

**THE LIFE ENRICHMENT CENTER  
AT OYSTER BAY**

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**FINANCIAL STATEMENTS**  
For The Years Ended December 31, 2015 And 2014

# THE LIFE ENRICHMENT CENTER AT OYSTER BAY

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September 2, 2016

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
The Life Enrichment Center At Oyster Bay  
Oyster Bay, New York

We have audited the accompanying financial statements of The Life Enrichment Center At Oyster Bay (a nonprofit organization), which comprise the statement of financial position as of December 31, 2015 and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

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

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

**Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

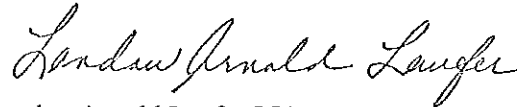
## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Life Enrichment Center At Oyster Bay as of December 31, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Report on Summarized Comparative Information

We have previously audited The Life Enrichment Center At Oyster Bay's 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 2, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Very truly yours,



Landau Arnold Laufer LLP

THE LIFE ENRICHMENT CENTER AT OYSTER BAY  
 STATEMENTS OF FINANCIAL POSITION  
 DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
<u>Assets</u>		
Cash & Cash Equivalents	\$ 128,114	\$ 155,625
Other Receivables, Net	72,154	42,706
Grants Receivable	50,439	43,354
Pledges Receivable, Net	196,391	191,431
Marketable Securities	955,092	1,000,502
Property, Plant & Equipment, Net Accumulated Depreciation	<u>1,351,932</u>	<u>1,387,902</u>
<u>Total Assets</u>	<u>\$ 2,754,122</u>	<u>\$ 2,821,520</u>
<u>Liabilities &amp; Net Assets</u>		
<u>Liabilities</u>		
Accounts Payable & Accrued Expenses	\$ 51,856	\$ 38,527
Energy Improvement Payable	-	4,565
Line of Credit	92,000	-
Total Liabilities	<u>143,856</u>	<u>43,092</u>
<u>Net Assets</u>		
Unrestricted	2,329,384	2,496,221
Temporarily Restricted	200,687	195,599
Permanently Restricted	80,195	86,608
Total Net Assets	<u>2,610,266</u>	<u>2,778,428</u>
<u>Total Liabilities &amp; Net Assets</u>	<u>\$ 2,754,122</u>	<u>\$ 2,821,520</u>

THE LIFE ENRICHMENT CENTER AT OYSTER BAY  
 STATEMENTS OF ACTIVITIES  
 FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015			Total	2014
	Unrestricted	Temporarily Restricted	Permanently Restricted		Summarized Information
<u>Public Support &amp; Revenue</u>					
Public Support					
Government Funding & Grants	\$ 232,378	\$ -	\$ -	\$ 232,378	\$ 229,477
Contributions	72,816	-	-	72,816	47,156
Foundations & Chests	164,718	4,960	-	169,678	357,595
Special Events (net of direct costs of \$48,152 and \$39,491)	87,264	-	-	87,264	114,344
Total Public Support	557,176	4,960	-	562,136	748,572
Net Assets Released from Restrictions	4,168	128	(4,296)	-	-
Revenue					
Program Income	346,872	-	-	346,872	345,718
Investment Income	(34,647)	-	(2,117)	(36,764)	46,387
Total Revenue	312,225	-	(2,117)	310,108	392,105
Total Public Support & Revenue	873,569	5,088	(6,413)	872,244	1,140,677
<u>Expenses</u>					
Program Services	835,173	-	-	835,173	885,738
General & Administrative	149,679	-	-	149,679	95,285
Fundraising	55,554	-	-	55,554	36,357
Total Expenses	1,040,406	-	-	1,040,406	1,017,380
Change in Net Assets	(166,837)	5,088	(6,413)	(168,162)	123,297
Net Assets - Beginning of Year	2,496,221	195,599	86,608	2,778,428	2,655,131
Net Assets - End of Year	\$ 2,329,384	\$ 200,687	\$ 80,195	\$ 2,610,266	\$ 2,778,428

