

Helen Keller Services for the Blind

Financial Statements
Year Ended June 30, 2015

Helen Keller Services for the Blind

Financial Statements
Year Ended June 30, 2015

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, 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 HKSB as of June 30, 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.

Report on Summarized Comparative Information

We have previously audited Helen Keller Services for the Blind's 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 7, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014 is consistent, in all material respects, with the audited financial statements from which it has been derived.

BDO USA, LLP

October 22, 2015

Helen Keller Services for the Blind

Statement of Financial Position (with comparative total for 2014)

June 30,

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	
				2015	2014
Assets					
Cash and cash equivalents (including funds held in trust for trainees of \$7,243 in 2015 and \$12,827 in 2014) (Note 2)	\$ 1,619,040	\$2,036,160	\$ -	\$ 3,655,200	\$ 4,373,758
Grants receivable	611,709	-	-	611,709	675,481
Program fees and accounts receivable	2,136,750	-	-	2,136,750	1,419,716
Pledges receivable, net	274,311	-	-	274,311	-
Due from other funds	-	314,638	-	314,638	316,185
Investments, at fair value (Notes 4 and 5)	40,583,564	331,903	2,713,635	43,629,102	43,040,427
Deferred expenses, net of accumulated amortization of \$62,948 in 2015 and \$53,951 in 2014 (Note 6)	72,005	-	-	72,005	81,002
Property, plant and equipment, net (Note 7)	4,814,371	-	-	4,814,371	5,781,491
Debt service reserve fund (Note 8)	63,666	-	-	63,666	63,666
Other assets	535,621	-	-	535,621	709,222
	\$50,711,037	\$2,682,701	\$2,713,635	\$56,107,373	\$56,460,948
Liabilities and Net Assets					
Liabilities:					
Accounts payable and accrued expenses	\$ 3,501,574	\$ -	\$ -	\$ 3,501,574	\$ 2,791,669
Deferred revenue	1,067,028	-	-	1,067,028	587,322
Refundable deposits	431,666	-	-	431,666	449,011
Due to other funds	299,919	-	14,719	314,638	316,185
Bonds payable (Note 8)	125,000	-	-	125,000	185,000
Other liabilities (Note 5)	49,014	-	-	49,014	54,598
Accrued pension obligation (Note 12)	18,112,246	-	-	18,112,246	15,900,985
Total Liabilities	23,586,447	-	14,719	23,601,166	20,284,770
Commitments and Contingency (Notes 5, 9, 10, 11 and 13)					
Net Assets (Notes 9, 10 and 11):					
Unrestricted (Note 11)	27,124,590	-	-	27,124,590	31,202,599
Temporarily restricted (Note 9)	-	2,682,701	-	2,682,701	2,133,556
Permanently restricted (Notes 10 and 11):					
Endowment funds	-	-	451,346	451,346	451,346
Funds held in trust by others	-	-	2,247,570	2,247,570	2,388,677
Total Net Assets	27,124,590	2,682,701	2,698,916	32,506,207	36,176,178
	\$50,711,037	\$2,682,701	\$2,713,635	\$56,107,373	\$56,460,948

See accompanying notes to financial statements.

Helen Keller Services for the Blind

Statement of Activities (with comparative total for 2014)

Year ended June 30,

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	
				2015	2014
Support and Revenue:					
Public support:					
Contributions and grants	\$ 363,668	\$ 2,681,586	\$ -	\$ 3,045,254	\$ 762,880
Legacies	633,096	-	-	633,096	121,792
Special events:					
Gross receipts	100,852	-	-	100,852	126,092
Less: Direct donor benefits	(43,127)	-	-	(43,127)	(74,966)
Total Public Support	1,054,489	2,681,586	-	3,736,075	935,798
Fees and grants from government agencies:					
National Center for Deaf-Blind Youths and Adults - grant income	9,804,343	-	-	9,804,343	10,051,780
Helen Keller Services for the Blind - grant income	385,103	-	-	385,103	331,612
Training fees and allowances	9,926,616	-	-	9,926,616	9,425,267
Total Fees and Grants From Government Agencies	20,116,062	-	-	20,116,062	19,808,659
Other revenue:					
Investment income	948,782	-	-	948,782	989,268
Rental income:					
Gross receipts	2,192,859	-	-	2,192,859	2,268,284
Less: Direct costs	(1,135,645)	-	-	(1,135,645)	(1,132,965)
Net gains (losses) on investments	1,476,331	(5,965)	(141,107)	1,329,259	4,318,908
Net gains on sale of real estate	1,182,724	-	-	1,182,724	-
Other	75,483	-	-	75,483	176,033
Total Other Revenue	4,740,534	(5,965)	(141,107)	4,593,462	6,619,528
Net assets released from restrictions (Note 9)	2,126,476	(2,126,476)	-	-	-
Total Support and Revenue	28,037,561	549,145	(141,107)	28,445,599	27,363,985

