

Helen Keller Services for the Blind

Financial Statements
Year Ended June 30, 2014

Helen Keller Services for the Blind

Financial Statements
Year Ended June 30, 2014

Helen Keller Services for the Blind

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Independent Auditor's Report

Board of Trustees
Helen Keller Services for the Blind
Brooklyn, NY

We have audited the accompanying statement of financial position of Helen Keller Services for the Blind ("HKSB") as of June 30, 2014, 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 Helen Keller Services for the Blind as of June 30, 2014, 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 Helen Keller Services for the Blind's 2013 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 11, 2013. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2013 is consistent, in all material respects, with the audited financial statements from which it has been derived.

BDO USA, LLP

October 7, 2014

Helen Keller Services for the Blind

Statement of Financial Position (with comparative total for 2013)

June 30,

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	
				2014	2013
Assets					
Cash and cash equivalents (including funds held in trust for trainees of \$12,827 in 2014 and \$13,000 in 2013 (Note 2))	\$ 2,903,176	\$1,470,582	\$ -	\$ 4,373,758	\$ 6,763,584
Grants receivable	675,481	-	-	675,481	2,637,426
Program fees and accounts receivable	1,419,716	-	-	1,419,716	1,418,893
Pledges receivable, net	-	-	-	-	174,619
Due from other funds	-	316,185	-	316,185	355,484
Investments, at fair value (Notes 3 and 4)	39,838,896	346,789	2,854,742	43,040,427	40,010,241
Deferred expenses, net of accumulated amortization of \$53,951 and \$75,479 (Note 5)	81,002	-	-	81,002	98,673
Property and equipment, net (Note 6)	5,781,491	-	-	5,781,491	5,687,146
Debt service reserve fund (Note 7)	63,666	-	-	63,666	63,666
Other assets	709,222	-	-	709,222	578,281
	\$51,472,650	\$2,133,556	\$2,854,742	\$56,460,948	\$57,788,013
Liabilities and Net Assets					
Liabilities:					
Accounts payable and accrued expenses	\$ 2,791,669	\$ -	\$ -	\$ 2,791,669	\$ 2,761,192
Deferred revenue	587,322	-	-	587,322	511,967
Refundable deposits	449,011	-	-	449,011	444,022
Due to other funds	301,466	-	14,719	316,185	355,484
Bonds payable (Note 7)	185,000	-	-	185,000	240,000
Other liabilities (Note 4)	54,598	-	-	54,598	54,771
Accrued pension obligation (Note 11)	15,900,985	-	-	15,900,985	16,164,934
Total Liabilities	20,270,051	-	14,719	20,284,770	20,532,370
Commitments and Contingency (Notes 8, 9, 10 and 12)					
Net Assets (Notes 8, 9 and 10):					
Unrestricted (Note 10)	31,202,599	-	-	31,202,599	31,024,741
Temporarily restricted (Note 8)	-	2,133,556	-	2,133,556	3,588,323
Permanently restricted (Notes 9 and 10):					
Endowment funds	-	-	451,346	451,346	451,471
Funds held in trust by others	-	-	2,388,677	2,388,677	2,191,108
Total Net Assets	31,202,599	2,133,556	2,840,023	36,176,178	37,255,643
	\$51,472,650	\$2,133,556	\$2,854,742	\$56,460,948	\$57,788,013

See accompanying notes to financial statements.

Helen Keller Services for the Blind

Statement of Activities (with comparative total for 2013)

Year ended June 30,

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	
				2014	2013
Support and Revenue:					
Public support:					
Contributions and grants	\$ 498,629	\$ 202,946	\$ -	\$ 701,575	\$ 2,918,972
Legacies	183,097	-	-	183,097	894,495
Special events:					
Gross receipts	126,092	-	-	126,092	152,497
Less: Direct donor benefits	(74,966)	-	-	(74,966)	(67,640)
Total Public Support	732,852	202,946	-	935,798	3,898,324
Fees and grants from government agencies:					
National Center for Deaf-Blind Youths and Adults - grant income	10,051,780	-	-	10,051,780	11,900,166
Helen Keller Services for the Blind - grant income	331,612	-	-	331,612	289,285
Training fees and allowances	9,425,267	-	-	9,425,267	9,707,839
Total Fees and Grants From Government Agencies	19,808,659	-	-	19,808,659	21,897,290
Other revenue:					
Investment income	989,268	-	-	989,268	1,019,962
Rental income:					
Gross receipts	2,268,284	-	-	2,268,284	2,239,601
Less: Direct costs	(1,132,965)	-	-	(1,132,965)	(1,170,753)
Net gains on investments	4,097,976	23,488	197,444	4,318,908	2,504,405
Other	176,033	-	-	176,033	165,596
Total Other Revenue	6,398,596	23,488	197,444	6,619,528	4,758,811
Net assets released from restrictions (Note 8)	1,681,201	(1,681,201)	-	-	-
Total Support and Revenue	28,621,308	(1,454,767)	197,444	27,363,985	30,554,425

See accompanying notes to financial statements.

Helen Keller Services for the Blind

Statement of Activities (continued) (with comparative total for 2013)