THE LIFE ENRICHMENT CENTER AT OYSTER BAY  
 STATEMENTS OF FUNCTIONAL EXPENSES  
 FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015				2014 Summarized Information
	SUPPORTING SERVICES				
	Program Service	General and Administrative	Fundraising	Total	
<u>Salaries &amp; Related Expenses</u>					
Salaries	\$ 381,938	\$ 64,045	\$ 34,492	\$ 480,475	\$ 493,490
Payroll Taxes	34,690	5,637	3,035	43,362	42,152
Employee Benefits	37,060	6,022	3,243	46,325	54,970
<u>Total Salaries &amp; Related Expenses</u>	<u>453,688</u>	<u>75,704</u>	<u>40,770</u>	<u>570,162</u>	<u>590,612</u>
<u>Expenses</u>					
Activities	12,476	-	-	12,476	8,468
After Hours Expenses	12,290	-	-	12,290	14,795
Bank Charges & Fees	-	3,254	-	3,254	583
Bad Debt	-	9,139	-	9,139	-
Conferences & Meetings	409	51	51	511	632
Daybreak Expenses	32,005	-	-	32,005	30,506
Depreciation	71,944	3,997	3,997	79,938	78,616
Dues, Fees & Subscriptions	1,297	1,297	-	2,594	1,412
Exercise	30,145	-	-	30,145	28,285
Repairs & Maintenance	27,551	1,531	1,531	30,613	20,220
Insurance	28,948	1,608	1,608	32,164	29,074
Interest	-	1,924	-	1,924	-
Marketing	1,689	362	569	2,620	8,053
Meals	51,890	-	-	51,890	45,518
Occupancy	68,436	2,335	2,335	73,106	72,143
Office Expenses	5,095	5,095	2,547	12,737	14,194
Outside Service	5,899	737	737	7,373	11,711
Postage	2,462	308	1,409	4,179	4,602
Professional Fees	-	42,337	-	42,337	23,012
Program Supplies	16,775	-	-	16,775	21,180
Transportation & Bus Expenses	5,133	-	-	5,133	6,976
Nursing Services	7,041	-	-	7,041	6,788
<u>Total Expenses</u>	<u>\$ 835,173</u>	<u>\$ 149,679</u>	<u>\$ 55,554</u>	<u>\$ 1,040,406</u>	<u>\$ 1,017,380</u>

See accompanying notes to the financial statements.

THE LIFE ENRICHMENT CENTER AT OYSTER BAY  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015	2014
<u>Cash Flows From Operating Activities</u>		
Changes in Net Assets	\$ (168,162)	\$ 123,297
Adjustments to Reconcile Changes in Net Assets to Net Cash (Used In) Operating Activities:		
Depreciation	79,938	78,616
Unrealized Loss on Investments	34,034	6,299
Realized Loss (Gain) on Sale of Investments	15,143	(23,723)
Gifts in Kind for Acquisition of Property, Plant & Equipment Included in Support	(37,166)	-
Donated Securities Included in Support	-	(3,010)
(Increase) Decrease in Operating Assets		
Other Receivables	(29,448)	(12,636)
Grants Receivable	(7,085)	3,271
Pledges Receivable	-	(191,431)
Prepaid Expenses	-	9,610
Increase (Decrease) in Operating Liabilities		
Accounts Payable & Accrued Expenses	13,329	(5,397)
Energy Improvement Payable	(4,565)	4,565
Contributions Restricted for Long-Term Purposes		
Amortization of Discount on Unconditional Promises to Give	(4,960)	-
Net Cash (Used In) Operating Activities	<u>(108,942)</u>	<u>(10,539)</u>
<u>Cash Flows From Investing Activities</u>		
Proceeds from the Sale of Investments	278,620	1,196,506
Purchase of Investments and Reinvestments	(282,387)	(1,120,996)
Acquisition of Property, Plant & Equipment	(6,802)	(11,610)
Net Cash (Used In) Provided By Investing Activities	<u>(10,569)</u>	<u>63,900</u>
<u>Cash Flows From Financing Activities</u>		
Proceeds From Line of Credit	152,000	-
Payments on Line of Credit	(60,000)	-
Net Cash Provided By Financing Activities	<u>92,000</u>	<u>-</u>
Net (Decrease) Increase in Cash & Cash Equivalents	(27,511)	53,361
Cash & Cash Equivalents - Beginning of Year	<u>155,625</u>	<u>102,264</u>
Cash & Cash Equivalents - End of Year	<u>\$ 128,114</u>	<u>\$ 155,625</u>
<u>Supplemental Disclosures</u>		
Noncash Investing & Financing Transactions		
Gifts in Kind for Acquisition of Property, Plant & Equipment	<u>\$ 37,166</u>	<u>\$ -</u>
Cash Paid During the Year For Interest	<u>\$ 1,924</u>	<u>\$ -</u>

See accompanying notes to the financial statements.