See accompanying notes to financial statements.

Helen Keller Services for the Blind

Statement of Activities (continued) (with comparative total for 2014)

Year ended June 30,

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	
				2015	2014
Expenses:					
Program services:					
Assistive technology	\$ 311,282	\$ -	\$ -	\$ 311,282	\$ 326,698
Low vision	486,999	-	-	486,999	472,468
Comprehensive services	2,583,324	-	-	2,583,324	2,850,219
Supported employment services	37,911	-	-	37,911	40,713
Day habilitation services	2,457,266	-	-	2,457,266	2,553,358
Blind children program	2,267,795	-	-	2,267,795	2,235,889
Summer camp	142,846	-	-	142,846	145,939
National Center for Deaf-Blind Youths and Adults Residential	15,142,299	-	-	15,142,299	14,780,562
	634,578	-	-	634,578	710,356
Total Program Services	24,064,300	-	-	24,064,300	24,116,202
Supporting services:					
Management and general	3,836,427	-	-	3,836,427	3,576,730
Fundraising	1,259,383	-	-	1,259,383	1,203,422
Public relations and volunteer services	207,232	-	-	207,232	187,028
Total Supporting Services	5,303,042	-	-	5,303,042	4,967,180
Total Expenses	29,367,342	-	-	29,367,342	29,083,382
Change in Net Assets Before (Increase) Decrease in Unfunded Pension Obligation					
	(1,329,781)	549,145	(141,107)	(921,743)	(1,719,397)
(Increase) Decrease in Unfunded Pension Obligation	(2,748,228)	-	-	(2,748,228)	639,932
Change in Net Assets	(4,078,009)	549,145	(141,107)	(3,669,971)	(1,079,465)
Net Assets, Beginning of Year	31,202,599	2,133,556	2,840,023	36,176,178	37,255,643
Net Assets, End of Year	\$27,124,590	\$2,682,701	\$2,698,916	\$32,506,207	\$36,176,178

See accompanying notes to financial statements.

Helen Keller Services for the Blind

Statement of Functional Expenses (with comparative totals for 2014)