Year ended June 30,

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	
				2014	2013
Expenses:					
Program services:					
Assistive technology	\$ 326,698	\$ -	\$ -	\$ 326,698	\$ 316,909
Low vision	472,468	-	-	472,468	425,254
Comprehensive services	2,850,219	-	-	2,850,219	2,926,738
Supported employment services	40,713	-	-	40,713	48,183
Day habilitation services	2,553,358	-	-	2,553,358	2,461,775
Senior citizens centers	-	-	-	-	87,054
Braille and large print library	-	-	-	-	217,719
Blind children program	2,235,889	-	-	2,235,889	2,429,131
Summer camp	145,939	-	-	145,939	89,129
National Center for Deaf- Blind Youths and Adults	14,780,562	-	-	14,780,562	14,639,527
Prevention of blindness	-	-	-	-	122,922
Residential	710,356	-	-	710,356	712,316
Total Program Services	24,116,202	-	-	24,116,202	24,476,657
Supporting services:					
Management and general	3,576,730	-	-	3,576,730	3,379,992
Fundraising	1,203,422	-	-	1,203,422	1,180,562
Public relations and volunteer services	187,028	-	-	187,028	204,579
Total Supporting Services	4,967,180	-	-	4,967,180	4,765,133
Total Expenses	29,083,382	-	-	29,083,382	29,241,790
Change in Net Assets Before Decrease in Unfunded Pension Obligation					
	(462,074)	(1,454,767)	197,444	(1,719,397)	1,312,635
Decrease in Unfunded Pension Obligation	639,932	-	-	639,932	5,114,318
Change in Net Assets	177,858	(1,454,767)	197,444	(1,079,465)	6,426,953
Net Assets, Beginning of Year	31,024,741	3,588,323	2,642,579	37,255,643	30,828,690
Net Assets, End of Year	\$31,202,599	\$ 2,133,556	\$2,840,023	\$36,176,178	\$37,255,643

See accompanying notes to financial statements.

Helen Keller Services for the Blind

Statement of Functional Expenses (with comparative totals for 2013)

Year ended June 30,

	Program Services									Total Program Services
	Assistive Technology	Low Vision	Comprehensive Services	Supported Employment Services	Day Habilitation Services	Blind Children Program	Summer Camp	National Center for Deaf-Blind Youths and Adults	Residential	
Salaries	\$195,964	\$220,874	\$1,588,648	\$24,694	\$1,200,841	\$1,241,638	\$ 45,951	\$ 7,544,079	\$405,051	\$12,467,740
Fringe benefits	88,899	97,028	732,854	11,166	554,391	562,049	20,344	3,771,229	185,221	6,023,181
Real estate taxes and municipal service charge	-	-	-	-	-	-	-	2,290	-	2,290
Rent	-	-	-	-	-	-	-	189,835	-	189,835
Heat, light and power	-	-	-	-	29,267	-	-	408,433	8,517	446,217
Supplies, equipment and printing	2,211	3,605	33,982	695	34,559	96,449	14,029	59,708	9,157	254,395
Cleaning service	-	-	-	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	-	-	-
Telephone	1,299	2,758	22,888	-	6,437	-	-	118,056	2,003	153,441
Insurance	997	4,272	4,699	-	40,984	4,272	3,270	159,585	2,912	220,991
Repairs and maintenance	-	-	-	-	-	-	15	72,084	24,961	97,060
Travel	2,173	149	34,111	66	9,315	40	-	327,551	982	374,387
Auto maintenance	-	-	-	-	65,344	-	-	30,597	4,140	100,081
Consultant fees	-	-	-	-	-	-	-	851,807	-	851,807
Professional fees	-	(2,947)	2,548	-	55,252	192,582	-	-	-	247,435
Medical fees	-	-	-	-	-	-	-	28,473	-	28,473
Medical supplies	-	-	-	-	141	-	-	3,154	-	3,295
Food	-	-	847	-	4,277	-	30	177,786	9,849	192,789
Client transportation	-	-	690	-	439,923	3,715	50,131	15,808	-	510,267
Client recreation	-	-	-	-	1,635	-	10,176	5,111	1,579	18,501
Client aids	2,704	94,836	84,353	-	(28)	-	-	-	81	181,946
Awards to rehabilitation program	-	-	-	-	-	-	-	264,774	-	264,774
Trainee allowances	-	-	71,252	-	-	-	-	63,700	-	134,952
Staff development and seminars	-	-	748	-	6,108	2,850	-	21,031	75	30,812
Postage	-	2,842	3,034	-	6,789	1,308	1,993	9,129	3,331	28,426
Equipment rental	-	-	3,108	-	6,260	2,268	-	1,627	859	14,122
Outside services	210	238	2,461	-	245	1,500	-	90,446	10,133	105,233
Cleaning services	-	-	-	-	-	-	-	-	-	-
Bank and investment fees	-	-	-	-	-	-	-	-	14,875	14,875
Interest expense	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization	10,922	2,323	-	-	6,599	40,713	-	433,646	26,630	520,833
Miscellaneous	-	-	-	-	-	-	-	130,623	-	130,623
Total Before Allocations	305,379	425,978	2,586,223	36,621	2,468,339	2,149,384	145,939	14,780,562	710,356	23,608,781
Allocations:										
Willoughby Bldg.:										
Program and supporting services	8,973	17,946	71,012	-	-	86,505	-	-	-	184,436
Rental properties	-	-	-	-	-	-	-	-	-	-
Hempstead Bldg.:										
Program and supporting services	12,346	10,370	110,194	4,092	85,019	-	-	-	-	222,021
Rental properties	-	-	-	-	-	-	-	-	-	-
Huntington Bldg.:										
Program and supporting services	-	18,174	82,790	-	-	-	-	-	-	100,964
Rental properties	-	-	-	-	-	-	-	-	-	-
Total Expenses	\$326,698	\$472,468	\$2,850,219	\$40,713	\$2,553,358	\$2,235,889	\$145,939	\$14,780,562	\$710,356	\$24,116,202

See accompanying notes to financial statements.

