by the NYPMIFA spending policy, which establishes a standard maximum prudent spending limit of 7% of the average of its previous five years' balance. As a result of this interpretation, New York Service for the Handicapped classifies as permanently restricted net assets (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 permanent endowment. 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 organization in a manner consistent with the standards of prudence prescribed by NYPMIFA.

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NEW YORK SERVICE FOR THE HANDICAPPED

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

NOTE 4 - PERMANENTLY RESTRICTED NET ASSETS (continued)

Return Objectives, Strategies Employed and Spending Policy

The objective of New York Service for the Handicapped is to maintain the principal endowment funds at the original amount designated by the donor while generating income. The investment policy to achieve this objective is to invest in low-risk securities. Interest earned in relation to the endowment funds is recorded as temporarily restricted income and released from restriction upon expenditure for the program for which the endowment fund was established.

Funds with Deficiencies

New York Service for the Handicapped does not have any funds with deficiencies.

Endowment Net Asset Composition by Type of Fund as of December 31, 2015

The endowment net asset composition is as follows:

Camp Oakhurst tuition assistance - Eisenberg Scholarship Fund	\$ 98,577
Capital improvements and special projects - Charles A. and Mary De Bare Fund	<u>493,670</u>
	\$ <u>592,247</u>

Changes in Endowment Net Assets for the Year Ended December 31, 2015

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>
Endowment net assets, beginning of year		\$ 565,171
Contributions		27,076
Interest and dividends	\$ 7,565	
Net realized and unrealized gain on investments	<u>(7,565)</u>	
Endowment net assets, end of year	\$ <u>-</u>	\$ <u>592,247</u>

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NEW YORK SERVICE FOR THE HANDICAPPED**NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2015****NOTE 5 - LEASE COMMITMENTS**

In November 2013, New York Service for the Handicapped renewed their noncancelable lease for office space which expires in October 2018. Rent expense, including utilities, for the year ended December 31, 2015 was \$58,619. Minimum future payments are as follows:

<u>Year Ending</u> <u>December 31</u>	
2016	\$ 58,407
2017	60,159
2018	<u>51,379</u>
	<u>\$ 169,945</u>

NOTE 6 - CONCENTRATIONS

Financial instruments which potentially subject New York Service for the Handicapped to a concentration of credit risk are cash accounts with financial institutions in excess of FDIC insurance limits.