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	\$207,133	\$218,574	\$1,526,031	\$25,820	\$1,246,277	\$1,400,953	\$ 47,497	\$ 7,778,524	\$409,487	\$12,860,296
Fringe benefits	64,815	69,957	489,306	8,328	442,087	449,415	15,289	3,611,055	133,197	5,283,449
Real estate taxes and municipal service charge	-	-	-	-	-	-	-	1,740	-	1,740
Rent	-	-	-	-	-	-	-	160,813	-	160,813
Heat, light and power	-	-	-	-	20,252	-	-	440,876	8,082	469,210
Supplies, equipment and printing	180	9,235	10,418	-	21,093	85,442	110	64,410	11,311	202,199
Cleaning service	-	-	-	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	-	-	-
Telephone	1,359	2,589	25,177	-	6,076	-	-	115,388	2,404	152,993
Insurance	2,850	12,216	13,438	-	98,957	12,216	5,488	141,720	3,019	289,904
Repairs and maintenance	-	-	-	-	-	-	413	118,479	2,862	121,754
Travel	2,644	176	35,026	44	10,157	-	-	312,742	1,134	361,923
Auto maintenance	-	-	-	-	68,367	-	-	27,181	3,347	98,895
Consultant fees	-	-	-	-	-	-	-	1,144,514	-	1,144,514
Professional fees	-	341	2,569	-	-	203,578	2,650	782	385	210,305
Medical fees	-	-	-	-	-	-	-	27,631	-	27,631
Medical supplies	-	-	-	-	-	-	-	3,919	-	3,919
Food	-	-	857	-	4,139	-	312	172,456	11,215	188,979
Client transportation	-	-	320	-	438,850	3,880	50,131	14,015	-	507,196
Client recreation	-	-	-	-	852	-	9,966	7,071	2,481	20,370
Client aids	-	108,430	80,399	-	474	-	-	225,047	-	414,350
Trainee allowances	-	-	96,227	-	-	-	-	78,096	-	174,323
Staff development and seminars	-	-	1,080	-	364	1,420	-	11,660	-	14,524
Postage	64	49	5,139	-	3,152	2,811	-	7,113	2,571	20,899
Equipment rental	-	-	2,692	-	6,259	2,277	-	2,127	1,108	14,463
Outside services	756	1,282	1,369	-	230	1,671	10,990	123,781	6,682	146,761
Cleaning services	-	-	-	-	-	-	-	-	-	-
Bank and investment fees	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	8,663	8,663
Depreciation and amortization	10,924	9,880	-	-	6,049	14,141	-	442,182	26,630	509,806
Miscellaneous	-	-	-	-	-	-	-	108,977	-	108,977
Total Before Allocations	290,725	432,729	2,290,048	34,192	2,373,635	2,177,804	142,846	15,142,299	634,578	23,518,856
Allocations:										
Willoughby Bldg.:										
Program and supporting services	9,335	18,669	73,875	-	-	89,991	-	-	-	191,870
Rental properties	-	-	-	-	-	-	-	-	-	-
Hempstead Bldg.:										
Program and supporting services	11,222	9,426	100,164	3,719	83,631	-	-	-	-	208,162
Rental properties	-	-	-	-	-	-	-	-	-	-
Suffolk Bldg.:										
Program and supporting services	-	26,175	119,237	-	-	-	-	-	-	145,412
Rental properties	-	-	-	-	-	-	-	-	-	-
Total Expenses	\$311,282	\$486,999	\$2,583,324	\$37,911	\$2,457,266	\$2,267,795	\$142,846	\$15,142,299	\$634,578	\$24,064,300

See accompanying notes to financial statements.

Helen Keller Services for the Blind
Statement of Functional Expenses (continued)
(with comparative totals for 2014)

