

**ACKERMAN INSTITUTE
FOR THE FAMILY**

**Financial Statements
for the year ended
June 30, 2017
(with summarized
comparative information for 2016)**

Independent Auditor's Report

To the Board of Directors of
Ackerman Institute for the Family

We have audited the accompanying financial statements of the Ackerman Institute for the Family which comprise the statement of financial position as of June 30, 2017 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 in the first paragraph on the previous page present fairly, in all material respects, the financial position of Ackerman Institute for the Family as of June 30, 2017 and the results of its activities 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 Ackerman Institute for the Family's 2016 financial statements, and our report dated December 13, 2016, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented as of and for the year ended June 30, 2016 is consistent, in all material respects, with the financial statements from which it has been derived.

Courby O'Meara McElroy & Donnelly LLP

ACKERMAN INSTITUTE FOR THE FAMILY

Statement of Financial Position
June 30, 2017 and June 30, 2016

Assets

	2017			2016				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Current assets								
Cash and cash equivalents	\$ 2,521,333	\$ 786,759	\$ -	\$ 3,308,092	\$ 2,587,469	\$ 1,079,573	\$ -	\$ 3,667,042
Investments, at fair value	6,274,484	2,120,974	2,773,433	11,168,891	5,718,372	1,242,441	2,773,433	9,734,246
Accounts receivable	130,651	-	-	130,651	112,207	-	-	112,207
Contributions receivable	125,400	4,000	-	129,400	83,100	59,000	-	142,100
Prepaid expenses and other assets	103,873	-	-	103,873	116,788	-	-	116,788
Total current assets	9,155,741	2,911,733	2,773,433	14,840,907	8,617,936	2,381,014	2,773,433	13,772,383
Contributions receivable, net of current portion	-	24,000	-	24,000	-	28,000	-	28,000
Property and equipment, at cost, net of accumulated depreciation	9,985,656	-	-	9,985,656	10,217,758	-	-	10,217,758
Deferred compensation	82,445	-	-	82,445	61,690	-	-	61,690
Total assets	\$ 19,223,842	\$ 2,935,733	\$ 2,773,433	\$ 24,933,008	\$ 18,897,384	\$ 2,409,014	\$ 2,773,433	\$ 24,079,831

Liabilities and Net Assets

Current liabilities								
Accounts payable and accrued expenses	\$ 176,525	\$ -	\$ -	\$ 176,525	\$ 194,811	\$ -	\$ -	\$ 194,811
Accrued salaries and payroll taxes	50,264	-	-	50,264	59,839	-	-	59,839
Deferred tuition and fees revenue	88,773	-	-	88,773	117,968	-	-	117,968
Total current liabilities	315,562	-	-	315,562	372,618	-	-	372,618
Deferred compensation	82,445	-	-	82,445	61,690	-	-	61,690
Total liabilities	398,007	-	-	398,007	434,308	-	-	434,308
Net assets								
Unrestricted	1,890,517	-	-	1,890,517	1,613,479	-	-	1,613,479
Operating	6,949,662	-	-	6,949,662	6,631,839	-	-	6,631,839
Board-designated fund	8,840,179	-	-	8,840,179	8,245,318	-	-	8,245,318
Sub-total								
Net investment in property and equipment	9,985,656	-	-	9,985,656	10,217,758	-	-	10,217,758
Total unrestricted	18,825,835	-	-	18,825,835	18,463,076	-	-	18,463,076
Temporarily restricted	-	2,935,733	-	2,935,733	-	2,409,014	-	2,409,014
Permanently restricted	-	-	2,773,433	2,773,433	-	-	2,773,433	2,773,433
Total net assets	18,825,835	2,935,733	2,773,433	24,535,001	18,463,076	2,409,014	2,773,433	23,645,523
Total liabilities and net assets	\$ 19,223,842	\$ 2,935,733	\$ 2,773,433	\$ 24,933,008	\$ 18,897,384	\$ 2,409,014	\$ 2,773,433	\$ 24,079,831

See notes to financial statements.