THE LIFE ENRICHMENT CENTER AT OYSTER BAY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014

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1. **Organization**

The Life Enrichment Center at Oyster Bay (the "Center") provides vital services and social activities for senior citizens from our service area. Vital services include comprehensive social services support, lunch and transportation programs. Social activities include fitness, wellness programs and entertainment activities. Our mission is to address the gaps in services to better enable our seniors to live out their lives in the comfort of their own community for as long as possible. We have been servicing the following communities: Bayville, Brookville, East Norwich, Lattingtown, Locust Valley, Matinecock, Mill Neck, Muttontown, Oyster Bay, Oyster Bay Cove and recently started in 2014, neighboring communities in Syosset and Woodbury.

2. **Summary of Significant Accounting Policies**

**Basis of Presentation** – The financial statement presentation follows the requirements of the Financial Accounting Standards Board ("FASB") in its Accounting Standards Codification ("ASC") No. 958-205 which provides guidance for the classification of net assets. The amounts for each of the three classes of net assets are based on the existence or absence of donor-imposed restrictions described as follows:

*Unrestricted* – Net assets of the Center whose use has not been restricted by an outside donor or by law. They are available for any use in carrying out the operations of the Center.

*Temporarily Restricted* – Net assets of the Center whose use has been limited by donor-imposed stipulations that either expire with the passage of time or can be fulfilled and removed by action of the Center. 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 and changes in net assets, as net assets released from restrictions.

*Permanently Restricted* – Net assets of the Center whose use has been permanently limited by donor imposed restrictions. Such assets include contributions required to be invested in perpetuity, the income from which is available to support charitable purposes designated by the donors.

In accordance with FASB ASC No. 958-605-45-4 the Center consistently reports contributions to the extent that the restrictions have been met as unrestricted support, similar to their policy for reporting investment gains and income.

**Cash and Cash Equivalents** – For purposes of the statement of cash flows, the Center considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Pursuant to a Board of Directors resolution, the Seniors Trips and Tours account is considered a designated cash account to be used only for trips and tours for senior citizens. Although the fund is not legally restricted, it will only be used for the purpose for which it was designated. At December 31, 2015 and 2014, the balance in the account was \$491.

**Investments** – Investments are in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Realized and unrealized gains and losses on investments are reported in the statement of activities as increases or decreases in unrestricted net assets unless their use is temporarily or permanently restricted by explicit donor stipulation or by law.

THE LIFE ENRICHMENT CENTER AT OYSTER BAY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014

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**Accounts Receivable** – Accounts receivable are stated net of an allowance for uncollectible accounts. The allowance is determined by management review of receivable balances at year-end. Accounts considered doubtful are reflected in the allowance amount with an offsetting entry to the bad debt expense account. At December 31, 2015 there is an allowance for doubtful accounts in the amount of \$9,139.

**Unconditional Promises to Give** – Contributions are recognized when the donor makes a promise to give to the Center that is, in substance, unconditional and are recorded when received. Unconditional promises to give are expected to be collected in the next year and are recorded at their net realizable value. The Center uses the allowance method to determine uncollectible promises receivable. The allowance is based on prior years' experience and management's evaluation of potential uncollectible promises receivable at year end. No amounts are considered uncollectible at December 31, 2015 and 2014.