Helen Keller Services for the Blind
Statement of Functional Expenses (continued)
(with comparative totals for 2013)

Year ended June 30,

	Supporting Services								Total	
	Willoughby Building	Hempstead Building	Huntington Building	National Center for Deaf-Blind Youths and Adults (Note 14)	Management and General	Fundraising	Public Relations and Volunteer Services	Total Supporting Services	Total	
									2014	2013
Salaries	\$ -	\$ 31,803	\$ 15,978	\$ 605,535	\$ 895,150	\$354,318	\$ 49,592	\$1,952,376	\$14,420,116	\$14,535,153
Fringe benefits	-	8,139	7,250	302,703	373,369	160,571	22,827	874,859	6,898,040	7,672,560
Real estate taxes and municipal service charge	124,527	117,697	-	20,445	-	-	-	262,669	264,959	251,918
Rent	-	-	-	-	-	-	-	-	189,835	207,126
Heat, light and power	131,479	151,393	13,929	32,783	-	-	-	329,584	775,801	813,475
Supplies, equipment and printing	-	-	-	18,552	60,857	21,224	2,624	103,257	357,652	310,656
Cleaning service	-	12,888	-	-	-	-	-	12,888	12,888	11,164
Advertising	-	-	-	-	2,293	-	2,219	4,512	4,512	20,713
Telephone	-	-	-	9,476	27,543	1,321	-	38,340	191,781	162,370
Insurance	27,666	41,869	4,594	12,809	40,882	-	-	127,820	348,811	306,776
Repairs and maintenance	86,239	71,412	13,472	5,786	-	-	1,838	178,747	275,807	216,611
Travel	92	1,391	-	22,428	15,209	8,657	(6,287)	41,490	415,877	396,291
Auto maintenance	-	-	-	-	-	-	-	-	100,081	100,828
Consultant fees	-	-	-	366,259	-	-	-	366,259	1,218,066	838,081
Professional fees	2,997	5,250	-	117,092	487,082	5,240	91,675	709,336	956,771	796,238
Medical fees	-	-	-	-	-	-	-	-	28,473	71,550
Medical supplies	-	-	-	-	-	-	-	-	3,295	4,131
Food	-	-	-	-	6,825	-	-	6,825	199,614	181,019
Client transportation	-	-	-	-	-	-	-	-	510,267	502,150
Client recreation	-	-	-	-	-	-	-	-	18,501	15,845
Client aids	-	-	-	-	-	-	-	-	181,946	177,420
Awards to rehabilitation program	-	-	-	-	-	-	-	-	264,774	270,722
Trainee allowances	-	-	-	-	-	-	-	-	134,952	83,228
Staff development and seminars	-	-	-	1,578	378	619	-	2,575	33,387	53,567
Postage	-	-	-	4,795	6,473	13,201	-	24,469	52,895	56,853
Equipment rental	-	-	5,038	20,437	4,435	-	-	29,910	44,032	77,975
Outside services	157,223	69,237	7,664	59,368	151,934	21,740	10,930	478,096	583,329	572,973
Cleaning services	162,347	154,390	9,365	-	-	-	-	326,102	326,102	447,831
Bank and investment fees	-	-	-	-	174,129	-	-	174,129	174,129	169,997
Interest expense	-	-	-	-	-	-	-	-	14,875	18,550
Depreciation and amortization	79,499	158,330	23,287	70,594	16,720	-	-	348,430	869,263	780,301
Miscellaneous	31,569	100	387	133,384	19,684	21,314	8,455	214,893	345,516	288,471
Total Before Allocations	803,638	823,899	100,964	1,804,024	2,282,963	608,205	183,873	6,607,566	30,216,347	30,412,543
Allocations:										
Willoughby Bldg.:										
Program and supporting services	(272,551)	-	-	-	61,546	23,414	3,155	(184,436)	-	-
Rental properties	(531,087)	-	-	-	-	-	-	(531,087)	(531,087)	(523,594)
Hempstead Bldg.:										
Program and supporting services	-	(222,021)	-	-	-	-	-	(222,021)	-	-
Rental properties	-	(601,878)	-	-	-	-	-	(601,878)	(601,878)	(647,159)
Huntington Bldg.:										
Program and supporting services	-	-	(100,964)	-	-	-	-	(100,964)	-	-
Rental properties	-	-	-	-	-	-	-	-	-	-
Total Expenses	\$ -	\$ -	\$ -	\$1,804,024	\$2,344,509	\$631,619	\$187,028	\$4,967,180	\$29,083,382	\$29,241,790

See accompanying notes to financial statements.

Helen Keller Services for the Blind

Statement of Cash Flows (with comparative totals for 2013)

<i>Year ended June 30,</i>	2014	2013
Cash Flows From Operating Activities:		
Change in net assets	\$ (1,079,465)	\$ 6,426,953
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	869,263	780,301
Unrealized gains on investments	(2,351,108)	(1,497,644)
Realized gains on investments	(1,967,800)	(1,006,761)
Decrease in minimum pension obligation	(639,932)	(5,114,318)
	(5,169,042)	(411,469)
Decrease (increase) in assets:		
Grants receivable	1,961,945	(2,295,493)
Program fees and accounts receivable	(823)	(84,515)
Pledges receivable	174,619	-
Deferred expenses	8,676	-
Other assets	(130,941)	(18,024)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	30,477	69,891
Deferred revenue	75,355	110,845
Refundable deposits	4,989	22,601
Other liabilities	(173)	948
Accrued pension obligation	375,983	2,070,705
Net Cash Used In Operating Activities	(2,668,935)	(534,511)
Cash Flows From Investing Activities:		
Change in debt service reserve fund	-	(1,314)
Purchases of investments	(10,598,613)	(19,556,935)
Proceeds from sale of investments	11,887,335	20,825,810
Purchases of fixed assets	(954,613)	(1,028,464)
Disposal of fixed assets	-	32,989
Net Cash Provided By Investing Activities	334,109	272,086
Cash Flows From Financing Activities:		
Principal payments of bonds payable	(55,000)	(50,000)
Decrease in Cash and Cash Equivalents	(2,389,826)	(312,425)
Cash and Cash Equivalents, Beginning of Year	6,763,584	7,076,009
Cash and Cash Equivalents, End of Year	\$ 4,373,758	\$ 6,763,584
Supplemental Disclosure of Cash Flow Information:		
Cash paid for interest	\$ 14,875	\$ 18,550

See accompanying notes to financial statements.

Helen Keller Services for the Blind

Notes to Financial Statements

1. Description of Organization

The mission of Helen Keller Services for the Blind ("HKSBS"), established in 1895 as the Industrial Home for the Blind, is to help individuals of all ages who are blind or visually impaired and who may have additional disabilities to develop independence and participate fully in their communities. In addition, HKSBS operates Helen Keller National Center of Deaf-Blind Youths and Adults ("HKNC" or the "Center") under an agreement dated November 17, 1969 with the United States Department of Education. Major continuing programs are listed below.