ACKERMAN INSTITUTE FOR THE FAMILY

Statement of Activities For the Years Ended June 30, 2017 and June 30, 2016

	2017			2016				
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenue and support								
Grants and contributions	\$ 766,350	\$ 195,000	\$ -	\$ 961,350	\$ 473,772	\$ 247,004	\$ -	\$ 720,776
Special events, net of direct expenses of \$253,204 in 2017 and \$262,288 in 2016	591,157	-	-	591,157	594,193	-	-	594,193
Patient services	593,887	-	-	593,887	482,350	-	-	482,350
Tuition and fees	1,239,929	-	-	1,239,929	1,096,685	-	-	1,096,685
Rental	149,982	-	-	149,982	144,262	-	-	144,262
Investment return, net	468,767	428,507	-	897,274	128,529	210,138	-	338,667
Miscellaneous	10,152	-	-	10,152	8,422	-	-	8,422
Net assets released from restrictions	697,014	(697,014)	-	-	612,774	(612,774)	-	-
Total revenue and support	<u>4,517,238</u>	<u>(73,507)</u>	<u>-</u>	<u>4,443,731</u>	<u>3,540,987</u>	<u>(155,632)</u>	<u>-</u>	<u>3,385,355</u>
Expenses								
Program services								
Clinical services	867,570	-	-	867,570	803,081	-	-	803,081
Education and workshops	2,679,858	-	-	2,679,858	2,372,804	-	-	2,372,804
Total program services	<u>3,547,428</u>	<u>-</u>	<u>-</u>	<u>3,547,428</u>	<u>3,175,885</u>	<u>-</u>	<u>-</u>	<u>3,175,885</u>
Supporting services								
Management and general	444,257	-	-	444,257	428,121	-	-	428,121
Fundraising	322,508	-	-	322,508	300,118	-	-	300,118
Total supporting services	<u>766,765</u>	<u>-</u>	<u>-</u>	<u>766,765</u>	<u>728,239</u>	<u>-</u>	<u>-</u>	<u>728,239</u>
Total expenses	<u>4,314,193</u>	<u>-</u>	<u>-</u>	<u>4,314,193</u>	<u>3,904,124</u>	<u>-</u>	<u>-</u>	<u>3,904,124</u>
Increase (decrease) from operating activities before unrealized gain (loss) on investments	203,045	(73,507)	-	129,538	(363,137)	(155,632)	-	(518,769)
Unrealized gain (loss) on investments	159,714	600,226	-	759,940	(42,694)	(461,699)	-	(504,393)
Increase (decrease) in net assets	362,759	526,719	-	889,478	(405,831)	(617,331)	-	(1,023,162)
Net assets, beginning of year	<u>18,463,076</u>	<u>2,409,014</u>	<u>2,773,433</u>	<u>23,645,523</u>	<u>18,868,907</u>	<u>3,026,345</u>	<u>2,773,433</u>	<u>24,668,685</u>
Net assets, end of year	<u>\$18,825,835</u>	<u>\$ 2,935,733</u>	<u>\$ 2,773,433</u>	<u>\$24,535,001</u>	<u>\$18,463,076</u>	<u>\$ 2,409,014</u>	<u>\$ 2,773,433</u>	<u>\$23,645,523</u>

See notes to financial statements.

**Statement of Functional Expenses
For the Year Ended June 30, 2017
(With Summarized Comparative Information for the Year Ended June 30, 2016)**

	2017						2016
	Program Services		Supporting Services				
	Clinical Services	Education and Workshops	Total Program Services	Management and General	Fundraising	Supporting Services	
Expenses							
Salaries	\$ 526,460	\$ 1,445,229	\$ 1,971,689	\$ 152,243	\$ 195,016	\$ 347,259	\$ 2,318,948
Payroll taxes and fringe benefits	116,318	273,379	389,697	28,411	37,128	65,539	455,236
Honorariums and research	54,284	277,469	331,753	727	6,345	7,072	338,825
Building maintenance and utilities	41,172	134,303	175,475	56,491	19,466	75,957	251,432
Professional fees and consulting	11,441	69,380	80,821	15,698	5,409	21,107	101,928
Materials and office supplies	7,792	35,842	43,634	6,382	2,816	9,198	52,832
Computer system	20,760	36,430	57,190	12,536	9,720	22,256	79,446
Insurance	8,025	26,178	34,203	11,011	3,794	14,805	49,008
Equipment and other leasing	3,788	12,358	16,146	5,198	1,791	6,989	23,135
Telephone	2,092	6,824	8,916	2,870	989	3,859	12,775
Travel, meals, conferences and meetings	3,971	100,747	104,718	2,442	2,187	4,629	109,347
Printing, postage, mailing and advertising	-	22,851	22,851	-	3,472	3,472	26,323
Credit card and finance charges	-	-	-	52,192	-	52,192	52,192
Miscellaneous	2,478	13,820	16,298	3,400	1,756	5,156	21,454
	798,581	2,454,810	3,253,391	349,601	289,889	639,490	3,892,881
Total expenses before depreciation							
Depreciation	68,989	225,048	294,037	94,656	32,619	127,275	421,312
Total expenses	\$ 867,570	\$ 2,679,858	\$ 3,547,428	\$ 444,257	\$ 322,508	\$ 766,765	\$ 4,314,193
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See notes to financial statements.