Year ended June 30,

	Supporting Services								Total	
	Willoughby Building	Hempstead Building	Suffolk Building	National Center for Deaf-Blind Youths and Adults (Note 14)	Management and General	Fundraising	Public Relations and Volunteer Services	Total Supporting Services	Total	
									2015	2014
Salaries	\$ 1,200	\$ 34,620	\$ 30,730	\$ 761,748	\$1,063,488	\$329,979	\$ 54,344	\$2,276,109	\$15,136,405	\$14,420,116
Fringe benefits	88	4,144	9,811	353,629	305,346	113,432	18,262	804,712	6,088,161	6,898,040
Real estate taxes and municipal service charge	169,587	49,242	-	20,455	-	-	-	239,284	241,024	264,959
Rent	-	-	37,937	-	-	-	-	37,937	198,750	189,835
Heat, light and power	166,256	105,992	10,852	43,175	-	-	-	326,275	795,485	775,801
Supplies, equipment and printing	-	-	13,205	22,720	192,912	7,491	2,431	238,759	440,958	357,652
Cleaning service	-	11,164	-	-	-	-	-	11,164	11,164	12,888
Advertising	-	-	-	-	1,832	6,099	3,381	11,312	11,312	4,512
Telephone	-	-	944	11,300	33,964	553	-	46,761	199,754	191,781
Insurance	23,341	25,906	4,052	13,879	11,775	-	-	78,953	368,857	348,811
Repairs and maintenance	104,246	96,756	12,694	11,602	-	84	218	225,600	347,354	275,807
Travel	2,422	3,364	139	18,489	19,732	8,005	91	52,242	414,165	415,877
Auto maintenance	-	-	-	-	-	-	-	-	98,895	100,081
Consultant fees	-	-	-	345,119	-	-	-	345,119	1,489,633	1,218,066
Professional fees	44,684	25,197	1,438	126,069	428,662	6,077	93,944	726,071	936,376	956,771
Medical fees	-	-	-	-	-	-	-	-	27,631	28,473
Medical supplies	-	-	-	-	-	-	-	-	3,919	3,295
Food	-	-	-	-	10,329	1,988	-	12,317	201,296	199,614
Client transportation	-	-	-	-	-	-	-	-	507,196	510,267
Client recreation	-	-	-	-	-	-	-	-	20,370	18,501
Client aids	-	-	-	-	-	-	-	-	414,350	446,720
Trainee allowances	-	-	-	-	-	-	-	-	174,323	134,952
Staff development and seminars	-	-	-	1,400	642	1,193	-	3,235	17,759	33,387
Postage	-	-	736	16,578	11,050	24,257	49	52,670	73,569	52,895
Equipment rental	-	-	5,039	21,997	5,803	-	-	32,839	47,302	44,032
Outside services	133,906	71,332	(1,835)	52,561	78,792	16,852	29,105	380,713	527,474	583,329
Cleaning services	162,347	154,390	9,365	-	-	-	-	326,102	326,102	326,102
Bank and investment fees	-	-	-	31,632	177,433	-	-	209,065	209,065	203,421
Interest expense	-	-	-	-	-	-	-	-	8,663	14,875
Depreciation and amortization	102,152	117,684	10,305	71,983	16,720	-	-	318,844	828,650	869,263
Miscellaneous	16,876	450	-	170,882	26,179	11,536	2,125	228,048	337,025	316,224
Total Before Allocations	927,105	700,241	145,412	2,095,218	2,384,659	527,546	203,950	6,984,131	30,502,987	30,216,347
Allocations:										
Willoughby Bldg.:										
Program and supporting services	(283,539)	-	-	-	64,030	24,357	3,282	(191,870)	-	-
Rental properties	(643,566)	-	-	-	-	-	-	(643,566)	(643,566)	(531,087)
Hempstead Bldg.:										
Program and supporting services	-	(208,162)	-	-	-	-	-	(208,162)	-	-
Rental properties	-	(492,079)	-	-	-	-	-	(492,079)	(492,079)	(601,878)
Suffolk Bldg.:										
Program and supporting services	-	-	(145,412)	-	-	-	-	(145,412)	-	-
Rental properties	-	-	-	-	-	-	-	-	-	-
Total Expenses	\$ -	\$ -	\$ -	\$2,095,218	\$2,448,689	\$551,903	\$207,232	\$5,303,042	\$29,367,342	\$29,083,382

See accompanying notes to financial statements.

Helen Keller Services for the Blind

Statement of Cash Flows (with comparative totals for 2014)

<i>Year ended June 30,</i>	2015	2014
Cash Flows From Operating Activities:		
Change in net assets	\$ (3,669,971)	\$ (1,079,465)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	828,650	869,263
Unrealized losses (gains) on investments	123,490	(2,351,108)
Realized gains on investments	(1,452,749)	(1,967,800)
Realized gains on sale of real estate	(1,182,724)	-
Change in present value of pledges receivable	3,851	-
Increase (decrease) in minimum pension obligation	2,748,228	(639,932)
Decrease (increase) in assets:		
Grants receivable	63,772	1,961,945
Program fees and accounts receivable	(717,034)	(823)
Pledges receivable	(278,162)	174,619
Deferred expenses	-	8,676
Other assets	173,601	(130,941)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	709,905	30,477
Deferred revenue	479,706	75,355
Refundable deposits	(17,345)	4,989
Other liabilities	(5,584)	(173)
Accrued pension obligation	(536,967)	375,983
Net Cash Used In Operating Activities	(2,729,333)	(2,668,935)
Cash Flows From Investing Activities:		
Purchases of investments	(10,847,940)	(10,598,613)
Proceeds from sale of investments	10,867,847	13,821,225
Change in cash equivalents used in investments	720,677	(1,933,890)
Purchases of fixed assets	(259,762)	(954,613)
Proceeds from the sale of real estate	1,589,953	-
Net Cash Provided By Investing Activities	2,070,775	334,109
Cash Flows From Financing Activities:		
Principal payments of bonds payable	(60,000)	(55,000)
Decrease in Cash and Cash Equivalents	(718,558)	(2,389,826)
Cash and Cash Equivalents, Beginning of Year	4,373,758	6,763,584
Cash and Cash Equivalents, End of Year	\$ 3,655,200	\$ 4,373,758
Supplemental Disclosure of Cash Flow Information:		
Cash paid for interest	\$ 8,663	\$ 14,875

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 - Two group homes for blind and developmentally-disabled adults. The residences, located in North Bellmore, New York and Port Washington, New York, are 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 in the form of 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.