Helen Keller National Center for Deaf-Blind Youths and Adults - The Center was established to develop a national comprehensive service program to meet the needs of deaf-blind youths and adults by providing individualized evaluation, training, and physical and social rehabilitation. The Center, located in Sands Point, New York, which can accommodate 60 trainees, accomplishes its mission by conducting or participating in community educational activities, serving as liaison with cooperating agencies, providing consultation and demonstration services and offering referral counseling, preliminary evaluating and training and other direct services to clients in the field and their families.

While HKNC's constituency is national in scope, the following listing of programs are operated to serve individuals from diverse ethnic, racial and socioeconomic backgrounds living in the New York metropolitan area (primarily Brooklyn, Queens, Nassau and Suffolk counties):

Low Vision - a comprehensive program for legally blind children and adults which includes: ophthalmological services, optometric examinations, the fitting of special lenses and other optical devices;

Comprehensive Services - offers a comprehensive program of personal, social, vocational and community adjustment services;

Supported Employment Services - a specialized job placement service which provides one on one job coaching at the work site and long-term follow-up services;

Day Habilitation Services - provides individualized training and habilitation to developmentally disabled adults. The program emphasis is on developing skills that lead to greater independence, community integration and exposure to community resources and activities;

Blind Children Program - HKSBS operates specialized programs on a day basis under supervision of highly skilled professional workers for groups of blind children;

Residential - A group home for blind and developmentally disabled adults. The residence, located in North Bellmore, New York, is staffed 24 hours a day, 7 days a week.

2. Summary of Significant Accounting Policies

(a) Basis of Presentation

The financial statements of HKSBS have been prepared on the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America, as applicable to not-for-profit organizations. In the statement of financial position, assets and liabilities are presented in order of liquidity or conversion to cash and their maturity resulting in the use of cash, respectively.

Helen Keller Services for the Blind

Notes to Financial Statements

(b) Financial Statement Presentation

The classification of a not-for-profit organization's net assets and its support, revenue and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of three classes of net assets, permanently restricted, temporarily restricted, and unrestricted, be displayed in a statement of financial position and that the amounts of change in each of those classes of net assets be displayed in a statement of activities.

Income from investment gains and losses, including unrealized gains and losses, dividends, interest and other investments should be reported as increases (or decreases) in unrestricted net assets unless the use of the income received is limited by donor-imposed restrictions.

These classes are defined as follows:

- (i) Permanently Restricted* - Net assets resulting from contributions and other inflows of assets whose use by HKSB is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of HKSB.
- (ii) Temporarily Restricted* - Net assets resulting from contributions and other inflows of assets whose use by HKSB is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of HKSB pursuant to those stipulations. When such stipulations end or are fulfilled, such temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities.
- (iii) Unrestricted* - The part of net assets that is neither permanently nor temporarily restricted by donor-imposed stipulations.

(c) Cash and Cash Equivalents

Cash equivalents represent short-term investments with original maturities of three months or less, except for those short-term investments managed by HKSB's investment managers as part of their long-term investment strategies. Included in cash and cash equivalents are funds held in trust for trainees.

(d) Third-party Reimbursement and Revenue Recognition

HKSB receives substantially all its revenue for services provided to approved participants from third-party reimbursement agencies; primarily the New York State Office for People with Developmental Disabilities ("OPWDD"), Medicaid, the Commission for Blind and Visually Handicapped, the State Education Department of New York and the U.S. Department of Education. These revenues are subject to audit and retroactive adjustment by the respective third-party fiscal intermediaries. In the opinion of management, retroactive adjustments, if any, would not be material to the financial position or results of operations of HKSB.

Revenue is recognized as earned from third parties and when promises to give are received for contributions, special events and fundraising activities.

Helen Keller Services for the Blind

Notes to Financial Statements

(e) Contributions and Promises to Give

Contributions are reported at fair value on the date they are 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 the purpose for the 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. However, if a restriction is fulfilled in the same time period in which the contribution is received, HKSB reports the support as unrestricted net assets.

Contributions and promises to give are recorded as revenue when signed pledges are made and are classified as either unrestricted, temporarily restricted, or permanently restricted support. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

(f) Concentration of Credit Risk

Financial instruments which potentially subject HKSB to concentration of credit risk consist primarily of cash and cash equivalents. At times, HKSB has cash deposits which exceed the FDIC insurance limit in place at the financial institution. The unlimited FDIC insurance and deposits expired at the end of 2013.

(g) Investments at Fair Value

Investments of HKSB are valued at fair value in the statement of financial position. Unrealized gains and losses are included in the statement of activities.

Investments primarily consist of marketable equity securities, U.S. government and corporate debt obligations, mutual funds, certificates of deposit, and cash and cash equivalents. Realized gains and losses from the sale of investments are based on the average cost method. Investment income, including realized and unrealized gains and losses, earned on permanently and temporarily restricted net assets upon which restrictions have been placed by donors, is reflected in the statement of activities.

Accounting Standards Codification ("ASC") 820, "Fair Value Measurement," establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that inputs that are most observable be used when available. Observable inputs are inputs that market participants operating within the same marketplace as HKSB would use in pricing HKSB's asset or liability based on independently derived and observable market data. Unobservable inputs are inputs that can not be sourced from a broad active market in which assets or liabilities identical or similar to those of HKSB are traded. HKSB estimates the price of any assets for which there are only unobservable inputs by using assumptions that market participants that have investments in the same or similar assets would use as determined by the money managers for each investment based on best information available in the circumstances. The input hierarchy is broken down into three levels based on the degree to which the exit price is independently observable or determinable as follows:

Helen Keller Services for the Blind

Notes to Financial Statements

Level 1 - Valuation based on quoted market prices in active markets for identical assets or liabilities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment. Examples include equity securities and publicly-traded mutual funds that are actively traded on a major exchange or over-the-counter market.