**Property & Equipment** – Property and equipment are stated at cost or at their estimated fair value if donated. It is the Center's policy to capitalize expenditures for these items in excess of \$1,000. Lesser amounts are expensed. Depreciation is provided on the double-declining method over the estimated useful life of the asset. The estimated useful lives of assets are as follows:

<u>Asset</u>	<u>Life</u>
Building	39 Years
Building Improvements	15-39 Years
Transportation Equipment	5 Years
Furniture, Fixtures & Equipment	5 Years

**Contributions** – Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence or nature of any donor restrictions.

**Revenue Recognition** – Revenue is recognized as earned and, where applicable, based on the terms of contractual agreements. Deferred revenues arise from payments received in advanced of revenue recognition.

**Income Taxes** – The Center is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. The Center is subject to income taxes only on net unrelated business income. The Center did not have any unrelated business income for the years ended December 31, 2015 and 2014.

The Center's accounting policy provides that a tax expense or benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits. The Center has no uncertain tax positions resulting in an accrual of tax expense or benefit.

The Center's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending 2012, 2013 and 2014 are subject to examination by the IRS, generally for three years after they were filed.

**Basis of Accounting** – The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with generally accepted accounting principles.

THE LIFE ENRICHMENT CENTER AT OYSTER BAY  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2015 AND 2014

**Estimates** – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the certain reported amounts and disclosures. Actual results could differ from those estimates.

**Functional Allocation of Expenses** – Expenses incurred in providing the various program and support services are summarized on a functional basis in the statement of activities and detailed in the statement of functional expenses. Expenses directly identifiable by purpose are charged to the program or supporting services. Expenses, which are not directly identifiable by program or supporting services, are allocated based on estimates of the portion of the cost related to each function.

**Reclassifications** – Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

**Subsequent Events** – The Center has evaluated events and transactions for potential recognition or disclosure through September 2, 2016, the date the financial statements were available to be issued.

**3. Donated Services and In-Kind Contributions**

The Center has recorded \$12,000 of in-kind contributions for use of a building. The Center also recorded \$37,166 of in-kind contributions for payment to a vendor for the purchase of a van. A substantial number of volunteers have donated significant amounts of their time to the Center’s program services, administration functions and in its fundraising efforts. These services do not meet the criteria for recognition as contributed services.

**4. Investments**

The investments consist of investments in corporate bond accounts and are carried at fair value. Investments are as follows:

	<u>2015</u>	
	<u>Fair Market Value</u>	<u>Cost</u>
Stocks	\$ 500,526	\$ 521,786
Mutual Funds	454,566	468,021
Total	<u>\$ 955,092</u>	<u>\$ 989,807</u>
	<u>2014</u>	
	<u>Fair Market Value</u>	<u>Cost</u>
Stocks	\$ 556,967	\$ 554,879
Mutual Funds	443,535	446,122
Total	<u>\$ 1,000,502</u>	<u>\$ 1,001,001</u>

Investment Income consists of the following:

	<u>2015</u>	<u>2014</u>
Interest & Dividends	\$ 19,151	\$ 29,651
Capital Gain Distributions	4,134	6,138
Realized Gains on Investments	(15,143)	23,723

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 NOTES TO FINANCIAL STATEMENTS  
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Unrealized Losses on Investments	\$ (34,034)	\$ (6,299)
Investment Expenses & Fees	<u>(10,872)</u>	<u>(6,826)</u>
Total	<u>\$ (36,764)</u>	<u>\$ 46,387</u>

5. **Fair Value**

FASB ASC 820, Fair Value Measurement, establishes a framework for measuring fair value that provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are summarized as follows:

**Level 1** – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan can access.

**Level 2** – Inputs to the valuation methodology include:

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

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

**Level 3** – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability’s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs. Although the degree of judgment exercised by the Center in determining fair value is greatest for investments categorized in Level 3, the inputs or methodology used for valuing investments are not necessarily an indication of the risk associated with those investments.

The Center’s investments at fair value as of December 31, 2015 and 2014 are classified at Level 1.

6. **Unconditional Promises to Give**

Unconditional promises to give at December 31, 2015 are as follow:

Receivable in Less than 1 Year	\$ 100,000
Receivable in 1 – 5 Years	<u>100,000</u>
Total Unconditional Promises to Give	200,000
Less: Discounts to Net Present Value	<u>(3,609)</u>
Net Unconditional Promises to Give	<u>\$ 196,391</u>

Discount rates used on long-term promises to give range from 1 to 2 percent in 2015 and 2014.