ACKERMAN INSTITUTE FOR THE FAMILY

Statement of Cash Flows

	For the Years Ended June 30	
	2017	2016
Cash flows from operating activities		
Increase (decrease) in net assets	\$ 889,478	\$ (1,023,162)
Adjustments to reconcile increase (decrease) in net assets to net cash (used in) operating activities		
Depreciation	421,312	411,637
Donated securities	(12,683)	(53,482)
Proceeds from sales of donated securities	12,021	53,078
Realized (gain) on sale of investments	(667,634)	(102,597)
Unrealized (gain) loss on investments	(759,940)	504,393
(Increase) decrease in		
Accounts receivable	(18,444)	(26,653)
Contributions receivable	16,700	36,900
Prepaid expenses and other assets	12,915	(7,277)
Increase (decrease) in		
Accounts payable and accrued expenses	(18,286)	5,309
Accrued salaries and payroll taxes	(9,575)	(16,615)
Deferred tuition and fees revenue	(29,195)	(2,625)
Net cash (used in) operating activities	(163,331)	(221,094)
Cash flows from investing activities		
Purchase of investments	(5,308,731)	(3,838,407)
Proceeds from sales of investments	5,302,322	4,181,275
Acquisition of property and equipment	(189,210)	(105,037)
Net cash provided by (used in) investing activities	(195,619)	237,831
Net increase (decrease) in cash and cash equivalents	(358,950)	16,737
Cash and cash equivalents, beginning of year	3,667,042	3,650,305
Cash and cash equivalents, end of year	\$ 3,308,092	\$ 3,667,042

See notes to financial statements.

ACKERMAN INSTITUTE FOR THE FAMILY

Notes to Financial Statements

June 30, 2017

Note 1 – Nature of organization and summary of significant accounting policies

Nature of organization

Ackerman Institute for the Family (the “Organization”) is a not-for-profit organization which provides innovative couple and family therapy services through its on-site clinic; post graduate training in couple and family therapy for mental health professionals; and cutting edge research that focuses on the development of new treatment models and training techniques.

Basis of presentation

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

Net assets

The Organization’s net assets consist of:

Unrestricted

Unrestricted net assets consist of amounts that can be spent at the discretion of the Organization. The net assets also include those funds that are designated for specific purposes by the Board of Directors.

Board-designated net assets mainly consist of the remaining proceeds from the sale of the building less the purchase and build-out costs for the Organization’s new office space. The Organization uses the earnings from the board-designated fund to pay the condominium common charges each year and other projects approved by the Board of Directors.

Temporarily restricted net assets

Temporarily restricted net assets consist of contributions that are restricted by the donor for a specific purpose or pertain to future periods.

Permanently restricted net assets

Permanently restricted net assets consist of contributions that are restricted by the donor in that the principal must remain in perpetuity.

Contributions

The Organization reports contributions as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor stipulation expires, that is, when a stipulated time restriction ends or the purpose for restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Temporarily restricted contributions are reported as increases in unrestricted net assets if the restrictions are satisfied within the same fiscal year the contributions are received.

ACKERMAN INSTITUTE FOR THE FAMILY**Notes to Financial Statements (continued)****June 30, 2017****Note 1 – Nature of organization and summary of significant accounting policies (continued)****Cash equivalents**

The Organization considers highly liquid investments with an original maturity of 90 days or less to be cash equivalents.

Investments

The Organization reports investments at fair value in the statement of financial position. The fair value of the investments is based on publicly quoted market prices. Realized and unrealized gains and losses are reflected in the statement of activities as increases and decreases in unrestricted net assets unless their use is temporarily restricted by donor stipulation.

Fair value measurements

Accounting principles generally accepted in the United States of America established a fair value hierarchy that prioritizes the inputs used to measure fair value into three broad levels. The Organization's investments are measured using Level 1 inputs, which are defined as quoted prices in active markets for identical assets that the reporting entity has the ability to access at the measurement date.