Level 2 - Valuation based on quoted market prices of investments that are not actively traded or for which certain significant inputs are not observable, either directly or indirectly, such as municipal bonds. The fair value of municipal bonds is estimated using recently executed transactions, bid/asked prices and pricing models that factor in, where applicable, interest rates, bond spreads and volatility.

Level 3 - Valuation based on inputs that are unobservable and reflect management's best estimate of what market participants would use as fair value. Examples include limited partnerships and private equity investments.

(h) Investment Impairment

HKSB's investments consist of money market funds, equity securities, corporate bonds, government obligations and mutual funds. At June 30, 2014, HKSB has deemed that securities which were in an unrealized loss position were temporarily impaired. Positive evidence considered in reaching HKSB's conclusion that the investments in an unrealized loss position are not other-than-temporarily impaired consisted of:

- (i)* there were no specific events which caused concerns;
- (ii)* HKSB's ability and intent to retain the investment for a sufficient amount of time to allow an anticipated recovery in value; and
- (iii)* HKSB also determined that the changes in market value were considered normal in relation to overall fluctuations in market conditions.

(i) Income Taxes

HKSB was incorporated in the State of New York and is exempt from Federal and state income taxes under Section (501)(c)(3) of the Internal Revenue Code (the "Code") and, therefore, has made no provision for income taxes in the accompanying financial statements. There was no unrelated business income for the year ended June 30, 2014.

(j) Uncertainty in Income Taxes

HKSB adopted the provisions of ASC 740, "Accounting for Uncertainty in Income Taxes". Under ASC 740, an organization must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more likely than not that the position will not be sustained. The implementation of ASC 740 had no impact on HKSB's financial statements. HKSB does not believe there are any material uncertain tax positions and, accordingly, it will not recognize any liability for unrecognized tax benefits. HKSB has filed for and received income tax exemptions in the jurisdictions where it is required to do so. Additionally, HKSB has filed Internal Revenue Service Form 990 tax returns, as required, and all other applicable returns in jurisdictions when it is required. For the year ended June 30, 2014, there was no interest or penalties recorded or included in the statement of activities. As of June 30, 2014, the years still subject to examination by a taxing authority are 2010 through 2013.

Helen Keller Services for the Blind

Notes to Financial Statements

(k) Property, Plant and Equipment - Depreciation

Property and equipment is stated at cost and is depreciated using the straight-line method over the estimated useful lives of the assets. The estimated useful lives of the assets are as follows:

	Years
Building and improvements	10-40
Furniture, fixtures and equipment	3-10
Vehicles	5-7

(l) Impairment of Long-Lived Assets

HKSB follows the provisions of ASC 360-10-35, "Accounting for the Impairment or Disposal of Long-Lived Assets", which requires HKSB to review long-lived assets, including property and equipment and intangible assets, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset. For the year ended June 30, 2014, there have been no such losses.

(m) Net Asset Classification

On September 17, 2010, New York State enacted the New York Prudent Management of Institutional Funds Act ("NYPMIFA"). This law, which is a modified version of the Uniform Prudent Management of Institutional Funds Act, makes significant changes to the rules governing how New York not-for-profit organizations may manage, invest and spend their endowment funds. The new law is designed to allow organizations to cope more easily with fluctuations in the value of their endowments and to afford them greater access to funds needed to support their programs and services in difficult financial times. This law should provide some relief to organizations that have found themselves with underwater endowments. It also expands the options available to organizations seeking relief from donor restrictions on funds that have become obsolete, impracticable or wasteful. NYPMIFA applies to New York not-for-profit, education and religious corporations, associations organized and operated exclusively for charitable purposes and certain trusts. The adoption of this law did not have a material effect on HKSB's financial statements.

(n) Allocation Methodology

Common costs incurred for the administration of the various programs are allocated directly to respective programs as incurred utilizing predetermined allocation rates established by management.

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Notes to Financial Statements

(o) Use of Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. Actual results could differ from those estimates.

(p) Comparative Financial Information

The financial statements include certain prior year summarized comparative information. With respect to the statement of financial position, the prior year information is presented in total, not by net asset class. With respect to the statement of functional expenses, the prior year expenses are presented by expense classification in total rather than functional category. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with HKSB's financial statements for the year ended June 30, 2013, from which the summarized information was derived.

(q) Reclassifications

Certain reclassifications have been made to the 2013 financial statements in order to conform to the 2014 presentation.

3. Investments, at Fair Value

A description of the valuation techniques applied to HKSB's major categories of assets measured at fair value is as follows:

Equities

For its investments with asset managers that hold public common and preferred stocks, HKSB has position-level transparency into individual holdings. These investments are priced by HKSB's custodian using nationally recognized pricing services based upon observable data. Common and preferred stocks are classified as Level 1 and 2, respectively.

Fixed Income

HKSB has investments in fixed income securities. These investments are priced by HKSB's custodian using nationally recognized pricing services. HKSB's fixed income investments include United States Treasury notes, United States government obligations, and corporate bonds. Since fixed income securities do not trade on a daily basis, the pricing services prepare estimates of fair value measurements for these securities using their proprietary pricing applications, which include relevant market information, benchmark curves, benchmarking of similar securities, sector groupings and matrix pricing. These investments are classified as Level 2.

Public Real Estate Investment Trust

For its investments with asset managers that hold shares in public real estate investment trusts, HKSB has position-level transparency into individual holdings. These investments are priced by HKSB's custodian using nationally recognized pricing services based on observable market data and are classified as Level 2.

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Notes to Financial Statements

The following table sets forth the assets held by HKSB by level within the fair value hierarchy. HKSB's investments are measured at fair value on a recurring basis, as of June 30, 2014. The assets are presented on a desegregated basis by class, determined by the nature and risks associated with the investment.