(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.

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.

Level 3 - Valuation based on inputs that are unobservable and reflect management's best estimate of what market participants would use as fair value.

(h) 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, 2015.

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, 2015, there was no interest or penalties recorded or included in the statement of activities. As of June 30, 2015, the years still subject to examination by a taxing authority are 2012 through 2014.

(i) 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

(j) 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, 2015, there have been no such losses.

Helen Keller Services for the Blind

Notes to Financial Statements

(k) Net Asset Classification

HKSB's permanently restricted endowment consists of investments that are permanently restricted. HKSB follows the requirements of the New York Prudent Management of Institutional Funds Act ("NYPMIFA") as they relate to their permanently restricted contributions and net assets, effective upon New York State's enactment of the legislation in September 2010. The following applies to the endowment:

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, 2015, 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.

(l) 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

(m) 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.

(n) 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, 2014, from which the summarized information was derived.

(o) New Accounting Pronouncement

In May 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2015-07, "Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)," which seeks to eliminate diversity in practice surrounding how investments measured at net asset value under the practical expedient with future redemption dates have been categorized in the fair value hierarchy. The standard is effective for annual periods after December 15, 2015. Management is currently determining the impact that adoption of this guidance will have on the Plan's financial results.

(p) Reclassifications

Certain reclassifications have been made to the 2014 financial statements in order to conform to the 2015 presentation.

3. Pledges Receivable, Net

At June 30, 2015, the net present value of pledges receivable is \$274,311. The net present value of pledges receivable was calculated using a discount rate of 3%.

The net present value of pledges receivable at June 30, 2015 is summarized below:

June 30, 2015

Total pledges receivable, at June 30, 2015	\$278,162
Discount	(3,851)
Net present value of pledges receivable at June 30, 2015	\$274,311
Amounts due in:	
One year	\$145,947
Two to five years	132,215
Total	\$278,162

Helen Keller Services for the Blind

Notes to Financial Statements

4. 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 and United States government obligations which are priced daily, and as such are classified as Level 1. In addition, HKSB invests in corporate bonds and other fixed income securities. Since these corporate bonds and other 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 1.

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, 2015. The assets are presented on a desegregated basis by class, determined by the nature and risks associated with the investment.

	Balance at June 30, 2015	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				
Cash equivalents used in investments	\$ 1,636,467	\$ 1,636,467	\$ -	\$-
Equities:				
Large market cap	17,565,848	17,565,848	-	-
Mid market cap	12,565,119	12,565,119	-	-
Small market cap	388,597	388,597	-	-
International	354,693	354,693	-	-
Commodities	50,400	50,400	-	-
Emerging markets	129,035	129,035	-	-
Large blend	60,926	60,926	-	-
Preferred stock	178,080	-	178,080	-
Fixed income:				
U.S. Treasury notes	306,711	306,711	-	-
U.S. government obligations	1,568,415	1,568,415	-	-
Corporate bonds	7,592,339	-	7,592,339	-
Other fixed income	772,016	-	772,016	-
Public real estate investment trust	460,456	460,456	-	-
Total fair value of investments	\$43,629,102	\$35,086,667	\$8,542,435	\$-

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Notes to Financial Statements

There were no transfers between levels during the year ended June 30, 2015.

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

June 30, 2015

	Cost	Fair Value
Cash and cash equivalents	\$ 1,570,520	\$ 1,570,520
Corporate bonds	7,435,278	7,592,339
Preferred stock	175,730	178,080
Equities	23,033,167	30,165,467
U.S. government obligations	1,873,168	1,875,126
Funds held in trust by others	718,003	2,247,570
	\$34,805,866	\$43,629,102

(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, 2015 totaled \$208,000.

(3) For the year ended June 30, 2015, realized gains on investments were \$1,452,749. The change in unrealized gain on investments was \$(123,490) for the year ended June 30, 2015.

5. 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, 2015, the Charitable Gift Annuity investment account had a fair market value of \$32,828 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, 2015, the pooled income fund had a fair market value of \$331,903.

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Notes to Financial Statements

6. Deferred Expenses

Included in deferred expenses are costs associated with the acquisition of certain properties, amounting to \$134,953, net of accumulated amortization of \$62,948.