Allowance for doubtful accounts

As of June 30, 2017, the Organization has determined that its accounts and contributions receivable are all collectible and an allowance for any possible uncollectible receivables is not necessary. Such estimate is based on management's experience, the aging of the receivables, subsequent receipts and current economic conditions.

Property and equipment

Property and equipment are recorded at cost. It is the Organization's policy to capitalize expenditures for those items in excess of \$1,000. Lesser amounts are expensed. Depreciation is being provided on the straight-line method over the estimated useful lives of the assets, which range from 5 to 39 years.

Fees for service revenue

Patient services revenue is reported at the estimated net realizable amounts from patients, third-party payers and other services rendered. Self-pay revenue is recorded at published charges with charitable allowances deducted to arrive at net self-pay revenue. All other patient services revenue is recorded at published charges with contractual allowances deducted to arrive at patient services.

Tuition payments are recorded as revenue over the term of the course. Deferred revenue represents tuition payments received from students in advance of the commencement of a course.

ACKERMAN INSTITUTE FOR THE FAMILY**Notes to Financial Statements (continued)****June 30, 2017****Note 1 – Nature of organization and summary of significant accounting policies (continued)****Rental revenue**

Rental revenue is received from faculty members for use of the Organization's facilities to provide private counseling and is recorded when earned.

Functional expenses

The cost of providing the various programs and other activities has been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

In-kind services

Organizations are required to recognize contributions of services if they create or enhance non-financial assets, or require specialized skills, are provided by individuals possessing those skills and typically would have been purchased if not provided in-kind. Board members and other individuals volunteer their time and perform a variety of tasks that assist the Organization. These services do not meet the criteria to be recorded and have not been included in the financial statements.

Summarized comparative information

The financial statements include certain prior-year summarized comparative information in total but not by functional classification. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2016, from which the summarized information was derived.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements. Actual results could differ from these estimates.

ACKERMAN INSTITUTE FOR THE FAMILY

Notes to Financial Statements (continued)

June 30, 2017

Note 1 – Nature of organization and summary of significant accounting policies (continued)

Concentrations of credit risk

The Organization's financial instruments that are potentially exposed to concentrations of credit risk consist primarily of cash, cash equivalents, investments and receivables. The Organization places its cash and cash equivalents with what it believes to be quality financial institutions. The Organization's investments are exposed to various risks such as interest rate, market volatility, liquidity and credit. Due to the level of uncertainty related to the foregoing, it is reasonably possible that changes in these risks could materially affect the fair value of the investments reported in the statement of financial position as of June 30, 2017. The Organization routinely assesses the financial strength of its holdings in its investment portfolio. The Organization monitors the collectibility of its receivables on an ongoing basis. As a consequence, management believes concentrations of credit risk are limited.

Reclassifications

Certain items in the 2016 financial statements have been reclassified for comparative purposes only.

Subsequent events

The Organization has evaluated events and transactions for potential recognition or disclosure through December 19, 2017, which is the date the financial statements were available to be issued.

Note 2 – Contributions receivable

Contributions receivable consist of the following as of June 30, 2017:

Due in one year	\$ 129,400
Due in one to five years	20,000
Due in more than five years	<u>4,000</u>
Total	<u>\$ 153,400</u>

ACKERMAN INSTITUTE FOR THE FAMILY

Notes to Financial Statements (continued) **June 30, 2017**

Note 3 – Investments

The following is a summary of investments held by the Organization as of June 30, 2017 and June 30, 2016:

	<u>2017</u>		<u>2016</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Equities – domestic	\$ 6,595,127	\$ 8,606,930	\$ 6,120,591	\$ 7,243,375
Fixed income	1,756,717	1,832,473	1,578,232	1,798,976
Mutual funds – equities	<u>734,421</u>	<u>729,488</u>	<u>712,737</u>	<u>691,895</u>
Total	<u>\$ 9,086,265</u>	<u>\$ 11,168,891</u>	<u>\$ 8,411,560</u>	<u>\$ 9,734,246</u>

Net investment return consists of the following for the years ended June 30, 2017 and June 30, 2016:

	<u>2017</u>	<u>2016</u>
Realized gain on sale of investments	\$ 667,634	\$ 102,597
Interest and dividends	<u>297,587</u>	<u>311,354</u>
Sub-total	965,221	413,951
Less investment fees	<u>(67,947)</u>	<u>(75,284)</u>
Total	<u>\$ 897,274</u>	<u>\$ 338,667</u>
Unrealized gain (loss) on investments	<u>\$ 759,940</u>	<u>\$ (504,393)</u>

Note 4 – Property and equipment

A summary of the property and equipment as of June 30, 2017 and June 30, 2016 is as follows:

	<u>2017</u>	<u>2016</u>
Office condominium and improvements	\$ 10,518,907	\$ 10,353,308
Furniture and fixtures	450,850	450,850
Computer and video equipment	<u>454,119</u>	<u>430,508</u>
Total	11,423,876	11,234,666
Less: accumulated depreciation	<u>1,438,220</u>	<u>1,016,908</u>
Total property and equipment	<u>\$ 9,985,656</u>	<u>\$ 10,217,758</u>

ACKERMAN INSTITUTE FOR THE FAMILY**Notes to Financial Statements (continued)****June 30, 2017****Note 5 – Credit line mortgage**

The Organization has available a revolving credit line mortgage note (the “credit line”), comprised of a \$300,000 note secured by a first mortgage on the Organization’s real property and a \$700,000 note secured by an unrecorded second mortgage on the Organization’s real property. The \$700,000 note could be recorded in the event the outstanding borrowings under the credit line exceed \$300,000. The credit line bears interest at the bank’s prime rate plus .75%. The credit line contains certain restrictive covenants, which are defined in the agreement. The Organization is not permitted to incur, create or assume any additional indebtedness without the written consent of the bank, other than those liabilities incurred in the ordinary course of business. The credit line is to expire on January 1, 2018. As of June 30, 2017, there were no outstanding borrowings nor were any amounts borrowed during the 2017 fiscal year under the credit line mortgage.

During November 2017, the Organization obtained a \$1,000,000 revolving line of credit which expires January 1, 2019. Amounts borrowed under the line bear interest at a fixed rate of 3% per annum. The line of credit contains a restrictive borrowing covenant as outlined in the agreement and is collateralized by a money market account held with the lender for the Organization totaling approximately \$1,000,000.

Note 6 – Endowments and restricted net assets

The Organization’s endowment consists of three individual funds established for specific purposes. Its endowment includes donor-restricted endowment funds. Under the New York Prudent Management of Institutional Funds Act (NYPMIFA), the provisions of which apply to endowment funds, the Organization is required to act prudently when making decisions to spend or accumulate donor restricted endowment assets and in doing so to consider a number of factors including the duration and preservation of its donor restricted endowment funds. The Organization classifies as permanently restricted net assets the original value of gifts donated to the permanent endowment.

Permanently restricted net assets

These net assets represent contributions and bequests made that are restricted to investment in perpetuity. Under the Ruth Perl Kahn Fund stipulations, investment revenue earned on such fund is recorded as temporarily restricted and added to the respective fund balance. In addition, the donor stipulations permit the expenditure of up to 5% of the fair value of the funds to be used for operations. The Board appropriates the expenditure of the temporarily restricted investment revenue by the annual budget.

Funds with deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Organization to retain as a fund of perpetual duration. In accordance with accounting principles generally accepted in the United States of America, deficiencies of this nature are reported in unrestricted net assets. There were no permanent endowment fund deficiencies as of June 30, 2017.

ACKERMAN INSTITUTE FOR THE FAMILY

Notes to Financial Statements (continued) June 30, 2017

Note 6 – Endowments and restricted net assets (continued)

Temporarily restricted net assets

Temporarily restricted net assets activity for the year ended June 30, 2017 is as follows:

	Balance at June 30, 2016	Contributions	Transfers	Investment Return, Net	Net Assets Released from Restrictions	Balance June 30, 2017
CKCC Projects	\$ 274,084	\$ -	\$ -	\$ -	\$ (254,655)	\$ 19,429
Ruth Perl Kahn Fund	1,226,855	-	-	880,346	(153,654)	1,953,547
Bright Beginning Program	3,289	100,000	-	-	(98,076)	5,213
Schoolman	3,367	-	-	-	-	3,367
Relational Trauma Scholarship Program	49,388	60,000	-	-	(46,776)	62,612
Maslow Scholarship Fund	153,194	-	(41,150)	-	(25,000)	87,044
Center for Work & Family	141,993	-	-	50,272	(27,845)	164,420
Center for Families & Wealth	5,205	-	-	-	-	5,205
Center for Alcohol & Substance Abuse	500	-	-	-	-	500
Brownstone Fellowship	7,795	-	-	-	(1,402)	6,393
Emergency Fund	38,429	-	-	-	(3,720)	34,709
Adolescent Program	3,265	-	-	-	-	3,265
Tina Fund	5,695	-	-	-	(436)	5,259
Gender & Family	3,000	-	-	-	-	3,000
General operations	331,200	-	-	-	-	331,200
Challenge Grant Gift	74,500	-	-	-	(31,500)	43,000
International Training	20,458	-	-	98,115	(43,748)	74,825
Foster Care	1,000	-	41,150	-	-	42,150
Justice Project	5,977	5,000	-	-	(10,202)	775
Total	59,820	30,000	-	-	-	89,820
	<u>\$2,409,014</u>	<u>\$ 195,000</u>	<u>\$ -</u>	<u>\$ 1,028,733</u>	<u>\$ (697,014)</u>	<u>\$ 2,935,733</u>

ACKERMAN INSTITUTE FOR THE FAMILY

Notes to Financial Statements (continued)

June 30, 2017

Note 6 – Endowments and restricted net assets (continued)

The following is a summary of the Ruth Perl Kahn Fund, Maslow Scholarship Fund and the Challenge Grant Gift as of June 30, 2017 and June 30, 2016:

	2017		
	Temporarily Restricted	Permanently Restricted	Total
Ruth Perl Kahn Fund	\$ 1,953,547	\$ 1,773,433	\$ 3,726,980
Maslow Scholarship Fund	164,420	-	164,420
Challenge Grant Gift	74,825	1,000,000	1,074,825
Total	<u>\$ 2,192,792</u>	<u>\$ 2,773,433</u>	<u>\$ 4,966,225</u>

	2016		
	Temporarily Restricted	Permanently Restricted	Total
Ruth Perl Kahn Fund	\$ 1,226,855	\$ 1,773,433	\$ 3,000,288
Maslow Scholarship Fund	141,993	-	141,993
Challenge Grant Gift	20,458	1,000,000	1,020,458
Total	<u>\$ 1,389,306</u>	<u>\$ 2,773,433</u>	<u>\$ 4,162,739</u>

Note 7 – Commitment and contingency

Employee agreement

The Organization is obligated under an agreement with a key employee for three years, which commenced August 1, 2015. The agreement provides for certain termination provisions.

Government programs

Government supported programs are subject to audits by the granting agency.

Note 8 – Related party transactions

A member of the Board of Directors is a principal in a brokerage firm that manages several of the Organization's investment funds. Nominal fees in the nature of cost recovery were paid to the brokerage firm during the 2017 and 2016 fiscal years. Furthermore, a second member of the Board of Directors is in senior management of a brokerage firm that functions as a custodian for a portion of the Organization's investment funds. Nominal fees in the nature of cost recovery were paid to the brokerage firm during the 2017 and 2016 fiscal years.

ACKERMAN INSTITUTE FOR THE FAMILY**Notes to Financial Statements (continued)****June 30, 2017****Note 9 – Retirement plans****403(b) plan**

All eligible employees of the Organization can participate in the 403(b) savings plan (the “savings plan”). An eligible employee may contribute a portion of his/her compensation in accordance with Internal Revenue Service regulations. The Organization matches the participants’ contributions to the savings plan up to 10% of the individual participants’ contributions after one year of service. The savings plan expense for the years ended June 30, 2017 and June 30, 2016 was \$13,737 and \$15,323, respectively.

Defined contribution plan

The Organization also has a defined contribution retirement plan (the “retirement plan”) for all eligible employees. The Organization does not contribute to the retirement plan.

Deferred compensation plan

The Organization maintains a non-qualified 457(b) deferred compensation plan (the “plan”) for a key employee. For the years ended June 30, 2017 and June 30, 2016, the Organization contributed \$15,000 to the plan. The assets of the plan remain assets of the Organization until paid to the key employee.

Note 10 – Tax status

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the “Code”). In addition, the Organization has been determined by the Internal Revenue Service to be a publicly supported organization, and not a private foundation within the meaning of Section 509(a)(2) of the Code. Donors are eligible to receive the maximum charitable tax deductions available for public charities under the Code.