	Fair Value Measurement at Reporting Date Using			
	Balance at June 30, 2014	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Cash and cash equivalents	\$ 2,351,727	\$ 2,351,727	\$ -	\$ -
Equities:				
Large market cap	16,281,400	16,281,400	-	-
Mid market cap	12,620,125	12,620,125	-	-
Small market cap	1,465,987	1,465,987	-	-
International	420,133	420,133	-	-
Commodities	73,361	73,361	-	-
Emerging markets	165,431	165,431	-	-
Aggressive growth	69,706	69,706	-	-
Large blend mutual fund	11,731	11,731	-	-
Preferred stock	176,120	-	176,120	-
Fixed income:				
U.S. Treasury notes	417,694	417,694	-	-
U.S. government obligations	2,407,753	2,407,753	-	-
Corporate bonds	5,627,982	-	5,627,982	-
Other fixed income	812,159	-	812,159	-
Public real estate investment trust	136,433	-	136,433	-
Alternative assets	2,685	-	-	2,685
Total assets at fair value	\$43,040,427	\$36,285,048	\$6,752,694	\$2,685

There were no transfers between levels during the year ended June 30, 2014.

The following table sets forth changes in the assets measured at fair value using Level 3 inputs on a recurring basis for the year ended June 30, 2014:

Year ended June 30, 2014

	Level 3 - Alternative Assets - Real Estate and Infrastructure Funds
Balance, beginning of year	\$2,483
Unrealized gain	202
Balance, end of year	\$2,685

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Notes to Financial Statements

HKSB's cost and fair value of investments are summarized as follows:

June 30, 2014

	Cost	Fair Value
Cash and cash equivalents	\$ 2,295,693	\$ 2,295,693
Corporate bonds	5,343,514	5,627,982
Preferred stock	175,730	176,120
Equities	22,764,768	29,714,777
U.S. government obligations	2,821,875	2,825,447
Funds held in trust by others	718,003	2,388,677
Mutual fund	5,934	11,731
	\$34,125,517	\$43,040,427

(1) HKSB's funds held in trusts by others consist primarily of irrevocable perpetual trusts for which HKSB does not serve as trustee.

(2) Investment management fees paid by HKSB for management of its investment portfolio for the year ended June 30, 2014 totaled \$203,425.

(3) For the year ended June 30, 2014, realized gains on investments were \$1,967,800. The change in unrealized gain on investments was \$2,351,108 for the year ended June 30, 2014.

4. Split-Interest Agreements

HKSB administers the following two types of split-interest agreements:

(a) Charitable Gift Annuity

Under the Charitable Gift Annuity agreement, donors make contributions in exchange for a promise to receive a fixed amount over a specified period of time, usually life of donor or beneficiary. During the term of the agreement, HKSB acts as a custodian of these funds whereby the asset and the net present value of related liability are reflected in the statement of financial position. After the term of the agreement, the remaining asset belongs to HKSB. At June 30, 2014, the Charitable Gift Annuity investment account had a fair market value of \$40,658 and the related liability amounted to \$42,801.

(b) Pooled Income Fund

Under the terms of the Pooled Income Fund, the contributions from donors are invested in a pooled investment account. This account is divided into units and contributions from various donors who are invested as a group. At the date of the donation, donors are assigned a specific number of units based on the fair value of their donation as compared to the total value of the fund. The donors receive actual income earned by the fund based on the number of units throughout their lives. Upon their demise, the value of these assigned units reverts to HKSB. The fair value contribution is recognized as a temporarily restricted donation in the statement of activities in the period it is received. At June 30, 2014, the pooled income fund had a fair market value of \$346,789.

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Notes to Financial Statements

5. Deferred Expenses

Included in deferred expenses are costs associated with the acquisition of certain properties, amounting to \$134,953, net of accumulated amortization of \$53,951.

6. Property, Plant and Equipment, Net

Property, plant and equipment, net consists of the following:

June 30, 2014

Land	\$ 907,542
Buildings and improvements	25,611,889
Furniture, fixtures and equipment	5,964,887
Vehicles	282,760
Total property, plant and equipment	32,767,078
Less: Accumulated depreciation and amortization	(26,985,587)
	\$ 5,781,491

For the year ended June 30, 2014, depreciation and amortization expense was \$862,358.

7. Bonds Payable

HKSB has financed the acquisition and renovation of an Individual Residential Alternative Facility with proceeds from tax-exempt and taxable bond issues by the Nassau County Industrial Development Agency.

The tax-exempt series bond for \$640,000 is payable in annual principal installments beginning November 1, 2002 and matures November 1, 2016. Interest on the tax-exempt bond is payable quarterly at the rate of 7.0% per annum.

The bond payable is secured by security interest in its project, a guarantee of HKSB and a fully funded debt service reserve fund. At June 30, 2014, the balance of the debt service reserve fund was \$63,666.

The bonds payable mature as follows:

<i>Fiscal year ending June 30,</i>	Tax-exempt Series
2015	\$ 60,000
2016	60,000
2017	65,000
	\$185,000

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Notes to Financial Statements

8. Temporarily Restricted Net Assets and Net Assets Released From Restrictions

Temporarily restricted net assets were available for the following purposes:

June 30, 2014

Children's Learning Center	\$ 316,185
Pooled income fund	346,789
National Center for Deaf-Blind Youths and Adults:	
Adaptive technology training	182,563
Information research and professional development	983,324
Technology infrastructure	70,000
Hampton Library	54,092
Support Service Provider Program	154,506
Other	26,097
	<hr/>
	\$2,133,556

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes as follows:

June 30, 2014

Academic Remediation Program	\$ 12,000
Children's Learning Center	7,295
National Center for Deaf-Blind Youths and Adults:	
Hampton Library	248
Adaptive Technology Training	86,735
Information Research and Professional Development	1,540,490
Support Service Provider Program	15,660
Other	18,773
	<hr/>
	\$1,681,201

9. Permanently Restricted Net Assets

Permanently restricted net assets consist of the following:

June 30, 2014

Endowment funds	\$ 451,346
Funds held in trust by others:	
Horace Moses Trust	1,194,954
Madeline Moses Trust	642,841
Marianne Major Trust	275,848
Marion Hershafft Trust	275,034
	<hr/>
	2,388,677
	<hr/>
Total funds held in trust by others	\$2,840,023

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Notes to Financial Statements

10. Endowments - Net Asset Classification

HKSB's endowments consist of investments that are Board designated and permanently restricted. Under ASC 958-205, the following applies to the endowment funds.