7. Property, Plant and Equipment, Net

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

June 30, 2015

Land	\$ 607,542
Buildings and improvements	25,206,116
Furniture, fixtures and equipment	6,089,600
Vehicles	291,574
Work in progress	50,695
<hr/>	
Total property, plant and equipment	32,245,527
Less: Accumulated depreciation and amortization	(27,431,156)
<hr/>	
	\$ 4,814,371

For the year ended June 30, 2015, depreciation and amortization expense was \$828,650.

Work-in-progress at June 30, 2015 represents costs associated with projects intended to improve HKSB's facilities. The estimated additional costs to complete these projects are approximately \$130,000.

8. 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, 2015, 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
2016	\$ 60,000
2017	65,000
<hr/>	
Total bonds payable	\$125,000

Helen Keller Services for the Blind

Notes to Financial Statements

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

Temporarily restricted net assets were available for the following purposes:

June 30, 2015

Children's Learning Center	\$ 289,635
Pooled income fund	331,903
Summer Camp	25,000
National Center for Deaf-Blind Youths and Adults:	
Young Adult Program	13,064
Hampton Library	53,765
Adaptive Technology Training	68,069
Information Research and Professional Development	1,079,925
Support Service Provider Program	121,566
Professional Learning Leadership Institute	378,815
Robert & Michelle Smithdas Scholarship Fund	20,846
Room renovations	279,015
Other	21,098
Total temporarily restricted net assets	\$2,682,701

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

June 30, 2015

Pooled Income Fund	\$ 8,921
Children's Learning Center	26,550
National Center for Deaf-Blind Youths and Adults:	
Young Adult Program	20,286
Hampton Library	327
Adaptive Technology Training	114,494
Information Research and Professional Development	1,824,079
Support Service Provider Program	33,020
Professional Learning Leadership Institute	8,996
Technology infrastructure	70,000
Room renovations	4,980
Other	14,823
Total net assets released from restrictions	\$2,126,476

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Notes to Financial Statements

10. Permanently Restricted Net Assets

Permanently restricted net assets consist of the following:

June 30, 2015

Endowment funds	\$ 451,346
Funds held in trust by others:	
Horace Moses Trust	1,096,444
Madeline Moses Trust	609,722
Mariette Major Trust	271,245
Marion Hershafft Trust	270,159
Total funds held in trust by others	2,247,570
Total permanently restricted net assets	\$2,698,916

11. Endowments - Net Asset Classification

The following table represents the endowment net asset composition by type of fund as of June 30, 2015:

	Unrestricted	Permanently Restricted	Total
Donor imposed restrictions	\$ -	\$2,698,916	\$ 2,698,916
Board-designated funds functioning as endowment	35,952,835	-	35,952,835
	\$35,952,835	\$2,698,916	\$38,651,751

The following table represents the reconciliation of changes in endowment net assets for the year ended June 30, 2015:

	Unrestricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$35,601,407	\$2,840,023	\$38,441,430
Net investment appreciation (depreciation)	2,500,953	(141,107)	2,359,846
Operations	(2,149,525)	-	(2,149,525)
Endowment net assets, end of year	\$35,952,835	\$2,698,916	\$38,651,751

The cost basis of the permanently restricted net assets is \$718,003.

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Notes to Financial Statements

12. 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, 2015 is comprised of the following:

Year ended June 30, 2015

Service cost	\$ 101,091
Interest cost	1,659,177
Expected return on plan assets	(1,970,845)
Amortization of accumulated loss	870,609
Net periodic pension cost	\$ 660,032

The following table sets forth the plan's change in the projected benefit obligation at June 30, 2015:

June 30, 2015

Projected benefit obligation, beginning of year	\$40,513,449
Service cost	101,091
Interest cost	1,659,177
Actuarial loss	3,559,027
Benefits paid	(1,450,041)
Curtailments	(836,767)
Projected benefit obligation, end of year	\$43,545,936

Effective June 30, 2014, HKSB elected to curtail the plan, except for certain employees whose benefit accruals were curtailed effective September 30, 2014. The plan amendment resulted in a reduction of the projected benefit obligation of \$836,767, which is categorized as a curtailment.