THE LIFE ENRICHMENT CENTER AT OYSTER BAY  
 NOTES TO FINANCIAL STATEMENTS  
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**7. Property & Equipment**

A summary of property and equipment and leasehold improvements are as follows:

	<u>2015</u>	<u>2014</u>
Building	\$ 2,259,733	\$ 2,259,733
Building Improvements	97,016	94,216
Transportation Equipment	120,347	73,890
Furniture, Fixtures & Equipment	<u>44,709</u>	<u>43,822</u>
	2,521,805	2,471,661
Less: Accumulated Depreciation	<u>(1,169,873)</u>	<u>(1,089,934)</u>
Property & Equipment, Net	<u>\$ 1,351,932</u>	<u>\$ 1,381,727</u>

Depreciation expense for the years ended December 31, 2015 and 2014 was \$79,938 and \$78,616, respectively.

**8. Line of Credit**

At December 31, 2015, the Center has an available line of credit in the amount of \$558,324 which is equal to the loan value of the pledged collateral less outstanding loan balances in the amount of \$92,000. The credit line is secured by the Center's investments, payable on demand and carry a variable interest rate of 2.68% at December 31, 2015.

**9. Commitment**

The Center entered into a non-cancelable operating lease agreement for equipment and building use. Rent expense under this lease amounted to approximately \$17,490 for the year ended December 31, 2015. The following is a schedule by years of future minimum rentals:

Year Ending December 31,

2016	\$ 17,490
2017	17,490
2018	3,090
2019	<u>1,802</u>
	<u>\$ 39,872</u>

**10. Retirement and Pension Plans**

The Center offers its employees the opportunity to participate in a 403(b) retirement plan designed to provide benefits for full and part-time employees who meet certain age and service requirements. This program permits employees to save for their retirement through pre-tax payroll deductions. The Center does not match employees' contributions.

The Center also sponsors a Simplified Employee Pension Plan, for full and part-time employees who have been employed for 3 or more years. Annually, the Board will determine how much to contribute. Since 2002, the Board has decided to contribute 5% of eligible salaries per year. The total pension expense for the years ended December 31, 2015 and 2014 is \$13,032 and \$12,967, respectively.

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NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014

**11. Temporarily Restricted Net Assets**

During the year ending December 31, 2015, temporarily restricted contributions were provided and used by the Center. The remaining temporarily restricted net assets are available for the following purposes:

Dolan Foundation Pledge (net of discount)	\$ 196,391
O'Neill Endowment	4,296
Total	<u>\$ 200,687</u>

**12. Endowment Funds**

The vast majority of the endowment contains funds which are unrestricted and set up to be used to help provide financial security to the organization. These assets are held in the Angela P. Koenig Fund and Garland Funds account. Distributions can be made for operating purposes from this account up to 4% per year without the approval of the full Board and additional allowances above 4% at the Board's discretion. Calculations of such distributions are to be made annually according to the net asset value as of December 31, 2015.

The value of the fund as of December 31, 2015 was \$887,004 and \$35,480 is available to be transferred to operations.

The DBSC account has been designated by the Board as special purpose account and any distributions from it are to be dedicated to the maintenance of the building and facility of the organization. Distributions from this account may not exceed 4.5% of the net asset value.

The value of this fund at December 31, 2015 was \$42,520.

Permanently restricted net assets at December 31, 2015 consist entirely of assets of the O'Neill Endowment Fund which is to be used for building operations. Donors of assets to the O'Neill Endowment Fund have stipulated that any distributions from that account will be restricted. Such annual distributions may not exceed 4.5% of a 3 year moving average of the principal calculated quarterly.

The value of this fund at December 31, 2015 was \$94,522 and \$4,296 is available to be transferred to operations and has been recorded as temporarily restricted net assets as of December 31, 2015.

The Center has adopted investment and spending policies for endowment assets that attempt to subject the fund to low investment risk and provide The Center with current income. Endowment assets are invested in money market, stock and mutual funds.

Highest emphasis should be placed on meeting the financial obligations of the Center. As such, the Center regards spending in dollar terms from year to year as inflexible. While spending is inflexible, and therefore relatively consistent and predictable, expected investment returns from "riskier" portfolios are not consistent and predictable. Therefore, in order to reduce the likelihood of underperformance and excessive deterioration of real principal during such periods, the Center must tend toward a more "conservative" investment strategy.