Interpretation of Relevant Law

HKSB has interpreted NYPMIFA as requiring the preservation of the historical dollar value, or principal, of an endowment fund unless the donor provides otherwise by specifying in their written gift instruments that the not-for-profit corporation's spending-rate policy be applied to the endowment funds. As a result of this interpretation, HKSB classified as permanently restricted net assets and includes the following:

- the original value of the gift donated to the permanent endowment;
- the original value of subsequent gifts to the permanent endowment; and
- accumulation of the permanent endowment made in accordance with the direction of the applicable donor instructions.

Investment and Spending Policies

HKSB has adopted investment and spending policies for endowment assets that attempt to provide a stream of returns that would be utilized to fund various programs while seeking to maintain the purchasing power of the endowment assets. HKSB considers distributing a percentage of its invested assets each year based upon their rolling average value over the prior 8 quarters. In 2012, \$1,000,000 for capital improvement projects was approved for future distribution from the endowment fund. As of June 30, 2014, HKSB has spent \$743,600 towards capital improvements. Endowment assets include those assets of donor-restricted funds that HKSB must hold in perpetuity, and as directed by the donors, and those assets that are Board designated, as approved by the Board of Trustees of HKSB. The endowment funds are invested in vehicles such as money market funds, mutual funds, government and equity securities, as well as certificates of deposit.

HKSB considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- the duration and preservation of the funds;
- the purposes of HKSB and the donor-restricted endowment funds;
- general economic conditions;
- the possible effect of inflation and deflation;
- the expected total return from income and the appreciation/depreciation of investments;
- other resources of HKSB; and
- the investment policy of HKSB.

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Notes to Financial Statements

The following table represents the endowment net asset composition by type of fund as of June 30, 2014:

	Unrestricted	Permanently Restricted	Total
Donor imposed restrictions	\$ -	\$2,840,023	\$ 2,840,023
Board-designated funds functioning as endowment	35,601,407	-	35,601,407
	\$35,601,407	\$2,840,023	\$38,441,430

The following table represents the reconciliation of changes in endowment net assets for the year ended June 30, 2014:

	Unrestricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$33,263,069	\$2,642,579	\$35,905,648
Net investment appreciation	3,678,441	197,444	3,875,885
Capital expenditures - building refurbishments	(187,475)	-	(187,475)
Operations	(1,152,628)	-	(1,152,628)
Endowment net assets, end of year	\$35,601,407	\$2,840,023	\$38,441,430

11. Retirement Plans

(a) Defined Benefit Pension Plan

HKSB has had a defined benefit retirement plan covering all full-time employees. The plan is funded through an immediate participation guarantee contract issued by the John Hancock Life Insurance Company and mutual funds managed by USI Consulting, for which Reliance Trust is the trustee.

The plan's funding policy is to contribute at an amount that will fund the present value of unfunded plan liability as a level percent of covered pay over the active participant's expected future service.

The net periodic pension cost for the year ended June 30, 2014 is comprised of the following:

Year ended June 30, 2014

Service cost - benefits earned during the year	\$ 1,332,053
Interest cost	1,719,810
Expected return on plan assets	(1,734,341)
Amortization of accumulated loss	931,172
Net periodic pension cost	\$ 2,248,694

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Notes to Financial Statements

The following table sets forth the plan's change in the projected benefit obligation at June 30, 2014:

June 30, 2014

Projected benefit obligation, beginning of year	\$37,694,247
Service cost	1,332,053
Interest cost	1,719,810
Actuarial loss	3,517,155
Benefits paid	(1,418,170)
Curtailments	(2,331,646)
Projected benefit obligation, end of year	\$40,513,449

Effective June 30, 2014, HKSB elected to curtail the plan, except for certain employees. The plan amendment resulted in a reduction of the projected benefit obligation of \$2,331,646, which is categorized as a curtailment.

The following table sets forth the plan's change in net assets available for benefits at June 30, 2014:

June 30, 2014

Fair value of plan assets at beginning of year	\$21,532,725
Actual return on plan assets	2,628,609
Employer contributions	1,869,300
Benefits paid	(1,418,170)
Fair value of plan assets at end of year	\$24,612,464

The following table sets forth the plan's funded status at June 30, 2014:

June 30, 2014

Projected benefit obligation	\$ 40,513,449
Plan assets at fair value	24,612,464
Unfunded status	\$(15,900,985)

Amounts recognized in the statement of financial position are as follows:

June 30, 2014

Accrued pension obligation - noncurrent liabilities	\$15,900,985
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Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2014:

Money Market Funds

Money market funds are valued using the penny-rounding method as permitted by Rule 2a-7 under the Investment Company Act of 1940, which approximates their fair value.

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Notes to Financial Statements

Mutual Funds

Mutual funds are valued using NAV provided by the administrator of the fund. The NAV is based on the underlying assets owned by the fund, minus its liabilities, and then divided by the number of outstanding shares. The NAV is a quoted daily price on an active market.

Investment Contract With Insurance Company

The Plan owns an insurance contract, which is issued by John Hancock Life Insurance Company ("John Hancock"). Contributions to or withdrawals from the contract are made to the pension participating segment of John Hancock's general investment account. Investments in the general account are unallocated assets of John Hancock and back all of its general obligations. Investment earnings of the pension participating segment of John Hancock's general account are apportioned each December 31st and are reflected in the rate credited to the fund maintained under the contract. The market value of the fund maintained under the contract is determined by formula.

The methods described above may provide a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. While the plan believes its valuation methods are appropriate and consistent with other market participants, it is possible that different fair value measurements may arise due to the use of different methodologies or assumptions in determining the fair value measurement at the reporting date.