The following table sets forth the plan's change in net assets available for benefits at June 30, 2015:

June 30, 2015

Fair value of plan assets at beginning of year	\$24,612,464
Actual return on plan assets	1,074,267
Employer contributions	1,197,000
Benefits paid	(1,450,041)
Fair value of plan assets at end of year	\$25,433,690

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The following table sets forth the plan's funded status at June 30, 2015:

<i>June 30, 2015</i>	
Projected benefit obligation	\$ 43,545,936
Plan assets at fair value	25,433,690
Unfunded status	\$(18,112,246)

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

<i>June 30, 2015</i>	
Accrued pension obligation - noncurrent liabilities	\$18,112,246

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, 2015:

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.

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, 2015. The assets are presented on a desegregated basis by class, determined by the nature and risks associated with the investment.

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	Balance at June 30, 2015	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)
Plan Assets				
Money market funds	\$ 183,380	\$ 183,380	\$-	\$ -
Mutual funds:				
Diversified Emerging Markets	444,419	444,419	-	-
Foreign Large Blend	999,418	999,418	-	-
Foreign Large Growth Fund	936,716	936,716	-	-
Large Blend Fund	783,530	783,530	-	-
Large Growth Fund	3,205,735	3,205,735	-	-
Large Value Fund	3,125,295	3,125,295	-	-
Mid Cap Growth Fund	2,118,019	2,118,019	-	-
Mid Cap Value Fund	1,399,761	1,399,761	-	-
Investment contract with insurance company-general account	12,237,417	-	-	12,237,417
Total plan assets at fair value	\$25,433,690	\$13,196,273	\$-	\$12,237,417

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, 2015:

Year ended June 30, 2015

	Level 3 Plan Assets - Investment Contract With Insurance Company - General Account
Balance, beginning of year	\$12,229,871
Contributions	598,500
Benefits paid	(1,001,873)
Investment income	441,672
Expenses	(30,753)
Balance, end of year	\$12,237,417

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

June 30, 2015

Equity securities and money market funds	51.89%
Other (Insurance Company General Account)	48.11
	100.00%

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The following table represents estimated future benefit payments:

2016	\$ 1,829,337
2017	1,944,935
2018	1,997,969
2019	2,074,740
2020	2,131,884
2021-2025	11,249,466
	<hr/>
	\$21,228,331

Employer contributions expected to be paid in fiscal year ending June 30, 2016 are \$1,590,000.

The weighted average discount rate was 4.29% 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, 2015.

HKSB's overall expected long-term rate of return on assets is 8.00%. 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.

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, 2015, 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 will match up to 3% of the employee's salary deferral contributions for all participants electing to participate in the plan. During the plan year ended June 30, 2015, HKSB accrued a non-elective contribution equivalent to 4% of eligible compensation, which was paid in July 2015. The total matching and non-elective contributions were \$800,669 for the year ended June 30, 2015.

(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 \$67,739 as of June 30, 2015.

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Notes to Financial Statements

13. 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:

<i>June 30,</i>	
2016	\$204,314
2017	139,533
2018	80,850
2019	61,811
2020	25,755
	<hr/>
	\$512,263

Aggregate rent expense under the above leases for the year ended June 30, 2015 was \$198,749.

(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:

<i>June 30,</i>	
2016	\$1,919,685
2017	1,911,109
2018	1,616,225
2019	982,283
2020	674,930
Thereafter	972,792
	<hr/>
	\$8,077,024

Rental income under the above leases for the year ended June 30, 2015 was approximately \$2,199,000.

14. Supporting Services

Supporting services for the Helen Keller National Center for Deaf-Blind Youths and Adults for the year ended June 30, 2015 consisted of the following:

<i>Year ended June 30, 2015</i>	
Management and general	\$1,284,596
Fundraising and public relations	719,345
	<hr/>
	\$2,003,941

Helen Keller Services for the Blind

Notes to Financial Statements

15. Related Party Transactions

(a) During the fiscal year ended June 30, 2015, a Board member of HKSB was an executive at an investment management firm which provides services to HKSB. These services amounted to approximately \$208,000.

(b) During the fiscal year ended June 30, 2015, one board member operated as a partner at a legal firm that provided legal and consulting services to HKSB. Those services amounted to approximately \$87,000.

(c) During the fiscal year ended June 30, 2015, two 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.

16. 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.

17. Subsequent Events

HKSB's management has performed subsequent event procedures through October 22, 2015, 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.