The amount of the distributions in order to meet the Center's financial obligations is currently about \$40,000 per year. Generally, the amount available for appropriation during each fiscal year will be

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 NOTES TO FINANCIAL STATEMENTS  
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withdrawn from the account entitled Koenig and Garland Funds. Such amount shall be calculated by applying the policy spend rate of 4.0% to the market values at fiscal year-end.

The compositions of endowment net assets for this fund and the changes in endowment net assets as of December 31, 2015 and 2014 are as follows:

	<u>2015</u>			<u>Total</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	
Endowment Net Assets, January 1, 2015	\$ 1,008,032	\$ 4,168	\$ 86,608	\$ 1,098,808
Contributions	-	4,296	-	4,296
Investment Income	(1,998)	-	(732)	(2,730)
Net (Depreciation)	(32,648)	-	(1,385)	(34,033)
Amounts appropriated for expenditure	<u>(33,832)</u>	<u>(4,168)</u>	<u>(4,296)</u>	<u>(42,296)</u>
Endowment Net Assets	<u>\$ 939,554</u>	<u>\$ 4,296</u>	<u>\$ 80,195</u>	<u>\$ 1,024,045</u>
		<u>2014</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment Net Assets, January 1, 2014	\$ 1,008,200	\$ 4,049	\$ 86,613	\$ 1,098,862
Contributions	3,103	4,168	-	7,271
Investment Income	44,364	-	9,278	53,642
Net (Depreciation)	(1,184)	-	(5,115)	(6,299)
Amounts appropriated for expenditure	<u>(46,451)</u>	<u>(4,049)</u>	<u>(4,168)</u>	<u>(54,668)</u>
Endowment Net Assets	<u>\$ 1,008,032</u>	<u>\$ 4,168</u>	<u>\$ 86,608</u>	<u>\$ 1,098,808</u>

As of December 31, 2015, the total endowment is made up of marketable securities in the amount of \$955,092 and money market accounts in the amount of \$68,953 that are recorded as cash and cash equivalents.

**13. Subsequent Events**

Through August 2016, the Center has borrowed from their line of credit in the amount of \$180,000 at interest rates ranging from 2.5% through 2.75%.

THE LIFE ENRICHMENT CENTER AT OYSTER BAY  
SCHEDULE OF PUBLIC SUPPORT AND REVENUE  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
<u>Government Funding &amp; Grants</u>		
Town of Oyster Bay	\$ 13,000	\$ 13,000
Nassau County Department of Senior Citizen Affairs	204,378	201,477
New York State Grant - Levine	15,000	15,000
Total Government Funding & Grants	<u>232,378</u>	<u>229,477</u>
<u>Contributions</u>		
Public Contributions	23,650	28,251
In Kind Contributions	49,166	18,905
Total Contributions	<u>72,816</u>	<u>47,156</u>
<u>Foundations and Chests</u>	<u>169,678</u>	<u>357,595</u>
<u>Special Events (Net of Direct Costs of \$39,491)</u>	<u>87,264</u>	<u>114,344</u>
<u>Program Income</u>		
Silver Threads	14,574	16,001
Activities	11,848	11,320
Door Contributions	24,221	23,086
Adult Day Care	234,845	221,327
Fitness Center & Exercise Classes	29,442	33,576
Building Use	150	3,250
After Hours Membership & Income	20,054	22,129
Other Program Income	11,738	15,029
Total Program Income	<u>346,872</u>	<u>345,718</u>
<u>Investment Income</u>		
Interest & Dividends	19,151	29,651
Capital Gain Distributions	4,134	6,138
Realized Gains (Losses)	(15,143)	23,723
Unrealized Gains (Losses) on Marketable Securities	(34,034)	(6,299)
Less: Investment Expenses & Fees	(10,872)	(6,826)
Total Investment Income	<u>(36,764)</u>	<u>46,387</u>
<u>Total Public Support &amp; Revenue</u>	<u>\$ 872,244</u>	<u>\$ 1,140,677</u>

See accompanying notes to the financial statements.