The following table sets forth the assets held by HKSB by level within the fair value hierarchy. HKSB's investments are measured at fair value on a recurring basis, as of June 30, 2014. The assets are presented on a desegregated basis by class, determined by the nature and risks associated with the investment.

	Balance at June 30, 2014	Fair Value Measurement at Reporting Date Using		
		Quoted Prices in Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Money market funds	\$ 476,239	\$ 476,239	\$-	\$ -
Mutual funds:				
Diversified Emerging Markets	450,681	450,681	-	-
Foreign Large Blend	914,598	914,598	-	-
Foreign Large Growth Fund	834,880	834,880	-	-
Large Blend Fund	709,379	709,379	-	-
Large Growth Fund	2,879,984	2,879,984	-	-
Large Value Fund	2,817,231	2,817,231	-	-
Mid Cap Growth Fund	1,815,788	1,815,788	-	-
Mid Cap Value Fund	1,483,813	1,483,813	-	-
Investment contract with insurance company-general account	12,229,871	-	-	12,229,871
Total assets at fair value	\$24,612,464	\$12,382,593	\$-	\$12,229,871

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Notes to Financial Statements

The table below sets forth a summary of changes in the fair value of HKSB's Level 3 plan assets for the year ended June 30, 2014:

Year ended June 30, 2014

	Level 3 Plan Assets - Investment Contract With Insurance Company - General Account
Balance, beginning of year	\$12,263,914
Contributions	543,800
Benefits paid	(1,055,006)
Investment income	511,683
Expenses	(34,520)
Balance, end of year	\$12,229,871

The following table sets forth the percentage of the fair value of total plan assets of each major category of plan assets:

June 30, 2014

Equity securities and money market funds	50.00%
Other (Insurance Company General Account)	50.00
	100.00%

The following table represents estimated future benefit payments:

2015	\$ 1,646,175
2016	1,705,734
2017	1,756,750
2018	1,868,069
2019	1,923,661
2020-2024	10,521,921
	\$19,422,310

Employer contributions expected to be paid in fiscal year ending June 30, 2015 are \$1,590,000.

The weighted average discount rate was 4.17% and the rate of increase of future compensation levels used in determining the actuarial present value of the projected benefit obligation was 2.00% for the year ended June 30, 2014.

HKSB's overall expected long-term rate of return on assets is 8%. The expected long-term rate of return is based on the portfolio as a whole and not on the sum of the returns on individual asset categories. The return is based exclusively on historical returns, without adjustments.

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Notes to Financial Statements

HKSB's overall investment strategy is preservation of capital with a secondary objective of capital appreciation and income generation. These objectives are considered within the context of the time horizon of the institution and its moderate risk tolerance. The funds are invested using a target allocation range of an average of 50% equity and 50% in an insurance contract over an economic cycle. Funds that are segregated for specific purposes may have investment parameters in keeping with the needs as determined by HKSB.

(b) Post-Retirement Benefits

HKSB provides life insurance benefits for retired employees who met certain minimum age and length of service requirements. The cost of providing these benefits is recognized as they are earned by the employees. As of June 30, 2014, the accumulated postretirement benefit obligation amounted to \$120,096, and is included in accounts payable and accrued expenses in the accompanying statement of financial position.

(c) 403(b) Plan

HKSB has an employee elective deferral plan whereby participants can make contributions on their own with pre-tax payroll deductions. Employees become eligible to participate in the plan upon date of hire. Under the terms of the plan, HKSB may make discretionary contributions to the plan each year; HKSB chooses the amount of contributions and whether or not it will be made. For the year ended June 30, 2014, there were no discretionary contributions made by HKSB.

(d) 457(b) Plan

HKSB has a Section 457(b) deferred compensation plan for former key employees. HKSB holds funds in an investment account which is recorded as an asset and has a corresponding liability of \$119,068 as of June 30, 2014.

12. Commitments

(a) Pursuant to several lease agreements, HKSB is obligated for minimum annual payments to nonrelated parties, as indicated below. HKSB is obligated for certain other operating costs at these sites. The minimum commitments to nonrelated parties are as follows:

	Amount
2015	\$171,050
2016	110,920
2017	45,765
	<hr/> \$327,735 <hr/>

Aggregate rent expense under the above leases for the year ended June 30, 2014 was \$189,835.

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Notes to Financial Statements

(b) HKSB leases a portion of its buildings primarily to other not-for-profit organizations and is entitled to receive rental payments under several operating leases. Future minimum lease receipts under these leases are as follows:

	Amount
2015	\$1,970,515
2016	1,791,955
2017	1,765,120
2018	1,465,225
2019	826,575
Thereafter	1,584,209
	<hr/> \$9,403,599

Rental income under the above leases for the year ended June 30, 2014 was approximately \$2,268,000.

13. Supporting Services

Supporting services for the Helen Keller National Center for Deaf-Blind Youths and Adults for the year ended June 30, 2014 consisted of the following:

Year ended June 30, 2014

Management and general	\$1,232,221
Fundraising and public relations	571,803
	<hr/> \$1,804,024

14. Related Party Transactions

(a) During the fiscal year ended June 30, 2014, a Board member of HKSB was an executive at an investment management firm which provides services to HKSB. These services amounted to approximately \$203,000.

(b) During the fiscal year ended June 30, 2014, two Board members operated as partners at legal firms that provided legal and consulting services to HKSB. Those services amounted to approximately \$92,000.

(c) During the fiscal year ended June 30, 2014, three Board members of HKSB were executives at two banks with which HKSB maintains various bank accounts.

Management believes these transactions were conducted at arms-length.

15. Litigation

HKSB is a party to certain routine legal actions and complaints arising in the ordinary course of business. In the opinion of management, all such matters are adequately covered by insurance, or, if not so covered, are without merit or are of such kind, or involve such amounts, that unfavorable disposition would not have a material effect on the financial position of HKSB.

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Notes to Financial Statements

16. Subsequent Events

HKSB's management has performed subsequent event procedures through October 7, 2014, which is the date the financial statements were available to be issued, and there were no subsequent events requiring adjustments to the financial statements or disclosures as stated herein.